HOUSE OF COMMONS DEBATES

OFFICIAL REPORT

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HOUSE OF COMMONS

Wednesday, October 27, 1982

The House met at 2 p.m.

• (1405)

[*English*]

NEW MEMBERS

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

Of Mrs. Jennifer Cossitt, for the electoral district of Leeds-Grenville.

Of Miss Lynn McDonald, for the electoral district of Broadview-Greenwood.

Of Mr. John MacDougall, for the electoral district of Timiskaming.

* * *

NEW MEMBERS INTRODUCED

Jennifer Cossitt, Member for the electoral district of Leeds-Grenville, introduced by the Right Hon. Joe Clark and the Hon. Walter Baker.

Lynn McDonald, Member for the electoral district of Broadview-Greenwood, introduced by the Hon. Edward Broadbent and Mr. Neil Young.

John MacDougall, Member for the electoral district of Timiskaming, introduced by the Right Hon. Joe Clark and Mr. Paul Dick.

MOTIONS UNDER S.O. 43

[*English*]

LABOUR CONDITIONS

WEST COAST WORK STOPPAGE

Mr. Gordon Taylor (Bow River): Madam Speaker, I rise under the provisions of Standing Order 43 on a matter of urgent and pressing necessity. Whereas the work stoppage on the West Coast is paralysing the grain industry in western Canada and actually crippling the economy throughout Canada, I move, seconded by the Hon. Member for Crowfoot (Mr. Malone):

That the Government order everyone involved in the West Coast work stoppage back to work at once and back to the bargaining table immediately and, if agreement is not reached in 90 days, the matter should be brought back to Parliament for appropriate action.

Madam Speaker: Is there unanimous consent for this motion?

Some Hon. Members: Agreed.

Some Hon. Members: No.

* * *

• (1410)

SPORTS

HOSTING OF 1986 WORLD CUP SOCCER CHAMPIONSHIP TOURNAMENT

Mr. Joe Reid (St. Catharines): Madam Speaker, the withdrawal of Columbia from the hosting of the 1986 World Cup Soccer Championship opens the way for Canada to focus world spotlight on this nation in a favourable way, and to promote a sport experiencing phenomenal growth here at home and internationally recognized as one permitting mass participation with significant benefits to the health and fitness of all those who do participate. I therefore move, under the provisions of Standing Order 43, seconded by the Hon. Member for Erie (Mr. Fretz):

That the Government of Canada make every effort to assist and co-operate with the Canadian Soccer Association in bringing to Canada the 1986 World Soccer Cup Championship Tournament.

Madam Speaker: Is there unanimous consent for this motion?

Some Hon. Members: Agreed.

Some Hon. Members: No.

Madam Speaker: The Hon. Member for Leeds-Grenville (Mrs. Cossitt).

Some Hon. Members: Hear, hear!

* * *

UNEMPLOYMENT

LAY-OFFS IN LEEDS-GRENVILLE

Mrs. Jennifer Cossitt (Leeds-Grenville): Madam Speaker, I rise on a matter of urgent and pressing necessity. Given that a number of my constituents who have never before been unemployed are now being laid off in record numbers in Leeds-

S.O. 43

Grenville, I move, seconded by the Hon. Member for Nepean-Carleton (Mr. Baker):

That the Prime Minister respond immediately to this devastating, deplorable and tragic situation by introducing concrete, specific employment measures to halt this disastrous trend of increasing unemployment and also to put the people of Leeds-Grenville and this nation back to work.

Madam Speaker: Is there unanimous consent for this motion?

Some Hon. Members: Agreed.

Some Hon. Members: No.

* * *

LABOUR CONDITIONS

WEST COAST PORTS LOCK-OUT

Mr. Les Benjamin (Regina West): Madam Speaker, I rise on a matter of urgent and pressing necessity under the provisions of Standing Order 43. In view of the adverse effect the lock-out in the British Columbia ports is having on many sectors of an economy that is already depressed, we welcome the news that the employer's association and the longshoremen are resuming negotiations this afternoon. I therefore move, seconded by the Hon. Member for Vancouver East (Mrs. Mitchell):

That this House calls upon the two parties to carry out continuous negotiations until a settlement is reached.

Madam Speaker: Is there unanimous consent for this motion?

Some Hon. Members: Agreed.

Some Hon. Members: No.

* * *

EXTERNAL AFFAIRS

POLAND—CONDEMNATION OF GOVERNMENT ACTION AGAINST SOLIDARITY MOVEMENT

Mr. Jesse P. Flis (Parkdale-High Park): Madam Speaker, I rise, seeking the attention of all Hon. Members of this House, on a matter of urgent and pressing necessity under the terms of Standing Order 43. Recent events in Poland have been shocking. On October 8, 1982, the Polish Government de-legalized the Solidarity Union in Poland, a union which received widespread support from the Polish people. In view of Canada's strong support of major international human rights agreements, I move, seconded by the Hon. Member for Edmonton North (Mr. Paproski) and the Hon. Member for Dauphin (Mr. Lewycky):

That this House express its strong concern and indignation at the action of the Polish Government with regard to the de-legalizing of the Solidarity Union Movement.

Madam Speaker: Is there unanimous consent for this motion?

Some Hon. Members: Agreed.

● (1415)

Mr. Flis: I would just like to take this opportunity to thank all three parties in this Parliament for supporting this motion. Two years ago the whole world rejoiced as the Polish government recognized the independent union, Solidarity. This month people around the world were shocked because Solidarity unions were delegalized. Mr. Walesa is still interned. Many of the Solidarity members are still interned. The country is still under martial law.

I know, Madam Speaker, it is not up to this Parliament to tell the Parliament of Poland what to legislate and what not to legislate, but it is the duty of this Parliament to express our strong objections when another country signs agreements on protecting people's human rights and then does not live up to these agreements. This is why, Madam Speaker, I thank all parties for supporting this motion.

Hon. John C. Crosbie (St. John's West): I rise, Madam Speaker, to support the motion and, of course, it is with a feeling of regret that it is only a motion moved by a government backbencher and seconded by backbenchers on this side. We lament and regret the total lack of action by the Government of Canada as represented by the Prime Minister (Mr. Trudeau) in connection with the dissolution of Solidarity by the Polish government several weeks ago, and the failure to express any opposition to it.

I refer, Madam Speaker, to a release that was issued by the Government on February 23, 1982, in connection with the Polish situation. After applying some very weak sanctions to the Polish government because of the situation in Poland, ministers urged the Polish government to live up to its declared intention to re-establish civil liberties. They called upon the Polish authorities to end the state of martial law. They called upon the Polish government to release those arrested. They called upon the Polish government to restore immediately a dialogue with the Church and Solidarity.

Since the government made those pious statements it has taken no action to try to encourage the Polish government to take any of those steps. None of those steps have been taken, to the regret of us on this side of the House who feel that much sterner sanctions should have been taken. Now we have a situation where, despite these pious platitudes by the Government of Canada and the Secretary of State for External Affairs (Mr. MacEachen), not only are civil liberties not re-established, not only is there no dialogue between the Church and Solidarity, but Solidarity is abolished. Lech Walesa is still in prison, martial law is still in effect, and our government takes no further steps to indicate our disapproval of the Polish authorities for ignoring their obligations under the Helsinki Agreement.

We have already made suggestions that some more effective sanctions should have been taken, so we support this resolu-

tion. We regret that the resolution is not one that apparently finds favour with the government in the sense that it is going to take any action to express abhorrence or to impose further sanctions that might be effective in encouraging the Polish government to re-establish civil liberties in that country.

Mr. Laverne Lewycky (Dauphin): Madam Speaker, the New Democratic Party welcomes this opportunity to support this very positive motion. I think it indicates that our Parliament is concerned. We want to demonstrate this concern.

We are grateful that all three parties have supported this motion. I think we do have a moral responsibility. There are many Canadians who have friends and relatives in Poland, and they are legitimately concerned. Therefore, for our part we want to express our wholehearted support for this motion.

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

Some Hon. Members: Agreed.

Motion agreed to.

* * *

THE ECONOMY

FORMULATION OF INDUSTRIAL STRATEGY

Mr. Girve Fretz (Erie): Madam Speaker, whereas the rate of unemployment in the constituency of Erie is currently at an intolerably high level, and the number of unemployment insurance claimants has dramatically risen in the communities of Port Colborne and Erie by 112 per cent since October, 1981, due to the failure of the Liberal Government's policy to provide stimulus to the economy, I move, seconded by the Hon. Member for St. Catharines (Mr. Reid):

That the Liberal Government immediately formulate an industrial strategy designed to increase employment and stimulate the economy, thereby helping to ease the suffering of those who have been victimized by the Government's failure to take this action in the past.

Madam Speaker: Is there unanimous consent for this motion?

Some Hon. Members: Agreed.

Some Hon. Members: No.

● (1420)

PADLOCKING OF BUSINESS DOORS

Mr. Fred King (Okanagan-Similkameen): Madam Speaker, the Prime Minister, in his third address, made a direct appeal to bankers, who see small business men struggling to keep the doors open, to ask themselves what will be served by a bailiff's padlock. I therefore move, seconded by the Hon. Member for Prince George-Bulkley Valley (Mr. McCuish):

That, taking note that at this very moment officials of Revenue Canada and of the Federal Business Development Bank are in the process of padlocking business doors in Okanagan-Similkameen and throughout Canada, this House enjoins the Prime Minister and the Government of Canada to instruct officials of

Revenue Canada, the Federal Business Development Bank, and other agencies of government, to heed the Prime Minister's admonition to, and I quote the Prime Minister, "Take a chance on a Canadian."

Madam Speaker: Is there unanimous consent for this motion?

Some Hon. Members: Agreed.

Some Hon. Members: No.

* * *

UNEMPLOYMENT

CONDEMNATION OF GOVERNMENT

Mr. Blaine A. Thacker (Lethbridge-Foothills): Madam Speaker, between 1951 and 1966 seven million Canadians were born and are generally known as the "baby boom". The Liberal Government has known about them for years, yet the National Energy Program and all of the budgets since 1980 have destroyed the business climate and reduced the number of jobs for them to fill. As a result, youth unemployment is now 21 per cent. Therefore I move, seconded by the Hon. Member for Don Valley West (Mr. Bosley):

That the Liberal Government and Liberal Party stand condemned for their arrogant and callous disregard for the future of our young Canadians.

Madam Speaker: Is there unanimous consent for this motion?

Some Hon. Members: Agreed.

Some Hon. Members: No.

* * *

EXTERNAL AFFAIRS

GUATEMALA—SUGGESTION BANK LOAN BE OPPOSED

Mr. Bob Ogle (Saskatoon East): Madam Speaker, I rise under the provisions of Standing Order 43 on a matter of urgent and pressing necessity.

The Inter-American Development Bank will soon be voting on an $18 million loan to Guatemala. As a member of the Bank, Canada is able to vote on that loan. In Guatemala in recent months human rights violations have increased, and I specifically cite the horrifying increase in extra-judicial executions. In view of this fact I move, seconded by the Hon. Member for Winnipeg-Birds Hill (Mr. Blaikie):

That the Minister of External Affairs instruct the Canadian Executive Director at the Inter-American Development Bank to vote against the granting of the proposed $18 million loan to Guatemala.

Madam Speaker: Is there unanimous consent for this motion?

Some Hon. Members: Agreed.

Some Hon. Members: No.

Oral Questions

EMPLOYMENT

APPOINTMENT OF NEW MINISTER REQUESTED

Mr. Stan Darling (Parry Sound-Muskoka): Madam Speaker, on Monday of this week a press release was issued by the office of the Minister of Employment and Immigration designating the week of November 1 to November 7 as Canada Career Week.

It is sad that on a day when the over-all level of unemployment has passed the 1.25 million mark, when the number of discouraged Canadians who have given up even looking for work is estimated to have risen some 95 per cent on a year-to-year-basis, when the vast majority of the potential work force of Canada is thinking not in terms of a career but just in terms of a job, a pay cheque—anything—one really must condemn the Minister's slip out of reality, passing through his own private looking-glass to the happier, more pleasant domains of the land of make-believe.

I therefore move, seconded by the Hon. Member for Timiskaming (Mr. MacDougall):

That the Right Hon. Prime Minister be requested to bring in, in his place, a minister of employment and immigration who is at least aware of what is going on in the country around him.

Madam Speaker: Is there unanimous consent for this motion?

Some Hon. Members: Agreed.

Some Hon. Members: No.

ORAL QUESTION PERIOD

[*English*]

WELFARE

ALL-PARTY COMMITTEE RECOMMENDATIONS—GOVERNMENT POSITION

Right Hon. Joe Clark (Leader of the Opposition): Madam Speaker, my question is directed to the Prime Minister who will be aware that over the next nine months over 600,000 Canadians will be exhausting their unemployment insurance benefits and be forced to go on welfare or take other extreme action. The Prime Minister will know that today, and every day this month, 175 Canadians a day are already being forced to turn to welfare because their unemployment insurance benefits have run out.

The Prime Minister has recently spoken of co-operation. He would know about the all-party report on federal-provincial fiscal relations in Canada. In the spirit of co-operation and of helping Canadians in need, will the Prime Minister agree now to accept the all-party committee recommendations, first, to create a special job-creation fund for those provinces where the welfare rolls are higher than average and, second, to increase the federal government's contribution to the Canada Assistance Plan in those provinces?

• (1425)

Right Hon. P. E. Trudeau (Prime Minister): Madam Speaker, the Leader of the Opposition has drawn attention to a very serious problem affecting the country, the economic performance and, certainly, the welfare of thousands of people. The Government has been addressing this question very seriously in the past weeks. The Minister of Employment and Immigration and the Minister of Finance particularly have enjoined the Government to act in this direction.

I cannot assure the Leader of the Opposition that we will follow exactly the ways recommended by the all-party committee, but I do want to assure him that that problem will be addressed no later than today by the Minister of Finance and, on subsequent occasions, by the Minister of Employment and Immigration.

Mr. Clark: Madam Speaker, it is the Prime Minister who is in the practice of drawing attention to problems. I have drawn attention to two specific solutions that were proposed unanimously by an all-party committee of this House. It is time that the Prime Minister of Canada, instead of simply outlining the problems of the country, began to address specific solutions to those problems.

* * *

FINANCE

CAPITAL COST ALLOWANCES—REQUEST FOR CHANGE IN BUDGET PROVISIONS

Right Hon. Joe Clark (Leader of the Opposition): Let me make another specific, constructive proposal to the Prime Minister and see if he will respond to it. The Prime Minister will know that the budget provisions of his Government have driven billions of dollars of investment out of the country and have caused the loss of hundreds of thousands of jobs. In light of the number of jobs lost to his policies, will the Prime Minister agree to change the budget provisions in his Government's budget respecting capital cost allowances as a means of generating jobs and growth in the country?

Right Hon. P. E. Trudeau (Prime Minister): Madam Speaker, the Right Hon. Leader of the Opposition misunderstood my answer. I did not intend merely to indicate that I was aware of the problems of which the Leader of the Opposition is aware. I did say, it seems to me rather clearly, that the Minister of Finance and the Minister of Employment and Immigration would be bringing forward solutions to those problems. I pointed out that they might not be exactly the ones recommended by the Leader of the Opposition but, as he knows, there will be an occasion to debate those solutions. I can assure him that, if his solutions are better than ours, we will adopt them and we will be very happy for his co-operation.

In so far as the other question about budgetary measures is concerned, I would just ask the Leader of the Opposition to wait for a few minutes. The Minister of Finance will be making a statement this afternoon bearing on the economy and he may find some way of addressing some of the problems about which the Hon. Leader of the Opposition is concerned.

* * *

[*Translation*]

THE ECONOMY

HOLDING OF CONFERENCE ON ECONOMIC MATTERS WITH PREMIERS

Right Hon. Joe Clark (Leader of the Opposition): Madam Speaker, I have a question that is very clearly in the Prime Minister's field, and he cannot leave it up to someone else to answer for him. He will have to take his reponsibilities as leader of the government in this House.

The Prime Minister has mentioned the need for Canadians to work together, and I would like to know whether he is still opposed to the unanimous request by the provinces to have a first ministers' conference on the economy.

Right Hon. P. E. Trudeau (Prime Minister): No, Madam Speaker, I am not opposed to such a conference being held, but I must say that this request by the provinces has not been repeated lately, on the contrary. For instance, the Premier of Ontario, if I understood correctly the tenor of yesterday's telegram, is proposing bilateral meetings with his ministers and members of his government. Some of these meetings have already taken place. The House is aware that the Minister of Employment and Immigration has also scheduled several meetings with his provincial counterparts, so that together we can deal with the problem of job creation, especially in sectors where unemployment is very high. The House is aware of this, and a number of provincial ministers have already commented that they were pleased with the co-operation that had already begun to materialize.

* * *

• (1430)

[*English*]

MINES AND MINING

ADAMS MINE LAY-OFFS

Mr. John MacDougall (Timiskaming): Madam Speaker, my first question in the House is directed to the Minister of State for Mines. I would ask the Minister what hope or encouragement she could hold out for the 390 miners at the Adams Mine in Kirkland Lake who will be laid off for the second time this year on Friday, and can look forward to only two paycheques between now and what promises to be not a very Merry Christmas.

Hon. Judy Erola (Minister of State (Mines)): Madam Speaker, while I sympathize with the plight of the miners, I would remind the Hon. Member that this is a temporary lay-off and that they will be off work, as I understand it, for just that short period before Christmas. There are a great many miners in Canada who are facing much longer lay-offs than the ones at Adams Mine.

Some Hon. Members: Shame.

PROCESSING OF UNEMPLOYMENT INSURANCE CLAIMS

Mr. John MacDougall (Timiskaming): Madam Speaker, perhaps I could ask the Minister if she will talk to her colleague, the "Minister of Unemployment", to ensure that these victims of Government policy can rely on prompt and effective handling of their unemployment insurance claims rather than just being more numbers in the computer.

Hon. Judy Erola (Minister of State (Mines)): Madam Speaker, I can assure the Hon. Member that there is a special team in place to handle all these claims and that the claims are being handled faster than they ever have been before. We intend to speed up that process.

* * *

INCOME TAX

REQUEST THAT GOVERNMENT INTRODUCE SURTAX

Hon. Edward Broadbent (Oshawa): Madam Speaker, I have a question for the new Minister of Finance and I express the hope, I am sure of Hon. Members on all sides of the House, that we will get better answers than we got from his predecessor.

Some Hon. Members: Hear, hear!

Mr. Broadbent: Since the House last met in August, we have lost no fewer than 100,000 jobs from the Canadian economy. Considering that the Government in last fall's budget cut the taxes of upper income Canadians by some 9 per cent, and considering that the Prime Minister went on television recently and talked to Canadians about the need for sharing and caring, my question to the Minister of Finance is this: will the Government now practise what the Prime Minister preaches, by bringing in a surtax on Canadians who can afford to pay it, in order to obtain millions of dollars to put back to work thousands of Canadians who would like jobs?

Hon. Marc Lalonde (Minister of Finance): Madam Speaker, my first wish would be to provide the Hon. Member with as good and as competent answers as my predecessor gave him.

Some Hon. Members: Hear, hear!

Mr. Lalonde: In reply to his question I would answer that I have read his proposals in that regard in a speech which he made recently in Hamilton; I have examined them. I will take

these as a suggestion that will be considered as part of the budget which I hope to introduce in the House in early 1983. I invite him to work hard at it again, because the analysis I have made seems to indicate that the figures he mentioned as being produced by that tax are barely half the amount he is talking about. I hope his research assistants and my officials can sit down and work out any discrepancies which there might be in his proposals, but generally I look forward to proposals from all sides of the House, having in mind the preparation of the next budget. I can assure him that I will not discard his proposals even if they come from a Member of the Socialist Party.

Some Hon. Members: Oh, oh!

Mr. Broadbent: Madam Speaker, the only difference between this Minister and his predecessor when it comes to evasion is that at least this Minister smiles.

Some Hon. Members: Oh, oh!

* * *

THE ECONOMY

REQUEST THAT GOVERNMENT INTRODUCE LONG TERM ECONOMIC STRATEGY

Hon. Edward Broadbent (Oshawa): Madam Speaker, my supplementary question is directed to the Prime Minister. In his address to the nation last week, the Prime Minister talked about trust and attitude, which everyone on this side of the House, and indeed the vast majority of Canadians, think are important at this time. Since the same Prime Minister about two years ago promised the people of Canada that his Government would produce for our nation what has been taken for granted by industrial nations in Europe for a long time, and by Japan for a long time, namely, an industrial strategy, and has not in those two years produced it, will the Prime Minister again implement his own call for trust by telling Canadians now that, by Christmas at the latest, the Government of Canada will produce an economic strategy for the long term for the nation?

Right Hon. P. E. Trudeau (Prime Minister): Madam Speaker, the Hon. Member talks about an industrial strategy and an economic strategy. I believe his question related to an economic strategy. Yes, I can assure him that my statements on television last week were meant to set the background and hopefully the mood for precisely that. Already today the Minister of Finance has decided to take the initiative and begin to lay the groundwork and give precision to the elements of such an economic strategy.

REQUEST THAT MANUFACTURING STRATEGY BE PLACED BEFORE PARLIAMENT

Hon. Edward Broadbent (Oshawa): Madam Speaker, I will return to the term which the Prime Minister used in the past, as indeed we have, namely, an industrial strategy. More specifically, he talked in the City of Windsor about a manufacturing strategy for the country as a whole. Will the Prime Minister give his unequivocal assurance that by Christmas the Government of Canada will have before Parliament a manufacturing strategy for the nation which, for the first time, will have a time frame that is longer than the next election?

Right Hon. P. E. Trudeau (Prime Minister): Madam Speaker, I want to indicate to the Hon. Leader of the New Democratic Party that an industrial strategy, in the sense that he is asking for, is something that cannot be given in one statement. I think there has been a misunderstanding which has been entertained for a long time on the thought that there can be one industrial strategy for Canada.

There is division of jurisdiction between the Federal and Provincial Governments. There are many industries in Canada—some in manufacturing, as the Hon. Member said, and some having to do with natural resources and with services. Therefore, I do not envisage that there ever could be one industrial strategy for Canada. There can be many and, indeed, the Government has been employed since the 1980 election in announcing many elements of that industrial strategy. The Minister of Transport, just to take one example, has already by his initiatives in the area of the Crow taken a very important step in the area of industrial strategy, in the area of transportation, and so it goes for all the other areas.

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[*Translation*]

HOUSE OF COMMONS

PRESENCE IN GALLERY OF HON. ROBERT TIÉBLÉ N'DAW, MINISTER OF ENERGY AND MINES, OF MALI

Madam Speaker: I have the honour of drawing the attention of the House to the distinguished presence in our gallery of His Excellency Mr. Robert Tiéblé N'Daw, Minister of Energy and Mines, of Mali.

Some Hon. Members: Hear, hear!

* * *

[*English*]

UNEMPLOYMENT INSURANCE

LEVEL OF BENEFITS—GOVERNMENT POSITION

Hon. David Crombie (Rosedale): Madam Speaker, my question is directed to the Minister of Employment and Immigration. It concerns a story which was published at noon today on CP Wire. The short paragraph which I wish to bring to the attention of the Minister and ask him to comment upon concerns unemployment insurance benefits. It reads:

> Officials have said the Government cannot afford to carry that deficit indefinitely. Axworthy is said to be looking at various ways to cover it, including cuts in benefits—

I should like to give the Minister the opportunity to deny that part of the story and to assure the House that he and his Government have no intention of cutting unemployment insurance benefits.

Hon. Lloyd Axworthy (Minister of Employment and Immigration): Madam Speaker, I think the Hon. Member has been in politics long enough to know that he should not put much trust in unverified stories. I have not seen this particular article, but I can tell him that we certainly have no intention of cutting benefits. What we have been working on is a program to ensure that the unemployment insurance system continues to work as it has been working to provide basic income support for many Canadians who need it during these very difficult times. The Minister of Finance will be issuing a statement later today which will explain how the Government intends to go about doing that. I can tell this House that the unemployment insurance system is something which this Government is here to protect and to continue to maintain as a way of providing that security for Canadians.

• (1440)

ASSURANCE SOUGHT ON GOVERNMENT POLICY

Hon. David Crombie (Rosedale): Let me ask a short supplementary for assurance, Madam Speaker. I am aware, as all of us are, of the strain which the fund is under, and we are going to be listening with some anticipation to what the Minister of Finance will be saying later on with respect to the fund. I want it clearly understood from the Minister that there is no policy under consideration now or in the foreseeable future in the Minister's understanding that would involve a cut in insurance benefits.

Hon. Lloyd Axworthy (Minister of Employment and Immigration): Madam Speaker, I will just repeat what I have said. We are here to protect and maintain the system. In fact we have been able to use the unemployment insurance system to provide a number of very creative initiatives in job creation and work sharing. We now have over 170,000 people involved in work-sharing programs through UIC, which shows that we are broadening the use of the system, and not trying to reduce it.

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[*Translation*]

THE ECONOMY

INQUIRY WHETHER DIALOGUE WILL BE ESTABLISHED WITH PROVINCES

Hon. Roch La Salle (Joliette): Madam Speaker, my question is also directed to the new Minister of Finance. The minister knows as well as I do what the unemployment rate is in the province of Quebec. He knows that the number of unemployed workers is gradually reaching the half-million mark, and in the circumstances, and also considering the fact that relations between the two governments have been less than satisfactory during the past twelve months, may I ask the Minister of Finance whether he firmly intends to restore relations with the Quebec ministers responsible for economy-oriented projects, so that both governments can work together in order to achieve what is best for Quebec?

Hon. Marc Lalonde (Minister of Finance): Madam Speaker, it is not up to us to take further steps in order to restore relations. The Prime Minister, myself and my colleagues have repeatedly made it clear that the door was open, that we are prepared to co-operate with the Quebec government and Quebec authorities, to make the joint effort required on the part of both governments in order to remedy the unemployment problem and stimulate the Quebec economy. There is not one minister in this House who has refused to co-operate, and I would ask the hon. member to take note of the fact that the Government of Canada and the federal ministers in this House have always been prepared to co-operate with the government of Quebec. As for the few incidents which may have taken place, I think that if my hon. colleague would take the trouble to check these very carefully, he will realize that generally speaking, any refusal to co-operate did not come from the federal government.

REQUEST THAT CO-OPERATION BE ESTABLISHED WITH QUEBEC

Hon. Roch La Salle (Joliette): Madam Speaker, I have a supplementary, and regarding the minister's suggestion, I would like to remind him that not long ago, the new Minister of Energy, Mines and Resources was quite categorical in a statement to his Quebec counterpart regarding payment of the $200 million in the Laprade affair, saying that if Quebec did not reach a decision, he would proceed unilaterally to allocate these funds. I do not call that co-operation. My question may be similar to the first one: Can the Minister of Finance give us the assurance today—and I think this is very important to Quebecers—that he will take steps to achieve co-operation between both governments and that provincial priorities which are not necessarily incompatible, and I am thinking of job creation objectives, be given due consideration, insofar as doing so is not incompatible with the philosophy of the federal system?

Hon. Marc Lalonde (Minister of Finance): Madam Speaker, I can assure my hon. colleague that that would be the case and I have no trouble doing so. However, regarding the matter of the Laprade fund I would remind him that this fund was formed by the Canadian government which took the initiative

of setting aside $200 million to be used in assisting this area in Quebec's heartland, when the heavy water plant we had started to build had to be abandoned because of a drop in demand for heavy water, and the Quebec government decided not to proceed with the nuclear energy project. So the plant was abandoned because there was no demand for heavy water, and subsequently the Canadian government set aside $200 million to help the area in question. I would like to point out that for three or four years we have been ready to discuss the matter and to have consultations, and it was impossible to reach an agreement quickly. In any case, the fund was set aside for the benefit of the people of the area, and the government of Canada will decide how its own funds will be spent for the benefit of the area, and my colleague, the Minister of Energy, Mines and Resources is looking into this matter at the present time. We already allocated nearly $10 million from the fund a few months ago, and my colleague intends to proceed quickly with further allocations in the months to come. This may be done in consultation, there is nothing against that, but I would like to make it clear that the Minister of Energy, Mines and Resources and the government of Canada will decide how these funds are to be allocated.

* * *

[*English*]

FORESTRY

INQUIRY RESPECTING GOVERNMENT PROGRAMS AND POLICIES

Mr. Lyle S. Kristiansen (Kootenay West): Madam Speaker, my question is addressed to our new super star in waiting, the Minister of State for Economic Development. With our number one export industry, the forest industry, now operating at less than two-thirds of capacity across Canada with over 30 per cent of forest workers unemployed, and in view of the government's self-admitted failure regarding the Employment Bridging Assistance Program which has in B.C., for example, created only 15 per cent of the promised 10,000 jobs, what new programs, if any, does the Minister and the Government now have to get forestry workers through this winter, and what new policies does the Minister now propose to ensure that there is employment and needed forestry work done in the industry next spring to meet both Canada's wood supply shortages and future market expansion needs?

Hon. Donald J. Johnston (Minister of State for Economic Development and Minister of State for Science and Technology): Madam Speaker, in these new responsibilities which I have assumed, Members may rest assured that the regional sensitivities of all areas of the country—and the Hon. Member refers particularly to his own—are under most serious consideration by all the Departments that can make a contribution within the area of economic development and within the Committee on Economic and Regional Development, of which I am the Chairman. With respect to specific programs, they will, of course, be announced from time to time, as they have been and will continue to be, by the Ministers who have specific responsibilities in these areas.

FOREIGN INVESTMENT REVIEW AGENCY

REQUEST FOR INVESTIGATION OF SALE OF CROWN ZELLERBACH COMPANY

Mr. Ray Skelly (Comox-Powell River): Madam Speaker, my question is for the new Minister of Industry, Trade and Commerce. Crown Zellerbach, the second-largest forest producer in Canada, is now being sold. This is the third major forest company controlled from the U.S. to be abandoned by a U.S. parent. The fire sale of U.S. companies operating in Canada appears to be the prelude to a collapse of the Canadian forest industry rather than a prelude to a period of recovery. Would the Minister investigate the loss of international marketing of Canadian forest products in Canada, and would he further be prepared to intervene through FIRA to investigate whether this sale of Crown Zellerbach is being undertaken in the best interest of Canadians?

Hon. Ed Lumley (Minister of Industry, Trade and Commerce and Minister of Regional Economic Expansion): Madam Speaker, I was just advised of this take-over this morning. As we all know, all foreign take-over applicants must go through the FIRA process. I will be discussing this matter with the FIRA officials in the next couple of days.

With respect to international marketing in forest products, the industry and the Government have made substantial progress in the last couple of years. My colleague, the new Minister of State for International Trade, and I will be working very closely together to expand international markets for Canadian forest products.

* * *

LABOUR CONDITIONS

WEST COAST WORK STOPPAGE—MINISTER'S POSITION

Mr. Charles Mayer (Portage-Marquette): Madam Speaker, my question is for the Minister of Labour. It concerns the work stoppage on the West Coast that has halted the exports of Canadian grain, sulphur, potash and coal. The Minister will know that in addition to the jobs lost in the port areas there are presently thousands of other Canadians who have lost their jobs. This situation unfortunately is at a time of record unemployment. First, does the Minister specifically think that the difficulties between labour and management justify the damage that is being done to the total economy? Second, how long is the Minister prepared to wait before the Government gets involved directly?

Hon. Chas. L. Caccia (Minister of Labour): Madam Speaker, in reply to the Hon. Member's question, because of the concerns he expressed about the repercussions, not only on the incomes of the harbour workers' families, but also on the incomes of those in the affected industries, including the ones the hon. member mentioned, I sent a telex on Monday to the two parties involved urging them to reconvene their meetings

to try to resolve the dispute on their own. It is my understanding they are meeting in Vancouver this afternoon, and I hope that their efforts will lead to some positive results ending the dispute.

• (1450)

Mr. Mayer: Madam Speaker, we appreciate that, and it is my understanding that the parties are meeting at two o'clock Vancouver time, which is five o'clock Ottawa time. I would like to suggest to the Minister that talk is certainly not enough.

REQUEST THAT MINISTER ORDER RESUMPTION OF WORK

Mr. Charles Mayer (Portage-Marquette): Is the Minister prepared to get directly involved to the extent of instructing the parties to go back to work while the negotiations are under way? His lack of action, again at a time of record unemployment, is causing very serious damage to the total Canadian economy and especially to the western grain farmers. I would therefore urge the Minister to accept his responsibility as Minister of Labour and to become directly involved with this unfortunate dispute.

Hon. Chas L. Caccia (Minister of Labour): Madam Speaker, perhaps the hon. member does not realize that a Commissioner was appointed in March of this year, that he consulted with both parties and produced a report in August this year, and that the two parties have exhausted all possible means available to themselves. I hope that, with good will and determination, the two sides can resolve the matter. If not, the only final recourse would be to bring the matter before Parliament.

* * *

EXTERNAL AFFAIRS

POLAND—ENFORCEMENT OF CANADIAN SANCTIONS

Hon. John C. Crosbie (St. John's West): Madam Speaker, my question is directed to the new Secretary of State for External Affairs. On February 23 of this year, the then Secretary of State for External Affairs made a belated and half-hearted statement on behalf of the Canadian Government in connection with the situation in Poland. He announced certain very minor sanctions that the Government was imposing because it objected to what had happened in Poland concerning the crackdown on Solidarity and the human rights abuses there. Among those, for example, a program of Canadian-Polish academic exchanges was suspended. Since that time none of the objectives set out by the Government in its release have been met.

I would like to ask the Secretary of State for External Affairs is the Government enforcing even those minor sanctions. Since these have been unsuccessful and the Polish Government has gone on to further violations of the Helsinki Accords to dissolve Solidarity legally, is the Government now planning further sanctions of a more meaningful nature? If so, what are those sanctions, and will the Government do more than have its backbenchers practise rhetoric concerning this situation?

Hon. Allan J. MacEachen (Deputy Prime Minister and Secretary of State for External Affairs): Madam Speaker, I believe that the Canadian Government has been extremely outspoken about the plight of the Polish people who recently, as was indicated by the motion presented earlier, were deprived by law of the possibility of maintaining free trade unions. Certainly Solidarity was banished and we have protested that action, not only because it is at variance with the wishes of the Polish people but also because it is in total contradiction to the international obligations undertaken by the Government of Poland.

The Hon. Member asks whether we propose any further sanctions. I want to tell him that if in present circumstances there could be a concerted way by which additional pressure could be brought upon the Polish Government to bring about changes, then we would consider any such action; but in present circumstances it seems to me, in view of the turbulence which is accepted by the Government of Poland within its own country, and in view of the demonstrations by the Polish people which have been turned back by the Government, that the effect of additional sanctions in the field of exchanges would likely be very ineffective indeed. If the Hon. Member can produce a series of proposals which would have an important effect in changing the attitude of the Polish Government, then I would certainly be the first to consider them.

Mr. Crosbie: Madam Speaker, the Minister's foreign policy is as clear, concise and effective as his financial policy was. I would refer him to my statements of March 24 and October 15 of this year for a concise program of action that he might take.

SALE OF GRAIN

Hon. John C. Crosbie (St. John's West): My supplementary question is as follows: the Prime Minister of this country gave implicit endorsement to what happened in Poland last December and early January, and the Government has done nothing effective since then. Specifically, will the Government renew the agreement entered into with the Polish Government which expires on December 21 and which provides extremely generous credit terms concerning the sale of grain to Poland? I understand that by December 21 we will be out approximately $1.25 billion under that agreement. Will the Government renew that agreement with these generous credit terms, or not? Will it take any action with respect to the quotas given Polish trawlers to take fish within our 200-mile economic zone, which is not required by treaty nor any other way, but given at the discretion of the Government? Will it do anything convincing at all? Will it act at all, or make decisions at all?

Hon. Allan J. MacEachen (Deputy Prime Minister and Secretary of State for External Affairs): Madam Speaker, the Hon. Member has asked whether a decision has been taken with respect to the provision of credit to Poland for the purchase of agricultural products. I must tell the hon. member

that no decision has been taken on that point as of now, but I would certainly take the interests of the Canadian farmers into account before reaching a decision. I would take into account whether sanctions of that kind would have any effect on the Polish Government before I would adopt the rather simplistic proposals made by the Hon. Member, whose foreign policy in his new post as critic of external affairs is as turbulent and explosive as were his unsuccessful financial policies.

* * *

FISHERIES

PEARSE COMMISSION REPORT—REQUEST FOR REFERRAL TO STANDING COMMITTEE

Mr. Tom Siddon (Richmond-South Delta): Madam Speaker, my question is directed to the Minister of Fisheries and Oceans. The Minister knows that British Columbia has been hit harder by unemployment than any other Province west of the Ottawa River and that the resulting economic hardship is particularly serious in the West Coast fishing industry. In his final report to the Government, Commissioner Dr. Peter Pearse stated that his findings point inescapably to "deficiencies of federal government policy", and noted that "the cost of this disarray has been staggering". Dr. Pearse's report contained a host of innovative recommendations which he says are essential if the B.C. fishing industry is to be restored to good health. Will the Minister agree to refer Dr. Pearse's report immediately to the Standing Committee on Fisheries and Forestry so that Parliament may take decisive action on behalf of West Coast fishermen?

[*Translation*]

Hon. Pierre De Bané (Minister of Fisheries and Oceans): Madam Speaker, I have had an opportunity to meet the commissioner, and Dr. Pearse and I had a long conversation. I intend to visit the west coast shortly to meet industry representatives and fishermen to discuss the recommendations and how they have been received. I hope that in a few months, in fact as soon as possible, I will be in a position to make my own recommendations to cabinet, and the government will then make its decisions.

However, Madam Speaker, I do not want to sit down before taking this first opportunity I have had to say a few words in praise of my predecessor, who brought about the extension of the 200-mile zone, which I feel is one of the Canadian government's greatest diplomatic achievements since the Second World War, and furthermore, if we look at the statistics for exports on the west coast since 1977, we see that remarkable progress has been made, thanks to my predecessor.

[*English*]

Mr. Siddon: In other words, Madam Speaker, the Standing Committee on Fisheries and Forestry is not to have any opportunity to deliberate upon and make recommendations arising out of this report. I say, for shame!

BOYCOTT OF CANADIAN FISH PRODUCTS

Mr. Tom Siddon (Richmond-South Delta): Madam Speaker, my supplementary question to the same Minister deals with another factor which is jeopardizing the jobs of West Coast fishermen in the planned boycott against Canadian fish products in British and European markets. The Minister knows that this boycott is being promoted and supported by Canadian groups which do not seem to concern themselves with the economic plight of Canadian fishermen or their families. What steps has the Minister taken to prevent this boycott which is already damaging our international markets for Canadian fish?

Hon. Pierre De Bané (Minister of Fisheries and Oceans): Madam Speaker, on the first point raised by the Hon. Member, I will tell him that it is not my custom to give instructions to parliamentary committees. If the Parliamentarians on all sides want to discuss an issue, this is their responsibility. I will not be giving them instructions.

• (1500)

With respect to the second question, the question of marketing, that will be among the priorities that I have set for myself during my tenure as Minister of Fisheries and Oceans. All that I hope is that I will see some consensus between the different players in that regard, and I expect the support of the Hon. Member.

* * *

[*Translation*]

THE CONSTITUTION

GOVERNMENT HELP FOR MINORITIES INVOLVED IN COURT ACTIONS

Mr. Jean-Robert Gauthier (Ottawa-Vanier): Madam Speaker, my question is directed to the Secretary of State and it concerns federal assistance granted to minority groups in the case of appeals to the courts. We all know that since February 1978, the federal cabinet has been authorizing financial support for cases challenging provincial legislation as it concerns Sections 93 and 133 of the British North America Act. Since the Constitution Act, 1982 was passed, educational rights for members of official language minority groups have been governed by Section 23 of the Charter of Rights. Considering these facts, can the minister inform the House whether the government is prepared to expand its financial support so as to cover Section 23 of the Charter of Rights and Freedoms, in addition to Sections 93 and 133 of the British North America Act, in the case of appeals to the courts?

Hon. Serge Joyal (Secretary of State of Canada): Madam Speaker, I wish to thank the member for Ottawa-Vanier for his question. I agree that this is one of the priorities the Department of the Secretary of State should consider. I have asked the people concerned to assess as soon as possible the

impact of the request formulated by the hon. member today, and I shall then be in a position to report to the House on the financial assistance to be provided and the accompanying conditions, so that Canadians who want to exercise their rights to equal access to French or English schools under the law can receive assistance from the Canadian government.

* * *

[*English*]

THE ECONOMY

PROVINCIAL AND MUNICIPAL PROJECTS—REQUEST FOR ACCELERATION

Mr. Ian Deans (Hamilton Mountain): Madam Speaker, my question is for the Prime Minister. The Prime Minister has spoken considerably about co-operation. I am sure he would know that the downturn in the automobile industry, the construction industry and many other industries has now settled to the point where it has affected the basic steel industry very dramatically.

Would the Prime Minister consider asking the provinces and the municipalities, in addition to his own ministries, what projects they could expect to go ahead with but have delayed as a result of economic conditions, and then meet with them and others to try to find ways to accelerate the process in order to get those projects under way so that the steel industry will not have to get to the rock bottom stage that it anticipates it will get to during this coming winter?

Right Hon. P. E. Trudeau (Prime Minister): Madam Speaker, much was done by the Minister of Finance in regard to the Hon. Member's leader. I want to say that this is a very constructive suggestion indeed. I think that the Hon. Member will be pleasantly surprised when he will see that it is exactly the form of action that we are contemplating. The discussions to which he refers have already begun between the Minister of Finance and some of his counterparts and, of course, the Minister of Employment and Immigration, which I referred to earlier.

It is crucial to our thinking, as I believe it is to the Hon. Member's, that the federal funds be used wherever possible to lever or to assist municipalities or the private sector, public and private corporations and provincial governments, so that they will be prepared to take risks now investing money which will be needed to build an infrastructure which Canada will use very effectively when recovery does come.

In the meantime, the suggestion made by the Hon. Member for action is exactly one of the ways in which we intend to act.

Mr. Deans: I am sure that the Prime Minister will recall that I made the same suggestion about 18 months ago. Perhaps if it was acted on then we would not be in the mess we are in now.

SUGGESTED CONSTRUCTION OF SASKATCHEWAN WATER PIPELINE

Mr. Ian Deans (Hamilton Mountain): Madam Speaker, the Prime Minister is aware that in the city which I represent we will have unprecedented levels of unemployment, perhaps as high as during the Depression, maybe higher in fact than during the Depression.

Let me give the Prime Minister a specific example of something that might be done and get his assurance that it will be done. There is a demonstrated need for a water pipeline from Lake Diefenbaker to Regina and Moose Jaw. Ipsco has indicated that it is prepared to provide the steel at cost. Will the Prime Minister sit down with the Government of Saskatchewan and work out those ways necessary to take advantage, to provide that project now in order that in the steel industry at least they will be able to have some work during the winter? It is one idea on how we might be able to deal with the current economic problems.

Right Hon. P. E. Trudeau (Prime Minister): Madam Speaker, the Hon. Member refers to the fact, as he put it, that he mentioned this idea 18 months ago. I accept that. I would remind him that many of the actions of the Government in the previous year have been precisely an implementation of that kind of thinking.

Let me give him an example once again of the action of the Minister of Transport in the area of transportation, particularly in the west. The suggestion that has been worked at in very lengthy consultation between the Minister and his provincial counterparts and the private sector, as I recall it, is that the Minister was prepared to put forward something like $3 billion in order to assist the railways to get on with some of these projects, which would have meant spending by the railways of perhaps some $15 billion, meaning work not only in the west, not only better transportation, but work throughout Canada for all those industries which are related to the railways, including steel and so on. That is one example.

Another example is the announcement by the former Minister of Finance in the Budget of some $400 million for housing. The Hon. Member shakes his head. I want him to understand that we are trying that idea precisely.

Mr. Deans: What about the water pipeline?

Mr. Trudeau: When we offer each new home buyer $3,000, that is a matter of using federal money in order to permit the private sector, home owners and builders, to get on with projects which are much larger. In other words, the federal money is used in order to lever the private sector to do something beneficial for the individual and for Canada.

As far as the specific example mentioned by the Hon. Member is concerned, it has already been mentioned by the members of the Western Affairs Committee in the federal Government, and it is being discussed. If it is something that the Government of Saskatchewan sees as a priority, we will be very anxious to discuss it with that government.

Petitions

EMPLOYMENT

ALLOCATION OF FUNDS TO ATHABASCA RIDING

Mr. Jack Shields (Athabasca): Madam Speaker, I would like to direct a question to the Minister of Employment and Immigration. The allocation of funds to the Athabasca riding under the Canada Community Development Program is down considerably from last year, and this during a year of high unemployment in the Athabaska area because of the disastrous shutdown of the Alsands and Cold Lake projects. Will the Minister be allocating more funds to the Athabaska riding?

Hon. Lloyd Axworthy (Minister of Employment and Immigration): Madam Speaker, as always, I am prepared to look at the allocations on the constituency level. I would remind the Hon. Member that under the $300 million program that we announced last July, which is just now coming into effect, there is a special allocation called the Special Response Fund which is designed to be allocated to those areas particularly hard-hit by immediate or recent changes in the employment picture. If the Hon. Member would like to prepare a dossier for me concerning the conditions faced by his riding, he knows I would give a sympathetic hearing, as always.

PROJECTS FOR NATIVE PEOPLE

Mr. Jack Shields (Athabaska): Madam Speaker, I would like to direct a supplementary question to the Minister of Employment and Immigration. As the minister is aware, northeastern Alberta contains most of the area covered by Treaty No. 8 and a number of reserves where employment is probably hitting 90 per cent or 95 per cent. Will some of that special allocation fund be made available for employment projects for native people in the Athabasca riding?

Hon. Lloyd Axworthy (Minister of Employment and Immigration): Madam Speaker, I have to remind myself exactly of where the money has been allocated in that portion. I would again point out that as part of the community development job creation effort, we do have a special stream for native people, an additional $10 million which is designated according to where there are large concentrations of reserves or native communities. I am sure that that portion of the money has been allocated in that area, but I will check to make sure that it has been done in an equitable way.

* * *

• (1510)

PETITIONS

TABLING OF REPORTS OF CLERK OF PETITIONS

Madam Speaker: I have the honour to inform the House that the Clerk of the House had laid upon the Table reports of the Clerk of Petitions stating that he has examined the petitions presented by Hon. Members on Wednesday, August 4, 1982, and finds that they meet the requirements of the Standing Orders as to form.

* * *

[*Translation*]

MESSAGE FROM THE SENATE

Madam Speaker: I have the honour to inform the House that a message has been received from the Senate informing this House that the Senate has passed the following bills without amendment: Bill C-201, to amend the Holidays Act, and Bill C-127, to amend the Criminal Code in relation to sexual offences and other offences against the person and to amend certain other Acts in relation thereto or in consequence thereof.

* * *

[*English*]

THE ROYAL ASSENT

Madam Speaker: I have the honour to inform the House that a communication has been received as follows:

Rideau Hall
Ottawa
Government House

27 October, 1982

Madam,

I have the honour to inform you that the Honourable Brian Dickson, Puisne Judge of the Supreme Court of Canada, in his capacity as Deputy Governor General, will proceed to the Senate Chamber today, the 27th day of October, 1982, at 5.55 p.m., for the purpose of giving Royal Assent to certain Bills.

I have the honour to be,
Madam,
Your Obedient Servant,
Edmond Joly de Lotbinière
Administrative Secretary
to the Governor General

ROUTINE PROCEEDINGS

[*Translation*]

INDIAN AFFAIRS AND NORTHERN DEVELOPMENT

PRESENTATION OF SEVENTH REPORT OF STANDING COMMITTEE

Mr. Keith Penner (Cochrane-Superior): Madam Speaker, I have the honour to present the seventh report of the Standing Committee on Indian Affairs and Northern Development.

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

[*English*]

HOUSE OF COMMONS

TABLING OF ORDER IN COUNCIL RESPECTING ACTING MINISTERS

Hon. Yvon Pinard (President of the Privy Council): Madam Speaker, in accordance with recent practice, I am tabling in both official languages copies of Order in Council P.C. 1982-3255 designating Acting Ministers, as well as a list of the Members of the Committees of Cabinet.

Also, in accordance with recent practice, I ask that these documents be appended to today's *Debates*.

Madam Speaker: Shall they be appended to today's *Debates*?

Some Hon. Members: Agreed.

Madam Speaker: It is so ordered.

[*Editor's Note: For documents referred to above, see Appendix "A".*]

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ADVISORY COUNCIL ON THE STATUS OF WOMEN

TABLING OF ANNUAL REPORT, 1981-82

Hon. Judy Erola (Minister of State (Mines)): Madam Speaker, pursuant to the provisions of Standing Order 41, I am tabling the Annual Report, 1981-82, of the Canadian Advisory Council on the Status of Women, in both official languages.

* * *

[*Translation*]

BUSINESS OF THE HOUSE

Hon. Yvon Pinard (President of the Privy Council): Madam Speaker, we have had consultations with representatives of the various parties who are responsible for the business of the House, and it would seem that if you are patient and are flexible in applying the provisions of Standing Order 15(3), there will be no complaints. The Minister of Finance (Mr. Lalonde) is expected to speak for about 45 minutes, perhaps for as long as an hour, in making his statement, and we on this side of the House will certainly have no objection to members being given at least equal time to reply and ask questions as they feel appropriate. However, there is also an agreement and we would certainly not want this practice to be considered as a precedent. There is an agreement, Madam Speaker, that before the statement by the Minister of Finance, the latter will be authorized to introduce today, for first reading, the bill intituled: An Act to provide supplementary borrowing authority (No. 2), which will enable the House to proceed with second reading tomorrow. And since the following will be at the request of the Conservative Party House Leader, I would like to specify right away that tomorrow, we intend to proceed with the debate on second reading of the bill which will be introduced in a few moments by the Minister of Finance (Mr. Lalonde); Friday will be the second and Tuesday the third day of this great debate on the economy. Monday will be an opposition day, and tomorrow I intend to be more specific as to the business of the House for the remainder of next week.

[*English*]

Mr. Nielsen: Yes, Madam Speaker, that substantially reflects the agreement reached with respect to the borrowing bill, which will be called on Thursday and debated on Thursday, Friday, and the following Tuesday. With respect to today's statement, as long as the Opposition is given equal time to the minister in proportion to the number of seats held by the Official Opposition and the New Democratic Party, we are happy with that arrangement.

Mr. Deans: Madam Speaker, I wonder if I might for clarification ask the Hon. House Leader for the Conservative Party just exactly what he means by that.

Mr. Nielsen: No problem, Madam Speaker; it means that normal, equitable practices prevail in this House.

Mr. Deans: Madam Speaker, that is, of course, the agreement that we came to, that normal, equitable practices would be maintained.

Madam Speaker: The House then agrees unanimously that the Hon. Minister of Finance (Mr. Lalonde) will have leave of the House to introduce a bill?

Some Hon. Members: Agreed.

* * *

[*Translation*]

SUPPLEMENTARY BORROWING AUTHORITY ACT, 1982-83 (NO. 2)

MEASURE TO ESTABLISH

Hon. Marc Lalonde (Minister of Finance) moved for leave to introduce Bill C-128, An Act to provide supplementary borrowing authority (No. 2).

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

* * *

[*English*]

THE ECONOMY

STATEMENT BY MINISTER OF FINANCE

Hon. Marc Lalonde (Minister of Finance): Madam Speaker, my purpose this afternoon is threefold. First, I want to report on Canada's economic performance this year and on our

prospects for 1983. Second, I wish to inform Parliament and the people of Canada of the fundamental principles that will govern me and my actions as Minister of Finance. Third, I will indicate some additional and immediate actions the Government is proposing to ease further the hardship inflicted on Canadians by the recession, speed economic recovery and enable Canada to take full advantage of the development opportunities that will materialize as the world economy recovers.

Last week the Prime Minister (Mr. Trudeau) reviewed with the people of Canada the extraordinarily difficult situation in which we find ourselves. He did not promise a quick and easy solution because none exists, but he charted a course we must follow to restore our country's capacity to survive economically, in a world where the survival of the fittest has become a rule of life.

The world-wide recession has cut our economy to the bone. We have lost half a million jobs during the past year. Almost a million and a half among us are looking for work. Many others have temporarily given up the search for gainful employment. Virtually no Canadian has been untouched by the recession. In every region of the country, those who have been spared the worst have relatives, friends or neighbours who are struggling to cope with hardship and insecurity—be they unemployed textile workers in Quebec, grounded fishermen in the Atlantic Provinces, idle lumbermen in British Columbia, laid off miners or auto workers in Ontario.

[*Translation*]

Throughout the country, in union halls and boardrooms, in factories, shops and offices, Canadians are struggling to protect their livelihood, to preserve the basic comforts of their families, and to keep alive their hopes for a better future. All too few will have any respite from this struggle during this coming winter. But Canadians know that recovery is possible and that the next few months will be decisive ones in our effort to turn the economy around. They know that adversity has caused us to set aside our differences and to approach the management of our economy with a growing sense of realism and national purpose, and a renewed spirit of cooperation.

The people of this country recognize that the recession is a global problem. They are all too aware that Canada, as a major trading nation, has been hit more heavily than many other countries. But people also know that we are not simply drifting on the tide of world events. They are also aware that we can mobilize our energies to make Canada a tougher, more resilient country, that we can emerge from the recession in a position to compete, prosper and fully develop our considerable economic potential.

We have made remarkable progress since last June in implementing the 6 and 5 program introduced by my predecessor, the Secretary of State for External Affairs (Mr. MacEachen), to break inflation and lay a solid foundation for a durable recovery. The response of provincial governments and the private sector to federal leadership in this regard has been effective and broadly based. Inflation, interest rates and mortgage rates are coming down. Our prospects are by no means as bleak as they were at the beginning of the summer.

• (1520)

[*English*]

Last week Canadians were given by the Prime Minister the strongest assurance that the Government of Canada will not kick the social props from under them and abandon them to struggle alone. This government will not tighten the screws on the economy, cut billions from Government spending, or seek to eradicate inflation by brute force. The Government will continue to act decisively to ensure that the strong and the more affluent among us help the weak and the more vulnerable through these difficult times. As my predecessor said last June:

> Solidarity and sharing built Canada. That sharing is what the unemployed, the many firms in trouble, and the thousands threatened by lay-offs now need. I count on the willingness of all Canadians to bear their share of the collective effort to bring down inflation.

I subscribe without reservation to this basic principle of Liberal Government. That is why I am proposing today the reallocation of over $1 billion from existing spending programs to finance a new employment program, provide more stimulus for the housing industry, and speed up the expansion and modernization of rail capacity in the west. That is why I am announcing arrangements designed to relieve the workers and employers of this country from the full burden of mounting unemployment insurance costs. And that is why I am proposing to Parliament a series of tax adjustments to ease the financial and administrative burden on individuals and on businesses.

I have been Minister of Finance for 48 days now. I must say I have received ten times that many suggestions and proposals. I want to reflect on these and to pursue a good many of them in further consultations. There may be some who believe that an immediate budget is imperative, indeed, who would demand a new budget every three months if the last one has not resolved all of our economic ills. But I can say that in all of the consultations I have had, no one has urged me to bring in an immediate budget, and some have even suggested that I should wait until spring.

I will not be rushed into action for the sake of appearing to act. Many urgent bills from previous budgets are still before the House and must be dealt with. To be sure, other critical issues need to be addressed and decided upon. But I intend to arrive at decisions that are sensible, constructive and durable, and I will take the time that is required to do so.

Since my appointment to this portfolio I have had extensive consultations with business, labour, co-operatives, women's organizations, economists, professionals, provincial Ministers and many others. I am grateful for their views. I have also received helpful advice from Members of Parliament from all parties. I wish to express my particular appreciation for the work of the House committee that has examined the detailed ways and means motions resulting from the last two budgets.

I also want to thank the officials of my Department who have worked beyond the call of duty in the past few weeks to assist me and the Government in our deliberations. I express particular gratitude to my Deputy Minister, Mr. Ian Stewart, who is in all respects an outstanding public servant and an outstanding Canadian.

These consultations have been most valuable and I intend to pursue them in a spirit of openness, candour and co-operation. Over the next few months, as I work towards my budget, I will be seeking advice on how we can build on the six and five program to develop a full-fledged strategy for national recovery. Throughout this process, indeed throughout my tenure as Minister of Finance, I will be guided by the following principles.

First, we must continue to practise fiscal responsibility. We must persist in restraining spending. We must strive to contain the rise of the deficit even while the recession cuts into Government revenues and raises public expenditures. This means that we must rigorously review our priorities to ensure that existing programs continue to serve valid objectives. It also means that we must not hesitate to trim existing programs to fund new initiatives.

Second, we must not abandon the victims of the recession in the mistaken belief that such callous action might speed our recovery. This Government has worked consistently over several decades to develop a social security system that effectively supports Canadians in need of help. We will not put the axe to that system at the very time when Canadians need it most. More constructively, we will continue to look for ways to improve our social programs and to make them more effective for those who need help.

Third, we must continue to rely primarily on the dynamism and creativity of the private sector as the engine of growth in Canada. The government will be seeking areas where it can act in close co-operation with business and labour to improve the financial health of the private sector as well as its ability to expand and prosper. I intend to foster the certainty and stability that are basic preconditions for a favourable economic climate.

Fourth, we must remain outward-looking as a nation and recognize that our future well-being depends critically on order and stability in international economic arrangements. The depressed level of economic activity throughout the world has increased the risk of financial disorder and growing reliance on protectionist measures. It has also dealt a heavy blow to the aspirations of developing countries. Not only must we not turn inwards ourselves, but we must use our counsel and influence in world affairs to assist in the process of repair.

• (1530)

Fifth, we must continue to develop effective mechanisms for consultation so that the broadest range of organizations and institutions, as well as provincial governments, may participate in the continuing revision and improvement of our economic policies. We have made significant progress in this direction over the past year, but it is imperative that we persist in our efforts. It is my fervent hope that we will find ways to involve labour organizations more productively in this process of consultation.

In this connection, it is my intention to appoint a panel of economic advisers made up of outstanding Canadian economists to advise me on the broad and complex range of economic policy issues that we must face as a nation. I will announce the membership and terms of reference of this panel in the next few days.

Sixth, and most importantly, we must build on the spirit of the six and five program to devise and implement an effective strategy for national recovery and economic development. As the Prime Minister emphasized last week, six and five is not an end but a beginning. It is not a solution to all our programs but a standard, a goal that we can all accept and, by doing so, make it possible to find together workable solutions to the many other challenges we face.

We all know what these are. Our productivity performance continues to lag. New production techniques must be developed and implemented. This requires development of our technological base, increased investment, and new and innovative approaches to organizing work and labour-management relations.

Infrastructure development is required across the country. Our railway system in particular desperately needs to be upgraded. There is little point in cutting our production costs and increasing our productivity if we cannot deliver our goods to the markets where they are sought.

We have an abundance of resources that need to be developed. Markets for our energy may not be very buoyant today. But the lead times of development are long, our energy will be needed in the 1980s and 1990s, and planning ahead can give us an important advantage in an increasingly energy-reliant world. Likewise, our forests need replenishing and our fisheries careful husbanding if we are to sustain our resource base over the longer run.

These are some of the things we need to do. There are many others. We must undertake them together, as Canadians, if we are to succeed. Just as governments cannot break inflation by themselves, so they cannot bring about economic recovery by themselves. But just as the public and the private sectors are now implementing jointly a national program to break inflation, so we can join together to strengthen our economic system, sustain our recovery and enhance our future growth prospects. And just as the Government has shown its willingness to lead in the fight against inflation, so it is prepared to lead wherever necessary and to co-operate with business, labour and the Provinces to promote economic growth.

I would like now to comment on the economic and financial outlook. The recession has been deeper and longer lasting in Canada than the Government anticipated when the June budget was presented. We are going through the most severe period of recession since the 1930s. The publication of the National Accounts in late August confirmed that the gross national product declined by 2.1 per cent in the second quarter

of this year, bringing it 6.2 per cent below the level it has reached in the second quarter of 1981. Subsequent monthly information suggests that the economy continued to be weak through the third quarter and may have declined by a further 1 per cent, although national accounts data will not be available for several weeks.

Nevertheless, there are signs that economic recovery will begin in the current quarter. Inflation is abating. This has accelerated since the introduction of the six and five program. On a year-over-year basis, the consumer price index increased by 10.4 per cent in September compared to 11.2 per cent in June and 12.5 per cent on average in 1981. And over the three months ending in September, the average monthly increase, seasonally adjusted, was under six-tenths of 1 per cent. This contrasts with an average monthly increase of nine-tenths of 1 per cent in the first six months of 1982.

The moderation in inflation we have had, together with prospects of continuing improvement, has made it possible for Canadian interest rates to decline as U.S. interest rates have fallen. The bank rate has come down for ten consecutive weeks. It is now more than five percentage points lower than it was at the end of June, and almost ten percentage points lower than the peak level reached in August of 1981. Other interest rates have followed the bank rate down. Mortgage rates have also fallen by five percentage points since last June. What this means is that the monthly payment on a $50,000 mortgage amortized over 25 years, to take one example, has declined by $200 a month during the same period. These lower interest rates are also easing the difficulties faced by businesses and helping to stimulate economic recovery.

For 1982 as a whole, real gross national product is now expected to fall by 4.4 per cent and the unemployment rate to average about 10.9 per cent. Given the high rates of inflation recorded in the first half of the year, the consumer price index for the whole of 1982 will likely rise by 10.9 per cent. Nevertheless, the trend is clearly downward, and I expect inflation to be running at less than 10 per cent by early next year.

Looking forward to 1983, the recovery should gradually gather momentum. Real growth of about 3 per cent may be expected next year. Broad adherence to the six and five program should bring the increase in the CPI down to an average of about 7.5 per cent in 1983 and to about 6 per cent by the end of 1982. Our trade balance with other countries, which has already attained record highs this year, should be even stronger in 1983. Continued strength in our trade position, together with the prospect of continuing decline in U.S. interest rates, will make possible further lowering of interest rates in Canada as our inflation gains are consolidated.

• (1540)

[*Translation*]

The area of greatest concern in 1983 will be the labour market. I expect employment growth to resume soon. The number of Canadians at work should increase by 2.5 to 3 per cent from the fourth quarter of 1982 to the fourth quarter of 1983. However, as economic and employment growth resume, many people who have temporarily left the labour force over the past year will once again begin to look for work. As a result, the labour force will also grow strongly through 1983, and the unemployment rate will decline only gradually. Unemployment is expected to decline, reaching a level slightly above 11 per cent of the labour force by the end of the year; but for 1983 as a whole, the unemployment rate will likely be slightly above 12 per cent.

The unemployment outlook therefore remains distressing and demands continuing efforts to improve employment prospects and help those most in need. That is why I am announcing today a number of measures that go beyond the additional $1.4 billion the government has already allocated for these purposes over the past year.

I now report to the House on the government's fiscal position for the past and the current fiscal year. The Public Accounts for fiscal year 1981-82 have just been tabled. I am tabling with this statement the standard summary statement of transactions for fiscal years 1981-82 and 1982-83. Financial requirements excluding foreign exchange transactions were $8.3 billion in 1981-82, virtually identical to the estimate made at the time of the June budget. This is almost $2 billion lower than in 1980-81. The budgetary deficit in 1981-82 was $13.6 billion, about $1 billion higher than in the previous fiscal year. Total outlays were $68.9 billion, up 17.6 per cent from 1980-81. The major factor accounting for this large increase was interest on the public debt, which grew by 42 per cent. Outlays other than public debt charges were $53.7 billion, reflecting an increase of 12.2 per cent over the previous fiscal year. Budgetary revenues stood at $54.1 billion, 19.1 per cent higher than in 1980-81.

In 1975, the government pledged to hold federal spending to the trend rate of growth of GNP. From 1975-76, the fiscal year in which this commitment was made, to 1980-81, total outlays declined from 22.9 per cent of GNP to 20.1 per cent of GNP. The Public Accounts show that total outlays in 1981-82 increased slightly as a share of GNP to 20.8 per cent. But I emphasize that this increase was more than totally accounted for by an extraordinary and unavoidable increase in interest charges. Exclusive of interest charges, total outlays on government programs have fallen continuously from 20.5 per cent of GNP in 1975-76 to 16.4 per cent of GNP in 1980-81 and, further, to 16.2 per cent of GNP in 1981-82. Those who assert that federal expenditures are "out of control" should check the record of the past seven years.

My predecessor reported in June that the fiscal position of the government in 1982-83 had deteriorated significantly from what was anticipated in November of 1981, essentially because of the onslaught of the recession. I must report today that further weakening of the economy in the intervening months has aggravated this deterioration. The budgetary deficit was

then projected to be $19.6 billion. I am now estimating it at $23.6 billion. About 70 per cent of this slide is directly attributable to the impact of the recession on anticipated revenues.

Total outlays are now expected to be almost $80 billion, about $1.1 billion higher than projected in June. Interest charges are now forecast to be more than $900 million lower than in June. This has been more than offset, however, by major increases in the costs of statutory programs, such as the government share of unemployment insurance, the Canada Assistance Program, Equalization, and Railway Act payments, which are related in substantial part to the depressed levels of economic activity. The net increases in statutory program costs total some $1.5 billion. We have also faced increases in costs due to other government undertakings. These include the just announced decision to provide $400 million to strengthen the equity bases of Canadair and de Havilland and an increase in payments to Via Rail. In many cases such increases also reflect the state of the economy and the desire to minimize further adjustments which are imposed on labour and other markets under current conditions. In planning its expenditures, the government does, of course, provide reserves which, in more normal times, should be adequate to cover such contingencies. However, they have been substantially exceeded this year. The new outlays projection does contain an allowance against further possible upward revisions in existing program costs.

Outlays as a share of GNP will rise this year, reflecting both the low rate of GNP growth and the pressures of the weak economy on government expenditures. This is primarily a cyclical phenomenon, however, and the government remains committed to containing spending growth to rates below the trend rate of GNP growth over the medium term.

While outlays have increased by slightly more than $1 billion since June, revenue estimates have fallen by almost $3 billion. This is almost entirely due to the weakness of the economy, and reflects the operation of "automatic stabilizers". Our tax and expenditure systems have been deliberately designed so that spending for major social programs rises more rapidly and government revenue more slowly when the economy falters. This is precisely what is now happening. Indeed, total budget revenues are expected this year to grow by less than 3 per cent. The net effect of these adjustments is to support economic activity in times of recession.

The government's financial requirements, which were estimated in June to be $17.1 billion, are now expected to be closer to $22.2 billion. Some $4 billion of the increase is attributable to the increase in the budgetary deficit, the reasons for which I have just spelled out. Most of the remainder—about $700 million—is due to increases in the deficit in the Unemployment Insurance Account, partly in response to much higher than anticipated unemployment rates, and partly as a result of the government's decision on unemployment insurance premiums for 1983 to which I will return in a few moments.

Personal savings are at an historically high level and private borrowings have been very weak through the first half of the fiscal year. Consequently I do not anticipate problems in meeting the government's borrowing requirements. Moreover the government is of the view that in current circumstances the federal deficit provides appropriate support to economic activity and individual Canadians suffering from the recession.

As you know, Mr. Speaker, the government is presently seeking a $4 billion increase in its borrowing authority under the provisions of Standing Order 72A. I have outlined the factors leading to this request. I have also made it clear by the estimates I have presented that further borrowing authority will be required before the end of this fiscal year. In the budget I intend to present early in 1983, I will review again the fiscal situation for the current fiscal year, set out estimates for 1983-84 and future fiscal years, and then seek additional borrowing authority as required.

[*English*]

I have heard it said, Mr. Speaker, that statistics make good soporifics. I fully realize that the figures I have recited probably mean very little to the average Canadian. After all, numbers do not pay the rent or buy the groceries. The man in the street wants to know, quite rightly, what the Government will do for him, so I now turn to the additional actions the Government is proposing to protect Canadians from the worst effects of recession, enhance our prospect for recovery and position ourselves to take advantage of future growth opportunities.

The fiscal position I have just described clearly shows that the Government's room for manoeuvre is very limited. While I am prepared to accept the larger deficits resulting from our weak economic performance, the principle of fiscal responsibility prevents consideration of massive new spending programs.

• (1550)

Some have argued that the measures introduced to bring down inflation have extracted a heavy toll from Canadians. However, it is now recognized by virtually every responsible government in the world, whatever may be its political stripe or ideological bent, that failure to check inflation and the pernicious expectations to which it gives rise would leave national economics in an even more devastated state.

To change course now would be foolish and irresponsible. It would break the trust we have sought to build with Canadians. It would perpetuate the cynicism that inflation breeds. The people of Canada would feel betrayed because their Government, when it came to the crunch, lacked the resolve to persevere. I am confident that Canadians will continue to support and adhere to the Government's six and five program and that we will move into the 6 per cent world by the end of next year. I am determined to avoid any initiative that might compromise this achievement. The additional measures I am

announcing today to meet pressing needs will accordingly be financed by spending reallocations.

To help those Canadians who have been directly hit by the recession, the Government is introducing a new Employment Expansion and Development Program.

[*Translation*]

The June budget recognized the need to take action to reduce unemployment and provide support to those hardest hit by the recession. My predecessor announced measures to expand employment programs, stimulate housing and other employment-intensive construction, and promote economic development. More than $1.4 billion is allocated for these purposes in the current fiscal year.

These programs are now in place and, along with unemployment insurance and other employment initiatives, provide an important line of defence against the hardship of unemployment. Through the Canada Community Development and special youth programs, close to $300 million dollars will be spent for job creation programs this winter, providing employment for over 60,000 Canadians. Most hirings will occur during November, December, January and February. These jobs will be targetted as much as possible on our most vulnerable communities.

However, it has become apparent since last June that additional help is required for those who face severe financial difficulty because of prolonged unemployment. The duration and depth of the recession have led to a significant increase in the number of people who will no longer have access to unemployment insurance benefits. Lacking employment and other sources of income, many people will be forced to seek social assistance, often for the first time in their lives. We cannot, as a nation, ignore their plight. It is to help these people that the New Employment Expansion and Development Program is being put in place.

[*English*]

Through this Program the Government will draw upon the abilities of all employers in Canada whether they be in the public, non-profit or private sectors to generate employment. We face a national problem requiring a national solution. The Federal Government cannot solve it alone. By working together we can find productive and socially useful jobs for those who are in greatest need of gainful employment.

The Federal Government is prepared to commit $500 million to this new Program. It is expected to provide jobs for 60,000 individuals over a period of 18 months. I am calling upon Provincial Governments to facilitate its implementation. I am also inviting them, wherever possible, to supplement the federal contribution. Joint action can bring about a significant reduction in the number of people who would otherwise be forced to seek social assistance. My colleague, the Minister of Employment and Immigration (Mr. Axworthy), will contact his provincial counterparts in the next few days, and he will announce very shortly the details of the new Program.

Because of the importance of the construction industry in stimulating economic activity, I am announcing that an additional $150 million is being allocated to two existing housing Programs—the Canadian Home Renovation Plan and the Canadian Homeownership Stimulation Plan.

Under the Canadian Home Renovation Plan, eligible home owners can receive a grant equivalent to a third of their costs for home repairs up to a maximum of $3,000. Indeed the Program has been very successful, and the $65 million allocated to date has been almost completely committed. I am announcing a further allocation of $50 million to the Program, and this should provide an additional 13,000 jobs.

The Canadian Homeownership Stimulation Plan introduced in the June budget provides relief from high interest rates for prospective home buyers. Grants of $3,000 are available to all purchasers of new homes on which construction started before December 31, 1982, and to first-time buyers of existing houses before that date. The Program has been very well received and close to 65,000 grant applications have already been approved. In addition, seven Provinces have home ownership assistance programs which complement the federal plan.

Since June mortgage interest rates have fallen considerably and home buyers are under less pressure. In addition, housing prices have come down. Statistics Canada's new house price index showed a year-over-year decline of 3 per cent in September, but the construction industry has still not recovered from its slump and this continues to be a matter of concern to the Government. I am therefore announcing that the $3,000 home ownership stimulation grant will be extended to the end of April, 1983 at a maximum cost of $100 million. There will be, however, one important modification. Starting on January 1, 1983 assistance will be extended to purchasers of new housing only to generate the maximum amount of activity and employment.

To better position Canada to benefit from world recovery, the Government is earmarking an additional amount of up to $400 million to speed up the expansion and modernization of rail capacity in the west and to facilitate an early, fair and balanced resolution of the Crow rate issue. The commitment of these funds will be contingent upon detailed proposals recommended by the Minister of Transport (Mr. Pepin).

The Government is determined to implement swiftly its comprehensive approach to expand the western rail transportation system and modernize the freight rate regime for grain. Early action will ensure that the railways will be in a position to increase rail capacity as required to move the substantially higher volumes of export commodities projected from the middle of the decade onward. This expansion is critical to Canada's economic development in the 1980s. It will pave the way for the exploitation of additional coal, potash and sulphur resources as well as increased exports of grain. The over-all plan will also stimulate western agricultural development and facilitate economic diversification.

Railway investments amounting to $11.8 billion in 1982 dollars are planned over the period to 1991 and will generate substantial economic activity, not only in the west but in

virtually every region of the country. In addition to major construction activity and sourcing of materials in the western provinces, the railways' requirements for steel rail, locomotives, rolling stock and electronic equipment will provide major stimulus over the period to the manufacturing sector, particularly in central and eastern Canada. As a result of the direct railway expenditures, it is estimated that some 400,000 jobs will ultimately be generated.

• (1600)

But to get the full benefits from the plan and to speed national recovery it is imperative that we get an early start. The Government will therefore seek firm and specific undertakings from the railways to commit funds for the expansion and modernization of their facilities in the west. If I receive assurance from the Minister of Transport that these undertakings are satisfactory, I will be prepared to extend the special additional capital cost allowances on railway track and other rail assets provided under the Income Tax Act beyond December 31.

While I am addressing the issue of transportation, I would like to say a word about the current situation in the west coast ports. The Government of Canada and the people of Canada cannot pour hundreds of millions of dollars into the modernization of our transportation system and see that system close down for extended periods of time by labour-management disputes. Such a situation is even more outrageous at a time when the country is in its worst recession since the 1930s and when such an interruption paralyses one of our most active and dynamic sectors. The Government in its anti-inflation battle has relied on voluntary participation and called upon the sense of responsibility and of solidarity of both management and labour. Unfortunately, this does not seem to have worked yet in the west coast ports dispute.

I am pleased to note that talks are now planned to resume between the parties today in Vancouver. However, I am giving notice on behalf of the Government that it would be in the interests of both parties to resolve their dispute in the next few days. If the dispute is not settled by Monday at the latest, the Government will carry out its responsibilities on behalf of the Canadian people and take decisive action.

The measures I have announced are being financed by reallocations of existing expenditures amounting to $1.1 billion. Consequently, they will not add to the deficit over the current and coming two fiscal years. I am pleased to confirm that this has been achieved without weakening in any way the social security system that is currently sheltering millions of Canadians from the full brunt of the recession.

From now through 1984-1985 some $660 million will be freed up in the energy area by scaling back funds allocated to a number of programs. The existing allocations for the Petroleum Incentives Program will nevertheless be maintained.

Outlays in the areas of defence and official development assistance will be reduced by $230 million and $245 million respectively from the dollar levels previously allocated. These reductions, which have been made possible by lower rates of inflation and GNP growth, will take place without prejudice to our ability to maintain our commitment to 3 per cent real annual growth in defence expenditures, or to achieve our aid commitment level of 0.5 per cent of GNP by 1985-1986. They will, however, require some adjustments in the nature of the programs we had planned to undertake.

Not only is the government freeing up funds for immediate new initiatives, but it is seeking to ensure that it will have the capacity to respond to contingencies likely to arise. Some reductions in other programs are therefore being made to provide for such contingencies and contribute to the financing of the new initiatives I have just announced.

This reallocation exercise has been very difficult. I want to thank all my colleagues for their co-operation in this regard. One billion dollars may not seem like very much in the context of total outlays of $80 billion. But roughly 75 per cent of total Government outlays is made up of transfers to persons, Provinces and other countries, grants or capital assistance to industry, subsidies, loans and interest on the public debt. Of the 25 per cent or $20 billion remaining, which accounts for the operating expenditures of the Federal Government inclusive of defence, some $11 billion is made up of wages, salaries and other personnel costs, which have already been restrained by the six and five program.

It has not been easy to make deep cuts in Government spending without hurting some group of Canadians already reeling from the impact of recession. But the Government, having urged Canadians to restrain their incomes, had no choice but to revise and pare down federal expenditures. The President of the Treasury Board (Mr. Gray) has introduced over the past few months stringent restrictions on spending in the Public Service. The Government has asked him to look again at departmental expenditures to ensure that no fat is left in the system and, even beyond this, that outlays are being pared down to the lowest level compatible with maintenance of adequate service to the public. He will soon report to the House on this issue.

I am also announcing today the Government's decision to set employee and employer unemployment insurance premium rates for 1983 at levels significantly lower than would be required to prevent the deficit of the unemployment insurance account from rising further next year. In effect, the Government will limit the increase in premiums to about half what would be required to balance the operations of the account in 1983.

In so doing, the Government is accepting the recommendation of the Canada Employment and Immigration Commission, which includes representation from both business and labour, and a similar recommendation made by the Economic Council of Canada. Effective January 1, 1983 premium rates will be set at $2.30 per $100 of insurable earnings for employees, and at $3.22 for employers.

[*Translation*]

Unemployment Insurance is the first line of defence of Canadians against temporary loss of income resulting from

unemployment. Honourable Members are well aware that over the past year it has been drawn upon more heavily and extensively than ever before to meet the objectives for which it was designed. The program is financed through premiums paid by workers and their employers, and through contributions from the federal government. Over the years, premiums have moved up and down in response to general economic conditions and the consequential demands made on the Unemployment Insurance Account. Premiums were in fact reduced last year from the 1980 level of $1.80 for employees to $1.65 per $100 of insurable earnings—the same premium level as in 1976.

Unfortunately, we now face a very different situation. The severity of the recession has resulted in a very high number of claims on the Unemployment Insurance Account. It is estimated that by the end of 1983, in the absence of any increase in premium rates, the cumulative deficit could rise to more than $6.5 billion. Some increase in premium rates is therefore unavoidable. However, balancing the Account at this time would have imposed an intolerable burden on the private sector, requiring an employee premium rate as high as $3.75 in 1983.

To have raised premiums to such levels would have amounted to a massive tax increase on Canadian workers and businesses, an increase that would have jeopardized economic recovery. At the same time, keeping rates at their current levels could have added more than $3 billion to the government's cash requirements in 1983. It would also have required even higher rates in the future since the deficit of the Account would continue to mount.

The Minister of Employment and Immigration and I have both consulted with business and labour as to the fairest way to resolve this dilemma. There is a strong desire on the part of the private sector not to tamper with the basic insurance principle of the program. The government supports this principle. Yet a strong case can be made for sharing more widely the burden of unemployment insurance in current circumstances, thereby enhancing the stabilizing properties of the program and demonstrating the willingness of Canadians to help those among us who are most in need. Setting premium rates at the levels I have just indicated will require the government to advance more than $1 billion to the Unemployment Insurance Account in 1983, over and beyond its normal contribution as an employer. The government's borrowing requirements will increase by an equivalent amount. The government's decision will lead to an increase in the cumulative deficit in the Account in 1983—a matter of serious concern to all of us. Over the coming months, my colleagues and I will continue to assess closely the extent of the deficit and its implications, and to pursue the matter in further consultations with business, labour and other interested parties.

• (1610)

[*English*]

Mr. Speaker, I would now like to go into a number of taxation issues, particularly bearing in mind the decision I have just announced relating to unemployment insurance. Taxation policy has been hotly debated over the past year. Our tax system must balance the need for fairness, the need for incentives, the need to avoid distorting private sector decisions, and the need to raise revenues. Many commentators have emphasized the importance of tax simplicity. I agree. However, some degree of complexity is unavoidable if the tax rules are to reflect the real and very complex world in which we live, and if tax incentives are to apply only to those for whom they are intended.

The government has welcomed consultations and constructive suggestions on tax policy. A committee of this House has examined the tax proposals from the November 1981 budget. Several groups of outside tax experts and private sector representatives have been appointed to examine important tax proposals. I have personally held many consultations on taxation issues since becoming Minister of Finance and I plan to continue this process.

I have a number of announcements to make concerning certain measures from the November budget. Many of these respond to representations made by individuals and associations either directly to me or my predecessor, or before the House Committee.

In reviewing these representations I have been guided by three considerations. First, it is important to ensure that incentives extended to some taxpayers are fair, that they do not unnecessarily distort economic activity, or result in higher tax rates for others.

Second, I do not believe that the Government can continually pile incentive upon incentive without looking at the revenue loss involved, the overall government deficit, and the capacity of the country to afford these incentives. The November changes were in the right direction and I am not prepared to abandon that approach, as some have suggested.

Third, since last November the Canadian economy has been hard hit by the world recession and, for this reason, some adjustments in the government's tax proposals are warranted. Now is the time to remove uncertainty, to end the debate over the merits of this or that proposal, to reduce tax complexity, and to move on to the many pressing economic problems that confront us.

Working Canadians are faced with uncertainty in employment and restraint in their living standards. The government is asking them to share with other Canadians the burden of mounting unemployment insurance costs. I am therefore making two tax adjustments that will directly benefit working Canadians.

I will not proceed with the proposal to tax the health and dental plan benefits of employees.

Some hon. Members: Hear, hear!

Mr. Lalonde: We as Parliamentarians, must recognize, that while this proposal would have improved the fairness of our tax system, now is not the time to introduce it. I expect that this adjustment will reduce the administrative burden on employers.

I am also responding positively to the numerous representations the Government has received on the taxation of housing and travel benefits extended to employees in northern Canada and other isolated locations. Such benefits are now tax exempt but the exemption expires at the end of this year. To continue to exempt all benefits would be unfair to other northern residents who do not receive such benefits, and to Canadians living in other parts of the country, who have to bear their full housing and travel costs out of after-tax income. An unlimited exemption would also encourage those affected to substitute tax-free benefits for taxable wages beyond what is reasonable.

However, there is a need for special rules for the valuation of housing and travel benefits that take into account the special circumstances of employees in these locations. Furthermore, I have concluded that, because of the very severe impact of the recession on communities in northern Canada, it would be inappropriate to begin subjecting such benefits to tax at the present time. I also recognize that northern employees and employers are being asked to adhere to the six and five program, and I do not want to impair their ability to do so.

Accordingly, I am extending today the current exemption of benefits by one year, to the end of 1983. I am also proposing a modified tax regime for benefits that will be phased in gradually, beginning in taxation year 1984 and ending in 1987. Full details will be provided in a document I will release shortly.

I would now like to say a few words on taxation affecting business, Mr. Speaker. Canadian businesses are presently confronted with very serious financial problems. Profits are at very low levels and must be restored if investment and economic activity are to pick up again. The decline in interest rates that has occurred since the June budget and the measures that I am announcing today will provide much needed relief. But I have come to the view that reducing the complexity of business tax measures and removing the uncertainties still lingering would help businessmen concentrate more fully on managing their affairs in these difficult times. I am therefore announcing today several tax adjustments to ease the businessman's burden.

• (1620)

[*English*]

The Small Business Bond was introduced last year to assist eligible small businesses in financial difficulty. The program, which was due to expire on December 31, 1982, has proven to be effective and has been used extensively. I am pleased to announce today that the program has been extended for one more year to December 31, 1983.

The change in tax treatment of professionals' work-in-progress will not apply to professionals who are ineligible for the low small business tax rate, or to other professionals who would be ineligible if they were incorporated. This includes doctors, dentists, lawyers, accountants, veterinarians and chiropractors.

The Government has proposed that the federal sales tax be moved from the manufacturers to the wholesale level as of January 1, 1983. This change would greatly improve the tax structure and remove serious biases that work to the disadvantage of domestic manufacturers and in favour of imports. I have received representations from both small and large businesses on this issue. They have generally recognized the need to remove the biases in the current system but they have taken the view that now is not the time for a changeover.

Some groups, notably a joint task force of business associations that I recently met with, have requested the opportunity to explore further whether a modified proposal could meet these objectives. Accordingly, I have instructed my officials to work with industry to explore possibilities in this regard. I invite the interested associations to designate their representatives as soon as possible.

As I noted previously, in the current economic environment I am receptive to the notion that any change, no matter how beneficial, imposes costs and uncertainty on businesses. I want to minimize such costs while continuing the policy of making the structural changes in the tax system that are required. Consequently, I am also announcing that the date for implementing the proposal on the sales tax will be delayed until after the legislation has received Royal Assent and that, in any event, implementation of the new system will not commence before the middle of 1984. This will give adequate time for the Government and the private sector to consult further, for Parliament to review the legislation and for taxpayers to gear up for the new system.

The November, 1981 budget imposed a tax on dividend distributions by small business to correct a serious anomaly in the taxation of such firms and their shareholders. In my judgment, the objective of the tax is sound and many have agreed with its purpose. However, the original proposal was unduly complex. It was also criticized as applying retroactively to dividends paid out of income that small firms had earned before the measure was introduced.

In order to resolve these concerns, I have concluded that the tax should apply only to dividends paid out of corporate income earned in taxation years starting after the year 1982. Dividends paid out of business income will be considered to come first out of income earned after 1982. This change removes one of the features of the tax that small business and the tax community found objectionable, and together with other technical adjustments will simplify the tax quite significantly.

Before the November 1981 budget, tax on capital gains was deferred in various corporate reorganizations. That budget proposed to end these tax deferrals in certain circumstances. The application of the proposal has been deferred until 1983, pending consultation with a group of independent tax experts. The issue remains under study and it is my intention to publish a consultative document containing specific proposals.

However, I want to remove uncertainty for businesses which are currently in the process of or are contemplating reorganizations. I am thus announcing that the pre-budget rules on corporate reorganizations, with the exception of the changes contained in the June 28, 1982, ways and means motion, will continue to apply after the end of this year. As well, any new proposals arising from ongoing studies and consultations will not apply to reorganizations that are substantially advanced on the date that new proposals are announced.

I have one adjustment to announce concerning taxation of the investment income of individuals. My predecessor referred a proposal to restrict tax deductibility of interest expenses to a committee of prominent tax professionals. That proposal would have limited tax deductions for investment interest expense to the amount of a person's investment income that was taxable in the year. I have received the report of the committee. Their recommendation is not to proceed with the proposal and I accept it.

However, in any move to eliminate tax on the inflation-related portion of capital gains or interest income, it may well be necessary to enact rules to ensure that taxpayers would not also be able to obtain a tax deduction for the inflation-related portion of borrowing costs they incur to make the investment. This matter will be further reviewed.

On April 21 my predecessor announced disbursement rules for private charitable foundations that met the objectives of both the foundations and the Government. These rules require the distinction to be maintained between charitable foundations and charitable organizations. In many cases this distinction in unnecessary. Accordingly, I am examining the possibility of applying the same rules to both charitable foundations and charitable organizations. I propose to make public later this fall draft legislation which would apply the rules proposed to both types of charities and to delay passage of the legislation until consultations with interested parties are completed. In any event, the new rule would apply only in taxation years commencing after 1983. However, the special rules concerning non-qualified investments, as announced on April 21, will apply at that time to all charities.

[*Translation*]

Mr. Speaker, I would like to comment briefly on the recent report of the Ministerial Advisory Committee on Inflation and the Taxation of Personal Investment Income, chaired by Mr. Pierre Lortie, the President of the Montreal Exchange. The Committee's report was released to the public on October 20. I wish to thank its members for the considerable and impressive work they have done on important tax issues. I have found the consultative process and the Report itself most useful. The Committee has supported the general thrust of the government's proposals to base taxation of investment income on real ability to pay. It has stressed the paramount need to reduce inflation. It has recommended that the Registered Shareholder Investment Plan proposal to exempt the inflation portion of capital gains from taxation be proceeded with in a modified form. It has recommended against adopting a proposal to adjust for tax purposes the interest income of individuals on funds lent to farmers, small business, and homeowners.

Since early June, interest rates have declined by five percentage points and are now at levels comparable to what they were two years ago. As we persevere in our efforts to reduce inflation, they will go even lower. Moreover the federal government and many provinces have introduced assistance programs for homebuyers, mortgage renewers, small business and farmers. I have just announced additional support for housing. In the light of these facts, I accept the Committee's recommendation that the proposal for indexed term deposits and indexed loans not be proceeded with.

[*English*]

I do not need to be persuaded of the crucial importance of encouraging the revival and growth of equity markets in Canada. I therefore intend to proceed, as recommended by the Committee, with the Registered Shareholder Investment Plan under which tax will apply only to the real portion of capital gains on common stock of public companies.

• (1630)

In my judgment, it is important to ensure that the details of the approach the Government will put forward take into account the Committee's suggestions and not prejudice any possible move to adjust the taxation of business income for inflation. I also believe it is desirable to work out the full details of this approach in the form of draft legislation available for public comment prior to implementation. It is my intention to table such draft legislation before the end of this year.

The Committee has recommended that a major study be undertaken to determine the desirability of adjusting the taxation of business income for inflation. I am well aware of the distortions and disincentives to investment that can arise when the tax system does not recognize that inflation affects the measurement of business income. I am therefore receptive to this recommendation and will consider how such a study could be conducted.

To sum up on tax issues, the over-all effect of the changes I have just announced, exclusive of the Registered Shareholder Investment Plan, will be to reduce federal revenues by $45 million in the current fiscal year and by approximately $300 million on a full-year basis. This financial impact is included in the financial statement I presented earlier. The revenue effect of the Registered Shareholder Investment Plan will depend on the exact details of its structure and when it comes into effect.

I will be releasing soon the draft legislation on the taxation of investment income and life insurance. I plan to table in the first two weeks of December final legislation to implement the proposals from the November and June budgets, as revised today. The legislation has benefited significantly from comments that have been made on the draft that was made public last June. I thank those who took time to send comments to me, my predecessor and my officials.

[*Translation*]

Madam Speaker, I did not attempt today to paint a rosy picture for Canadians. The world recession has severely weakened our economy. Recovery will take time, and unemployment will not come down overnight. But if the best is by no means assured, neither are we inevitably fated for the worst, as the Right Hon. Prime Minister has reminded us so often, quoting his favourite Portuguese proverb. The strong support that individual Canadians, private sector organizations and most provinces have given to the 6 and 5 program introduced by my predecessor last June has significantly improved our economic prospects. As a result, inflation has abated and interest rates have come down over the last four months. These hopeful trends point to an early recovery. The measures introduced in the June budget and those I have just outlined will sustain activity and help those among us hardest hit by the recession until recovery makes it possible for them to find jobs.

Last week the Prime Minister formally committed the government to maintain and improve the social programs put in place over the past 40 years to counter the effects of unemployment, poverty, bad luck and economic disruption. The measures I have just announced bear witness to the fact that this was not empty rhetoric. Expenditure reallocations will enable us to devote over a billion dollars to employment support, housing assistance and modernization of our railway system without adding to the deficit. Moreover, the government will absorb next year half of the additional cost of unemployment insurance to make sure that workers and employers are not saddled with an intolerable burden. The tax changes I have proposed will likewise ease the burden of taxpayers and make it possible for them to devote their full attention to essential tasks: to produce more efficiently and more cheaply, to improve their products and techniques of production, to fully exploit markets at home and abroad—in short, to make the Canadian economy more competitive and better able to prosper as world growth picks up. This is the challenge we will have to meet together, and it will remain my first priority as Minister of Finance.

[*English*]

As some of you may know, I come from a farming family. My ancestors worked the land on Ile Perrot for almost 300 years. I still make my home on that farm. Because he depends so directly on the land for his livelihood, the farmer is more closely attuned to nature's quirks, the too sudden winter or late-arriving spring.

I have seen that the shrewd farmers use the long winter to their advantage. They sharpen and repair their equipment and tools, take account of their stock, store their grain and protect their animals. They know that they will be ready for spring.

Well, the next few months will test our collective strength as a nation. Like the wise farmer, let us use the time wisely, together laying the groundwork for the spring that awaits us.

Some Hon. Members: Hear, hear.

Hon. Michael Wilson (Etobicoke Centre): Mr. Speaker, today is not a happy day for Canadians. It is not a happy day for the former minister of finance. It is not a happy day for the new Minister of Finance (Mr. Lalonde). The former minister of finance has seen a good part of his last two budgets thrown right into his face.

This is the first budget of this Minister of Finance, and let us call it a budget, because that is what it is. It is not an economic statement or financial statement, it is a budget. It is the third budget that we have had in the House of Commons in less than 12 months.

This Minister of Finance has been asked to carry the can for his predecessor. He has told us that the economy is still in a downturn. The drop in the national income is at least 7¼ per cent during this recession and may go still further down. The budget deficit is an astonishing $23.6 billion, $4 billion higher than the Minister's predecessor estimated some three and a half months ago. I hope these figures are correct.

I hope they are not going to be worse than that when we have the next budget which the Minister is going to bring down some three months from now. The advice the Minister has been getting is coming from the same place that gave us the estimates of the $10.6 billion deficit, the $19.6 billion deficit and now the $23.6 billion deficit. They are the same people. And Canadians, Mr. Speaker, cannot take many more shocks like this. I fear that if these projections that the Minister has put forward for the balance of the year are still on the low side, then Canadians are going to be deeply disturbed and deeply affected by the effects of this Minister's statement. I hope I am wrong. I hope he is on target. Hon. Members and Canadians must be stunned by the magnitude of these figures and by the magnitude of the problems that we are facing, as set out by the Minister. The Minister seems to be trying to turn over a new leaf. He is trying to put those Cape Breton days behind us. But Canadians must all recognize that the Minister has not presented this statement without having some blood on his hands, because it is his National Energy Program and the collapse of the oil industry that have led to the increase in unemployment in the country today and the significant drop in revenues that have caused the deficit problems we have.

• (1640)

Members are probably looking at this seat over here and wondering where the Deputy Prime Minister is. They must have seen him leaving the House with that look of guilt, that sheepishness on his face, as he saw all those budgets, the November budget, the June budget, disappearing before his very eyes. It was a sight to behold, the embarrassment of that man.

The Minister of Finance, in one simple act today, has acknowledged that the November, 1981 budget of the Deputy Prime Minister was a total disaster and the worst budget the country has ever had in its financial history. No less than eight more pieces of that budget have been cancelled. That is in addition to the 36 changes that have already been made in the

budget. These latest changes, Mr. Speaker, have caused significant concern and hardship to many Canadians, Canadians who feared that they were going to be losing their dental and health plans, as well as small business men, professionals, accountants, the retailers of the country, charitable organizations and northerners.

I should point out, Mr. Speaker, that the treatment of the northerners still is not much improved over what was in the budget. There is still a great deal of uncertainty as to what is going to happen to the people living in our north and who are suffering so much with the current economic downturn. These were proposals that hurt our economy. They caused uncertainty, they caused a tremendous amount of time lost by people fighting these proposals at a time when the economy can least afford that diversion.

I welcome this new-found sense of co-operation that the Prime Minister spoke of today in Question Period, that he will accept openly any proposals that the opposition suggests which will improve the situation. But why has the Prime Minister taken so long? Why has it taken a full year to get these changes into effect? We welcome the tax changes. We should, because we have been fighting for them for approximately 12 months alongside those people who are affected.

Last January, some 62 Members of the Conservative caucus travelled across this country meeting with Canadians from coast to coast, seeking out their concerns, seeking out their ideas as to how the situation could be improved upon, what changes should be made in the budget. We made a full presentation of this in a report that was issued some eight months ago, but it has taken all this time for the Government to come to its senses and understand the nature of the changes that were proposed last November, the impact that it was having on the social fabric of the country, as well as the economy. Why did we have to wait so long? Why were the original proposals made and why did it take such a long time to change them?

This enormous flip-flop, this incredible admission of incompetence, of lack of understanding, is not complete. There are still more changes to come. There are still more changes that we will be fighting for in committee, changes which will affect farmers, small businessmen and home owners. There is still the uncertainty because the number of changes and proposals that the Minister has made has pushed the decision out one or two years into the future. The uncertainty is still there, and if there was one message that came through loud and clear in all the hearings we have had on the budget proposals this year, it is that the uncertainties are just killing people's ability to make decisions, killing our ability to fight the recession that we are in now.

The Minister said in his speech that we have been demanding budgets every three months. We did, Mr. Speaker, and I make no apologies for that. We did, because that budget of November, 1981 was wrong. Canadians wanted a change. We wanted a change. And it has taken almost 12 months to get those final changes made. One has to ask oneself a question: do we have a new standard of ministerial responsibility being presented to the country today? We have the Deputy Prime Minister, the author of that budget, still in the Cabinet, when the Deputy Minister of Finance has quit, when the Principal Secretary to the Cabinet, who is very much a part of that budget, has also quit. But where is the Deputy Prime Minister? He is still in his seat in the House of Commons. This in other parliamentary democracies would just not be accepted.

I would like to comment now, Mr. Speaker, on the substance of some of the presentations that the Minister made today. He talked about tight control of Government spending as being one of the answers to reducing the size of the government deficit. Those are only words. They are words we have been hearing for three years now, but they are words without any substance, because, again, in this budget, Government spending is still increasing at 20 per cent per annum, the same as it increased last year. The figures in the budget for the period from 1976 to 1982 are misleading, and I will debate that with the Minister any time he wants to debate that point. They are misleading. They are comparing apples and oranges, and Canadians are being misled by them.

I want now to discuss the impact of something that is quite within the control of the Government: Government spending on the administrative costs of departments. The minister has said there are statutory increases in spending that cannot be controlled without changing the laws. Let us look at some of the administrative costs. In the 12 largest departments of the government, the administrative costs in the estimates for 1982-83 compared to the forecast expenditures for last year are projected to increase some 17.1 per cent.

Let us look at some of these departments: Agriculture, 22.8 per cent; Employment and Immigration, 40 per cent; Indian Affairs, 14 per cent; National Health and Welfare, 32.5 per cent; Transport, some 20 per cent. That is not an indication of a government that is serious about controlling its expenditures. That is where the Government can take some action, but they have shown no indication that they understand the importance of displaying some spending control. They continue to spend money without any regard to what is going on in the country, without any regard to the fact that they have put forward a six and five program, calling on other Canadians to hold themselves to 6 per cent, but still going blithely along at 17.1 per cent.

In this budget that the Minister has just presented, unemployment insurance premiums are going to increase by 40 per cent. This is purely and simply a tax increase. It is a tax increase when it can be least afforded and it is another colossal error of the previous minister of finance in that November budget. You will recall, Mr. Speaker, the unemployment insurance premiums at that time were reduced, reduced at a time when we were facing record high unemployment, when we knew that there would be record demands on the unemployment insurance fund. If those premiums had been held level last year instead of being reduced, the shock to the economy would have been far less severe than this 40 per cent increase now, and could probably have been held to something in the 15 per cent range.

The Minister announced a 500 million dollar job-creation program. I guess we have to say, Mr. Speaker, it is a step in the right direction. They have addressed the problem of unemployment in this budget, but it is a very small step. Five hundred million dollars sounds like a lot of money but it is $300 per unemployed worker and amounts to some one quarter of one per cent of the total size of our economy today. It is a step in the right direction but we have a long way to go, and we on this side are convinced that the only way to achieve true, permanent job creation is a set of policies, which I will come to later, which will address the problem of 1.5 million people unemployed, not 50,000 here or 30,000 there.

• (1650)

Now, the Minister also announced that the government is going to spend some $400 million on the west. Mr. Speaker, I may be hard of hearing, my memory might be short, but I seem to have some recollection that the previous minister of finance was talking about another figure, and I think this Minister forgot a zero. I think we were talking about a $4 billion Western Development Fund some two years ago. There is another aspect of this. Perhaps the Minister is simply saying to us: when we tell you that we are going to do something, we discount it by 90 per cent.

Some hon. Members: Hear, hear!

Mr. Wilson: Now, Mr. Speaker, we also welcome the decision that the Minister has made on the Lortie Commission to accept its recommendation to provide some relief on the capital gains tax to Canadian public companies. This is the right direction to take and we are pleased that he has taken that step. We are also pleased that he is not proceeding on the indexed term deposit. This would have been a very dangerous step. It would have led this country directly into wide-scale credit allocation by a small coterie of bureaucrats and politicians in Ottawa doing things that the broad economy should be doing.

So that is the right decision. However, having taken that decision, the Minister has to acknowledge—and he did not in his statement—that those who proceeded to take the advice of the Prime Minister (Mr. Trudeau) and the Deputy Prime Minister (Mr. MacEachen) and the Minister of Finance and the Minister responsible for housing, who is in the House today and who encouraged Canadians to go ahead and buy a home because this proposal was going ahead—in the words of the Minister of State for Finance (Mr. Cosgrove) "there is no question of chance, the plan will be implemented". Canadians responded to that, they bought houses, they put their money on the line, and the minister has a responsibility to tell those Canadians what he is going to do to protect them after taking on that high cost mortgage three or four months ago. That is a responsibility that the minister has not discussed today.

Now, the Minister today, and the Prime Minister last week, tried to tell Canadians that we are doing better in this country than many other countries in the world. But let us take an objective look. Mr. Speaker, I want to give you some of the facts that the Prime Minister did not lay on the table last week in his fireside chat and that we did not hear from the Minister of Finance today, facts which will help Canadians understand why we have 1.5 million people unemployed today.

Euromoney, a respected international financial journal, sets out annually a survey which has a composite indicator of all the broad measures of the economic performance of 81 countries; economic growth, inflation, exports and exchange rates are all included. Where do you think Canada fits into this survey of 81 countries, Mr. Speaker? It is No. 40, over a period from 1974 to 1982. This is not Progressive Conservative research material, this is *Euromoney* material, an objective observer of the international scene. In the most recent 12 months we have slipped from No. 40 to No. 55. Who do you think is beating us? Saudi Arabia, sure. Germany, Japan, the United States. We would expect that. But how about Cyprus, Burma, Honduras, India, Pakistan, Papua and New Guinea? These countries are all ahead of us. I can produce that chart for any member of the House of Commons who wants to read it.

The reason we have suffered so much in these past two years from the international stresses and strains in the economy is that No. 40 position. For 15 years now our economy has been gradually weakened, year in and year out, by successive Liberal Government policies which have gradually eaten into the strength that we enjoyed some ten and 15 years ago. So that when interest rates in the United States shot up, our rates shot up even further, to as much as four to six percentage points over those in the U.S. Why? Because our inflation rate was higher and because we were suffering a record outflow of capital over the past two years. When the international economy slumped, our economy slumped further. Why? Because our productivity rate has been the lowest of the industrialized countries for the past eight years, and this has been compounded by the attack on productive investment in the November, 1981 budget.

When high interest rates and slow growth have caused 1.5 million people to lose their jobs, the federal government has had little resources to draw on to fight unemployment. Why? Because for ten years we have had reckless Liberal spending and a total disregard of the deficit problem, which has resulted in the staggering budget deficit the Minister told us today of some $23.6 billion.

Now, Mr. Speaker, this mess did not just start in 1980 with the National Energy Program or the budget of November, 1981. It started back in the early 1970s when Edgar Benson brought in his tax reform which favoured redistribution of wealth and ignored the creation of jobs and technology and economic growth.

Some hon. Members: Hear, hear!

Mr. Wilson: The tax reform favoured consumption and discouraged job creating investment. Then, with John Turner, this whole thing continued because he presided over a period of reckless government spending, increasing in one year by 26 per cent; uncontrolled monetary policy where the money supply

increased at a rate approaching 20 per cent, and this fed the inflation problem in a most serious way and resulted in the anti-inflation program that came in two weeks after he jumped ship. Also during that time we had a total loss of control of the collective bargaining process in the public sector.

As I said, this led into the Anti-Inflation Board. Period under Donald Macdonald and the current Minister of Energy, Mines and Resources (Mr. Chrétien), a period of government regulation and intervention which has been unsurpassed in Canadian history, except in wartime, regulation which produced bottlenecks and discouraged investment. It was a period during which the government was going to address the structural problems, it was going to solve some of those structural problems which were leading to inflation in the country. But nothing was done during that period and the result has been runaway inflation and the high interest rates of the past two years.

Finally, we have the period under the current Deputy Prime Minister, the former Minister of Finance, who presided over the destruction of our oil and gas industry following his first budget, and the rest of the small and large business community in his second budget.

Now, a common thread, Mr. Speaker, through all of these Ministers of Finance was that none of them had a business background prior to becoming Minister of Finance. They did not understand management.

Some hon. Members: Hear, hear!

Mr. Wilson: They did not understand the importance of the economic problems, they did not understand the importance of the deficit or the importance of investment in new technology. That is the background we are looking at today, Mr. Speaker, which tells us why we have the current mess that we have today. And what the Prime Minister and the Minister of Finance neglected to say is what I have set out before the House today. All the Prime Minister said was, "Trust us. Trust us and we will win. We will beat inflation". But we are going to beat inflation, Mr. Speaker, not because of six and five; that has hardly taken effect. We are going to beat inflation because the economy is so desperately weak that there is no demand to push prices up. The six and five in fact may even hurt the economy because if it is not administered in an equitable way, people are going to turn away from the desire that the government has set out of people pulling together to beat this thing called inflation.

• (1700)

If people think they are being tricked because some civil servants are getting six and five and others are getting nine and ten, if TransCanada Pipelines are getting 16 per cent and Bell Canada getting 6 per cent, if we have the beer excise tax going up by 15 per cent—if all these inequities are allowed to slip into the system, people are going to ask whom they can trust in this Government if that is the way it is playing the game.

The problem with inflation today is not the private sector; the problem with inflation is Government regulated prices, prices for government services and excise tax on various commodities. The Minister of Finance knows that since the beginning of this year the federal excise tax on natural gas has gone up some 80 per cent. That is the problem with inflation in this country today.

Economists are predicting that inflation will drop, that it will be down to well below 10 per cent next year because of that weakness in the economy. What we need today is not a continued fight against inflation—we have to maintain the pressure there—but a shift in direction to free up and encourage the private sector to invest and to create jobs. The problems today are with the million and a half people who are without a job; the problems today are with the 500,000-odd people who are running out of unemployment insurance entitlements because they have been out of work for too long.

And the Prime Minister asks us to trust him. The Prime Minister says that if we trust him everything will be all right. When Canadians across this land wake up in the morning and ask themselves, what is this Government going to take from us next, confidence is replaced by suspicion and trust is overwhelmed by fear. That is the tragedy of the Prime Minister's three-part series last week. That is the misfortune of the statement of the Minister of Finance today. That trust is gone. The response is empty. Today's rhetoric is not enough. Canadians are saying, "Don't tell me, show me". Canadians want opportunity; They want security. These goals are linked because opportunity leads to growth and growth brings security.

People ask me how the private sector creates jobs. Let me illustrate by telling of two Canadians—not big businessmen, but two Canadians who are trying to build a good life, Canadians who thought they had a secure future and were providing secure jobs for other Canadians.

One of these Canadians appeared before our budget committee last January. He told us he left a major U.S. subsidiary some ten years ago and competed against it in a small way quite successfully and built a nice business which employed 55 people. I asked him if ten years ago there had been the same tax environment as there is today, would he have left the company with the higher salary, the perks and the security of a larger company to go out and risk it all and try to build this business. He thought for a moment and said, no, he would not have left that company. If he had not left that company, 55 people working for him today would not be working for him, they would not have those jobs.

The other man is a constituent of mine. He employs 26 people. Three times since the November budget, which hurt him very, very badly, he took specific steps to move his business to the United States. If things do not change, if there is not a better environment, if he does not see opportunities here, he will leave and the 26 people currently working for him will be out of jobs because he is the driving force in the company.

This is the way jobs are created by the private sector—by individual Canadians who are working hard but who are fragile individuals. We have seen how the goals and lives of these people have been seriously hurt by government policies in the past year.

Budget deficits of the size of $24 billion can destroy jobs and undermine security in the country today. The budget deficit we have seen today causes the Government to panic and grab money from people wherever it can get it. Tax incentives are removed, small businesses dry up, jobs are lost, health and post-secondary funding is cut back and health care and education suffer, pensions are cut and universal social programs are threatened.

When the elderly and the unemployed need the safety net and security which governments can provide, at a time when Canadians need government assistance the most, the Government cannot produce because it is broke. It cannot find any more money.

For years the Liberal Government has ignored or never understood the problem of the deficit. I can still remember that in 1979 the Prime Minister, the finance critic of the Liberal Party at that time and the NDP as well, asked why the Conservatives were so preoccupied with the Government deficit? They asked what the problem was with the Government deficit.

We now know, Mr. Speaker. It was because successive Liberal Governments have attacked the private sector, the producing side of our economy, for 15 years. The results are clear in that No. 40 position which I showed in the *Euromoney* study. The results are clear in that position in the economy today.

I said earlier that Canadians want opportunity and security. When opportunity is blunted, security is threatened. The nation's elderly can never be secure unless the nation's productive workers are encouraged to seek opportunities. That statement is more true today than ever before. Since 1976 our population over age 60 has grown by 800,000 people. Our population under age 20 has declined by some 700,000 people. What is missing from the Prime Minister's statement last week and the Minister's statement today is a plan on how to encourage people, how to challenge people to create jobs, to develop a productive side of the economy—the people who will provide the security for our seniors.

We must start now to change the policy direction of the government, to strengthen our economy, to avoid being battered by international pressures as we have over the past few years, to develop a strong private sector and to encourage job-creating productive investment.

We must set an environment to stimulate growth to help Canadians face the future with confidence and optimism. These are the policies we have been setting forward for a number of months and I should like to summarize them now.

A Progressive Conservative government would reduce the deficit and the size of government. We would redirect and limit government spending.

An Hon. Member: How?

Mr. Wilson: The Hon. Member asks how. I set out just two minutes ago that the administrative costs of government have been going up by 17 per cent. Surely even the NDP can understand and see where a little money could be saved.

Some Hon. Members: Hear, hear!

Mr. Wilson: We would simplify the Income Tax Act and encourage risk-taking investment. We would create a positive and open investment climate by reforming the Foreign Investment Review Agency and rewarding the creation of job opportunities and economic growth. We would amend the National Energy Program to reduce government red tape and eliminate government confiscation.

We would reduce the burden of government and unnecessary regulation. We would assist Canadians to reach the forefront of new technology with aggressive research and development policies. We would support Canadians, particularly those who are out of work today, in training and education programs to take advantage of this new technology so that they will see it not as a threat to their jobs but as a path to a better job. We would encourage small business to start new businesses.

People have said we need lots of megaprojects in this country. What we need are mini projects; small businesses starting up and creating jobs, as did the two men I referred to a minute ago. We must continue to reduce interest rates through sensible monetary policy and a tight control of Government-regulated prices which, as I said a minute ago, are at the heart of our inflation problem. Finally, we must expand Canada's trade potential, particularly in the Pacific Rim countries.

• (1710)

There is no magic in this Program, there is no quick fix, and there are no major government spending programs here. We know where we want to go and we know how to get there. The combination of these policies will set a clear framework for success, a clear change of direction from the past 15 years. It will send a clear message to businessmen, such as the two small businessmen to whom I referred, that they can build and grow and prosper in the country.

Governments cannot fine tune an economy. We have learned that painful lesson time and again as the Liberal Government has drawn more decision-making into the bureaucracy, and it has not worked. Governments can set the environment. We have seen how bad management, runaway deficits, tax laws and a lack of understanding of the importance of investment can kill an economy.

The Progressive Conservative approach provides a clear change in that environment. It will lead to more economic growth and more jobs. The Liberal policies have led us into a zero-sum world. It is a world of factionism and mistrust; one man's gain is another man's loss. That is the fatal flaw of the message of the Prime Minister last week. He says that we must

have trust and that we must be generous with our neighbours. But when people are struggling for survival, when people fear that they will lose their jobs or that their children cannot find that first job, there is not much trust and generosity. Rhetoric will not produce the harmony we all want, but a healthy economy will.

We must reject the zero-sum world of the Liberal Government. We must move in a new direction where Canadians are encouraged by a government which understands the value of risk investment, investment that will create jobs, a government which understands the importance of competent management, and a government which knows that security only comes with a healthy economy.

Last week Canadians in three ridings rejected the zero-sum world. These Canadians confirmed recent Gallup polls. Canadians want this new direction. Canadians want to be proud of our country. We were proud of our country in 1967, of our people, of our way of life, of our industries and of our position in the world community. But Canadians have been robbed of this pride in recent years by 15 years of neglect and mismanagement.

Hon. Members today must take the first steps to regaining that pride, that hope for the future, that opportunity to rebuild the country of which we were so proud 15 years ago. The Minister's statement is a start, but it is only a very small start; we must go much further.

Some hon. Members: Hear, hear!

Hon. Edward Broadbent (Oshawa): Mr. Speaker, before I comment upon the observations of the Minister of Finance (Mr. Lalonde) this afternoon, I should like to put this debate in the context of what the country is facing right now. Up to this point in 1982 we have had somewhere between 9,000 and 10,000 businesses which have gone bankrupt. In real numbers we have had something like one and three-quarter million Canadian men and women unemployed, people who would like to be obtaining cheques for working, not cheques from the Unemployment Insurance Commission or the welfare office. Because of the Liberal Government's total lack of concern with the seriousness of the economic situation, I want to indicate to the Minister that between now and Christmas we will have the loss of probably between 80,000 and 100,000 more jobs. Also we will have—and it is a conservative estimate—about 2,000 more businesses which will have gone bankrupt. Every region and every sector of the Canadian economy is affected by the recession that we are going through. That is the situation in which the Minister made his statement that went on for 25 or 27 pages.

What has the Minister come up with for the men and women who are looking for some hope? They are not looking for a pie in the sky or a quick fix. They want to believe that between now and Christmas there is some reason for economic hope; they are looking for that. What did the Minister come up with? I ask the Conservative critic to check his numbers. If he looks at the direct spending program and reads the fine print of the Minister, it is for 18 months, not 12 months the $500 million allocated for direct job creation would not even be adequate for 12 months. If we add the slight changes that were made in housing spending to the changes in fiscal outlay which the Minister said we will now get for direct job creation, we will have a total, in an economy measured in billions of dollars, of $480 million being allocated for job creation. This will create at the most some 60,000 jobs. What we need in a crisis, because surely that is what we have, is a crisis program. In Canada right now we need a national recovery program, not the pittance thrown out by the Liberal Government this afternoon.

I will return to the Conservative Party in a minute, but all I can say at this point is that if clichés were a substitute for policy, we certainly heard them from the group on my right today. Having said that we must address those concerns, I want to underline it for those of us who have jobs. For some of us in the House of Commons they will be temporary jobs, I am convinced, but those of us who are working must consider the effects of the unemployment crisis. Michael Harrington of the United States wrote a book a number of years ago about the hidden poor. In a human sense we have in Canada the hidden unemployed. There is a great tendency for us to think in this land of ours that because we have unemployment insurance and the social fabric of the welfare state, not completed but at least in place in a way that it was not in the 1930s, somehow the men and women who are unemployed are not really suffering. There are Hon. Members on all sides of the House who have talked to the unemployed, but I do not know if there are Cabinet Members who have done so. The kind of unemployment we are experiencing now has a corrosive effect on the affected people, of which anyone who is at all sensitive is fully aware.

Men and women in this country want jobs, as we have said on other occasions. It is true that they want jobs; they do not want handouts. They do not want from their national Government 25 or 27 pages of so-called analysis. They would like to see a 25-page program which could be implemented now; that is what they want. There is a human concern out there which we must address. It is very real. Rather than coming up with a Program which is a drop in the bucket in the short run of less than $500 million, we are proposing a spending Program in the short run of more than four times that amount. We do so and do not hesitate to do so. If the Tories are afraid to mention dollars because of some kind of perceived backlash, I can say that we in this Party are not afraid to talk about the need for spending to meet a human requirement right now—to create jobs. We say that by spending $2.2 billion, using the same multiplier the Minister used in his figures earlier today, we would be able to create a minimum of 250,000 jobs for the men and women who need them.

• (1720)

Again unlike the Liberals and unlike the party on my right we are prepared to say concretely that those who are in a position to help pay now should be out there in the front of the line with their pay cheques, because the time for rhetoric about

justice, the time for rhetoric about caring and the time for rhetoric about co-operation is over. It is time to start implementing the socially desirable goal right now.

Therefore, we are prepared to say—and I did not hear the Tories talking about this nor did I hear it coming from the Liberals—that it was a social injustice of high proportions that we put a six and five wage and salary control guideline on the people in the federal public sector urged the provinces and urged the private sector to follow suit—which the Tories supported—and at the same time cut by over $1 billion the tax paid by the wealthiest people in this country. That is a disgrace.

We say there is a source of revenue.

Mr. Gamble: Another illusion.

Mr. Broadbent: Another illusion, says a Tory. I say to the member who just spoke, after having heard the Tories' speech, there has been one Government in the world that has implemented the Canadian Progressive Conservative Party's program and that is the Government of Margaret Thatcher. Britain's unemployment rate has risen 38 months in a row under Margaret Thatcher, and the same thing would come from the Tories here.

We say that if we need money to create jobs, we are prepared to start practising a little of the equity that other parties talk about. We would rescind the tax cut that was provided by the Liberals last fall for upper income Canadians, and we would say "Yes, indeed, if workers are going to be holding down their incomes to six and five and if pensioners in this country are going to pay income tax, then it is time to put a surtax on upper income Canadians to get money to help create jobs that are needed now."

At the same time we are saying that if the Government had looked with some imagination at federal spending programs—and again I did not hear any specifics from the Tories—it would find that there are areas in which cuts could take place that under normal times I say would not necessarily have to be cut at all. If, however, there are areas of federal Government spending that do not have as their leading priority job creation, then we in this party say that many of those areas should be cut out, and we do not hesitate to say it.

Therefore, in this context we have proposed that the planning under way to spend money on embassies abroad in the coming year be cut. Also, of money that is being spent in the National Unity Information office we say that one-third of the over-all budget which the Government allocates for publicity for its programs could be cut. If we did that, we would have a saving in public spending already allocated of some $400 million, and $1.3 million would come from surtax.

Finally, we would take another program introduced by the Minister. I see the Minister questions the surtax figures, but we have checked and double checked, and we stand by our figures. I say to the Minister that his department is the last in this country that should try to correct anybody else's figures at this time.

Mr. Lalonde: It is National Revenue then?

Mr. Broadbent: I come to another proposal. It came in last fall's budget which came from the Minister who was then the minister of energy. He provided a special kind of handout to the oil companies. I refer to the PIP grants. We said at that time when we voted against them—the Tories, of course, voted for them—that it would lead to irrational investment. We said that, if we wanted to Canadianize the oil industry, we should do it as do most other energy producing countries in the world, that is, use the public sector to do it and not the taxpayers' money to finance private investment. We voted against that Program.

An hon. Member: Really?

Mr. Broadbent: I tell my hon. friend to check the voting record. We voted against it, not only because we have a public instrument which we say is a better way of dealing with the energy sector, but also because we said it would lead to irrational investment, even if you wanted to go the private sector route.

Some hon. Members: Oh, oh!

Mr. Broadbent: If the Tories would calm down, I will tell them something about what happened. They should know, among others because I have heard some of them complain, that a monumental disaster occurred, the biggest private disaster in Canada since the Second World War. I am speaking of the Dome Petroleum situation. That bail-out, which was inappropriate, was the direct result of this Government's program, supported by the Tories. We say to that cut that out.

We say that if the Government will not cut it out, at least let it give us $500 million out of it and put that money into direct job creation.

I want to say something now about the way we will spend the money. We have the naive view on this side of the House, unlike the Party to my right, literally, figuratively, and in every other way, that an opposition Party, particularly at this point in our history, has an obligation to say what we would do. That is an obligation.

An hon. Member: You have not had a single idea.

Mr. Broadbent: We would take this money now, recognizing that there is unemployment from British Columbia in the west to Newfoundland in the east, and put some $220 million into reforestation programs that will not be "make work" but would do for our reforestry what western Europe has done for its forests for decades, that is to manage forests in a sensible way so that when the market picks up in very significant proportions at the turn of the century in the United States, we will have the trees to service the market. In short, we could create jobs now for an immediate benefit, but also we would have a long-run economic benefit for our forests. That makes sense.

Similarly, we would not put the pittance in housing which the Minister has talked about; we would immediately inject some $500 million into housing to create more jobs in many

sectors of the economy. In particular, we would deal with those one-industry towns, normally in the resource sector, that are so terribly affected now, whole communities like Port Alberni, like Sudbury, like Faro in the Yukon, like Rouyn-Noranda in Quebec, like Bathurst, and like the Miramichi region in New Brunswick. I am talking about communities totally dependent upon one sector of the economy that are now experiencing horrific social consequences as a result of this recession.

In the short run we would allocate part of the moneys that I have just talked about to these communities. On behalf of my colleagues, starting on Friday in Sudbury I will be announcing very specifically what can be done in one-industry towns where there is a crisis problem now. Things can be done Mr. Speaker, and I looked for a little imaginative action coming from the Minister on that side of the House about what can be done for these communities.

Another example is the situation concerning the fisheries on both coasts. We would use part of the money for fishery enhancement programs that many Members on all sides of the House have talked about. We in this party believe money should be allocated for that purpose now.

These are just some of the areas and sectors on which in the short run we think money should now be spent to create jobs that are badly needed by men and women, young and old, who want to work.

But having said that, what we have heard from the new Minister of Finance is just a repetition of his predecessor's crisis management, just stumbling from one situation to another. If the short run program is so in adequate, in human or in economic terms, as I think it is, then I ask you, what about the long run? Here is a Minister who used to pride himself in trying at least to address the long-run interests of the country. There were a number of aspects of the National Energy Program which this party supported because some contents in that program did have the long run in mind. I want to say that he, as Minister if Finance, has revealed himself as the ultimate Liberal once again, because we have no perspective at all of what lies beyond the end of this year, let alone beyond the next election.

• (1730)

In the next couple of minutes I want to address an unstated assumption, both by this Minister in his presentation today and also by the Conservative Party to my right, because I think it is a very serious one. The unstated assumption is really that the marketplace must be relied upon to get us out of our very difficult situation.

An hon. Member: Good idea!

Mr. Broadbent: One of the Conservative Members says, "Good idea!". I would ask that hon. member to compare what has been happening in Great Britain for the past 38 months with what has been happening in other western European countries. Only one country has had 38 months of perpetual increase in unemployment. That has been under Margaret Thatcher, because she has relied entirely upon the marketplace. That is what happened.

Through Your Honour I want to urge the people of our land, particularly right now, to think historical terms and to keep in mind that this not 1932, it is 1982. Much has gone on in other countries in the world in the past 50 years. If the Party to my right wants to take us back in history and if the Liberal Party is already doing that, they can go that route. There is one Party in this land that believes we should learn a little from history and from what is going on in other countries so that we can create a country which will be decent and exciting in the future. We do not want the past.

Some hon. Members: Hear, hear.

Mr. Broadbent: Therefore, I would ask a rhetorical question of my friends in the Conservative Party and in the Liberal Party opposite as individuals. Many are friends in this House even though we have profound differences about policy. I would ask them to really think about what they are saying and to consider whether it has been our overwhelming emphasis on the private sector alone in this country in the last 30 to 35 years which has got us into a situation where we do indeed have low productivity, where we are not carrying out research and development, where "management in this part of the world, unlike western Europe and unlike Japan, is too preoccupied with the short-run buck, not enough concerned with long-run investment". I do not quote from a socialist source but, rather, from the *Harvard Business Review*.

If the private sector alone has created this mess that we are now in, why, in heaven's name, should we turn back to the private sector to get us out of the mess? That is the question.

Some hon. Members: Hear, hear.

Mr. Broadbent: Therefore, we in this party, like the Social Democrat movement in western Europe, would ask a question. There is not a country in western Europe with a Social Democrat Government which has an unemployment level which is even half of ours. I ask the Minister, and maybe he should ask the question: why is it that West Germany, Sweden, Norway and Denmark which, of course, are having difficulties now, have unemployment levels which are less than half our level?

I now come to the substantive point which I wanted to make to the Minister. He should understand it. I wish he would only act upon it. The point is that these societies in western Europe learned from the Depression. Overwhelmingly, they had Social Democratic Governments. However, there is another country on the other side of the Pacific Ocean, Japan, which has not a social democratic government. I say to the Minister and to the Tories that there is no major economic decision made in that country called Japan without the full involvement of the Government of Japan. The Japanese know what they are doing. They do not rely on the unfettered results of the marketplace.

I say that what distinguishes us as a party from the Conservatives and the Liberals is that we want to deal with realities. We do not want to deal with myths about private enterprise. We want to deal with the reality of facing our mixed economy now, in 1982, because that is what it is, and finally to make it work for the people of Canada. We want to make changes to achieve that. Specifically, we say it is necessary that the federal Government show a little leadership. God knows, it has made bad decisions in the past. We should have a government which should commit itself to a plan for the future. It should consult with the Provinces, by all means, in a federal state. That is essential. It should consult with labour and with the private sector. But then, like the leading nations in western Europe, like Japan, the federal Government, the Cabinet, should bring before the Parliament of Canada a development plan for this nation and should say, "Over the next decade, this is where the money will go to create long term jobs for the people of Canada". That was totally lacking, of course, in the approach of the Minister today.

I want to say that we were not only concerned about the inadequacies of the short run and long run programs. What was more alarming in the sense of equity was the proposal to increase the UIC premiums. As I said, during the past year the Government cut the taxes of the richest people in our land by over a billion dollars. The Government has imposed a six and five guideline program on the working people of Canada at the same time. The Government reduces the cost to the rich with one hand and increases the burdens of the workers with the other. That is what it did between last October and last August. But now what is the Government doing? It is coming along and saying to working people, men and women, "We will increase your premiums by 40 per cent".

Mr. Gamble: And employers.

Mr. Broadbent: And that of employers, yes, but I am not referring particularly to the people who got it in the neck so far this year. The Government will increase it by 40 per cent. This is not six and five, which the Government keeps preaching. This is not a 6 per cent increase or a 5 per cent increase. It is more than a 6 per cent times 5 per cent increase. It is a 40 per cent increase. We must keep it in mind that this is really a form of taxation.

It was not recommended by the labour movement, Mr. Minister, and you can check your records on that. I listened to the Minister's wording with care. He said that he had consulted labour and management. I say, through Your Honour, that the Minister did not say that labour supported it, because he knows darned well that no labour movement in this country would accept such a regressive tax as a 40 per cent increase on the premiums paid by ordinary workers.

Mr. Lalonde: You do not accept anything.

Mr. Broadbent: I do not think Your Honour could have a better example of the hypocrisy of the Prime Minister (Mr. Trudeau) than what we heard last week when he spoke of the need for fairness. I think one of the wonderful phrases was that the strong must help the weak. Of course, we reject the notion that unemployed men and women workers should seem to be the weak. They are unfortunate citizens who are out of work because we have not managed our economy appropriately. Surely we have had enough of this hypocritical rhetoric. If the Government of Canada is bringing in what can only be described in historical terms as a reactionary program, as a program which wants to take us back in the form of economic decision-making to a distant past, to take us back to a distribution of income which was inequitable and is becoming more inequitable, then for God's sake at least spare us the rhetoric about justice and co-operation. If the Government Members are to be reactionary, let them be honest reactionaries like those in the Party to my right.

Some hon. Members: Hear, hear!

Mr. Wilson: Mr. Speaker, my question is directed to the Minister of Finance (Mr. Lalonde). I believe the Minister set out eight different items that he was withdrawing from the November budget. However, he did not make any change in two key areas. In particular because of the significance of the economic impact, why did the Minister avoid making a change in the capital cost allowance, which has clearly had an impact on reducing the level of investment in Canada?

• (1740)

Mr. Lalonde: Mr. Speaker, obviously there are a number of areas where additional changes could have been made. All would have had significant impact on increasing the Government deficit and loss of revenue.

I examined this particular issue very carefully. I found that the changes which had been proposed are quite appropriate, and I support them.

Mr. Wilson: Investment activity creates revenue because it creates jobs. It provides people with employment and takes people off of the unemployment rolls. Surely, when the Minister was making that decision, he could have taken into account the revenue-generating impact on that and reinstated that particular credit because of its impact on job creation. Could he answer the question in the context in the investment-generating impact and the job creating impact?

Mr. Lalonde: Again, one could decide to abolish the corporate income tax completely and decide that the companies will use the money for all kinds of good purposes for creating investment and jobs. One could do the same with personal income tax. People would find all kinds of uses for the money they would be left with. However, as long as you have a state, you have taxation, expenses and public programs. You need to raise funds.

In this particular instance, the Capital Cost Allowance is one of those benefits that could be adjusted, and this is what we have done. I completely support what my predecessor has done in that regard.

The Economy

Mr. David Crombie: (Rosedale): Mr. Speaker, I also have a question specifically relating to the program which the Minister has entitled the New Employment Expansion and Development Program, the NEED Program. I believe that most of us would have understood what the Minister was saying if he had said that the allocation of the $500 million was to create 60,000 jobs over one year. My question relates to the source of his data, that he could look after that need by creating 60,000 jobs over 18 months.

As I understand the rule of thumb used by the Minister of Employment and Immigration (Mr. Axworthy), the Government would have been at least technically in a position of having to create 60,000 over a 12 month period, not over an 18 month period. I am conerned that the Minister's data is faulty and therefore the allocation of funds will not be sufficient for the so-called exhaustees between now and June.

Mr. Lalonde: The Minister of Employment and Immigration will be available to answer specific questions on that particular Program. I just want to point out that it will take a few months, first of all, to gear up the Program. We have to have consultations before the Program can begin to be implemented. The money is proposed today but I doubt funds will be available to start before the beginning of 1983.

Therefore, when you are calculating the time of this announcement and the time that the Program will come into effect, I think this adds a few months to the Program. I suspect that this is the reason why this period has been mentioned.

In addition, there are some expenditures that are incurred after the Program is technically terminated in the sense that you are not starting new projects, for instance. Even after the Program is stopped some projects still continue for a few months because they have come in before and are, let us say, three, four or five month programs.

I suspect the total expenditure of the Programs will be spread over 18 months, but I will ask the Minister of Employment and Immigration to address this particular situation and provide the Hon. Member with more specific information.

Mr. Crombie: My supplementary question relates to part of the problem he described in his answer. That is, when a program is gearing up he knows that between now and the end of the year more people coming off the unemployment insurance benefits will be going on welfare. The Minister indicated on page 14 of his statement this afternoon that he was going to have further consultations with business, labour and other parties. I wonder whether or not that included any discussions with provinces and municipalities with respect to any change in the Government's contributions under the Canada Assistance Plan which could assist municipalities with respect to welfare payouts?

[*Translation*]

Mr. Lalonde: No, Mr. Speaker.

[*English*]

Mr. James A. McGrath (St. John's East): The Minister announced that the Canadian Home Ownership Stimulation Program will only apply to first-time buyers of new houses as of next January. I can understand that in some respect because only 22,400 of the 63,000 applications taken up so far have applied to new houses. My concern is that Mr. Lortie, in his recommendations, recommended against the mortgage reduction scheme because it would apply only to new houses and would hence have a distorting effect on the marketplace. How will the Minister get around the distortion of the marketplace, which I think will happen, if he applies the Home Ownership Stimulation Plan as of January to new houses only and not to first-time home buyers?

Mr. Lalonde: Mr. Speaker, the Hon. Member would have a very good point indeed if it was a permanent program, something that would be in operation for all time where one would have that kind of distortion in favour of housing at the expense of other allocation resources. But this is a short-term program. It will expire at the end of April. It is aimed at stimulating a sector of the economy that is extremely weak at the present time and which, as the Hon. Member knows, has significant impact in terms of tertiary job creation.

This is the reason why the program is continued, in order to try to prime up this particular sector which has been very weak this year indeed.

I agree with him that if this were a permanent program it would have the impact which he has mentioned. However, on the basis of a short-term program, to inject funds and encourage the consumer to buy new houses, we think this is a valid approach.

I would also say that, looking at the decline in interest rates which has taken place since June, and looking at the fact that the price of houses has declined on an average across the country, I would hope that we will see a resurgence of activity and that house builders will get into business. Inventory of new houses has been drawn back in the last few months. I hope that we will see a serious rise in that sector.

Mr. McGrath: We can only hope that the new Minister of Finance (Mr. Lalonde) is not taking his advice from the Minister of State for Finance (Mr. Cosgrove), the former Minister responsible for housing. We know the disastrous consequences of that.

Can the Minister tell us why he is proceeding with the Canada Rental Supply Plan? As the Minister knows, of the 30,000 units permitted for the Canada Rental Supply Plan in the last budget, less than 25 per cent have been taken up thus far. He made no provision for co-op housing. We are facing a problem of affordability. Housing starts are down. That speaks to availability. They were down into the 80,000 bracket in September and August. Why did the Minister not re-direct the money that is going into the Canada Rental Supply Plan, which has not been taken up across the country, and put that into co-op housing where there is immediate demand for

low-cost housing and which would provide a quick fix in terms of housing starts?

Mr. Lalonde: I will be giving serious consideration to the suggestion put forward by my friend. I will examine this particular situation. I thank him for drawing it to my attention.

Mr. Nelson Riis (Kamloops-Shuswap): Mr. Speaker, I listened with interest when the new Minister of Finance (Mr. Lalonde) was commenting on the six and five program and the fact that a great deal of concern on behalf of the Government is still over the question of inflation. I want to deal with an area which is very close to him because of his previous experience, the question of energy. Considering that the cost that Canadians will experience in the year ahead will certainly have a very definite impact on the rate of inflation in this country, when an increase in the price of energy has such an incredible effect when you consider a country as vast as Canada, will the Minister comment on his thoughts about re-entering negotiations with the producing Provinces in an effort to put a cap on the increases anticipated in the months ahead that will result in a number of percentage points increase in the rate of inflation?

● (1750)

Mr. Lalonde: Mr. Speaker, having lived through that experience for a year and a half, particularly before reaching an agreement, I think I would invite my hon. friend to go ahead as an explorer. I would be very happy to give him letters of introduction to the various Ministers of Energy in the various producing Provinces. If he has some success, I will be ready to give him credit for that success.

Frankly, we have a firm agreement with the producing Provinces. Those agreements provide for adjustments in the price of energy, oil and gas in particular. In Canada we are still in a situation of catching up with the international prices for oil and gas. We will end up in a situation where for oil discovered before 1981, we will pay 75 per cent of the international price by next July when we have reached the ceiling. Therefore, we in Canada are benefiting. We have benefited and we will continue to benefit in Canada with oil and gas prices well below the international prices. Provincial taxes in particular have a significant impact from Province to Province, but fundamentally the price of oil and gas in this country will remain below the international prices, all over the country.

The solution is in trying to re-negotiate those contracts. Frankly, I do not think anybody would be well received in any of the provincial capitals concerned. I wish my hon. friend good luck if he wants to try his hand. If he has some success, I will put him in touch with the new Minister of Energy, Mines and Resources (Mr. Chrétien). Maybe he will have great success.

Mr. Riis: Mr. Speaker, the western part of Canada, like all parts of Canada, is experiencing a devastation of the critical industry of forestry. I listened with interest to the statements tonight when the Minister commented on the extension of the existing programs that presumably are to assist and stimulate the housing industry and, therefore, the forest industry as well. We know how successful these programs have been in stimulating housing construction across Canada as well as the forest industry and related manufacturing industry—not very impressive.

My question is, why would people in Canada, who are very concerned about the forest industry, feel encouraged by what the Minister has said tonight? From what I have been able to gather, he has not said anything new in areas that would assist that very critical Canadian industry.

Mr. Lalonde: On the forest industry, Mr. Speaker, I would like to point out to the Hon. Member that I have added to date $150 million for expenditures in the area of housing. Second, as the Hon. Member for St. John's East (Mr. McGrath) indicated, the change that I have made to the Home Ownership Stimulation Plan will be restricted after January 1 to new houses so that we will not have some of the takers who at the present time are just buying existing houses. The program will be geared to creating work and building new houses.

As far as the forest and lumber industries are concerned, and I am sure the Hon. Member knows this as well as I do, one should not be under any illusion about what we can do in Canada in terms of the forest and lumber industry.

I was rather surprised to hear his Leader talking about this a few minutes ago. We know in effect that we could close all the lumber plants in Canada, with the exception of two in British Columbia, and that would be enough to supply the Canadian demand. In effect, quite clearly the forest industry in Canada will start a real recovery when the housing industry in the United States has its recovery. There will be a world demand for it.

We have a world-size industry in the forestry field. That will not be true only for housing starts in Canada, but we will be able to sustain the forest industry we now have. It will have to come from a worldwide recovery because we have a worldwide industry.

[*Translation*]

Hon. Roch La Salle (Joliette): Mr. Speaker, I would like to ask a question to the Minister of Finance (Mr. Lalonde), first of all, of course, about the matter of trust which cropped up so often in his own speech and the television address of the Prime Minister last week, and I would also like to know how the minister can ask employers, and especially employees, to pay 40 per cent more for their unemployment insurance premiums while asking these same employees and employers to accept the 6 and 5 per cent formula or else be penalized. When I think about the just society we were promised, I wonder how the minister can see any equity in imposing the six and five formula at the same time as a 40 per cent increase in unemployment insurance premiums to the same employees.

Mr. Lalonde: I must say, Mr. Speaker, that I am rather surprised at the reasoning of the hon. member. First, unem-

ployment insurance is, as its name indicates, a form of insurance, and insurance premiums increase or decrease according to the risk factor. The hon. member owns a car. His automobile insurance will increase or decrease according to the risks incurred during the year. The premiums are not related to the 6 and 5 formula or to anything else; it is an insurance program. When we lowered insurance premiums in 1981, we brought them down to the level of 1975. We did not ask the workers to take pay cuts because their insurance premiums were lower. Their collective agreements were maintained and the workers did not reduce their salary demands because they could say that unemployment insurance was a different matter, an insurance plan. If there are fewer unemployed, our premiums decrease and if there are more, our premiums increase. It is a simple as that and it has nothing to do with the 6 and 5 formula. Moreover, the hon. member says that we are now increasing the premiums by 40 per cent. What he forgets to mention is that the government of Canada has absorbed 60 per cent of the increase, which means that if all the Canadians are willing to contribute, the government will not increase taxes and will borrow $1 billion to help both businesses and workers so that they will have to pay only 40 per cent and not 100 per cent of the amount as provided under the unemployment insurance scheme. As I noted earlier, the Unemployment Insurance Commission, which includes representatives of labour and management, has specifically recommended the increase I have implemented. I believe that it is a matter of equity. The hon. member speaks about social justice and this is a very good example of social justice, since those who work share with those who are unemployed, and moreover, the government absorbs 60 per cent of the costs of this increase, which the employers and the employees would have to bear if the act were strictly applied.

[*English*]

Miss Pat Carney (Vancouver Centre): Mr. Speaker, I have a question for the Minister of Finance (Mr. Lalonde). It involves the statement that he supported the income tax measures from the other two budgets that he has not addressed in his new budget. Several of these measures involve the concept which Canadians find unacceptable of taxing deemed income. For instance, the Minister did not address the issue of taxing capital gains reserves, although in many cases, particularly in farming communities to which he referred in his own background, farmers are taxed on money they do not have in their hands. Does he mean to imply in his statement that he supports the measures he has not addressed, that he is continuing to support the concept of taxing deemed income or taxing money that people do not have in their hands?

Mr. Lalonde: Mr. Speaker, the Hon. Member refers to a budget. I have not made a budget statement today.

● (1800)

THE ROYAL ASSENT

[*Translation*]

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

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

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

And being returned:

[*English*]

Mr. Deputy Speaker: I have the honour to inform the House that when the House did attend His Honour, the Deputy to His Excellency the Governor General in the Senate chamber, His Honour was pleased to give in Her Majesty's name the Royal Assent to the following bills:

Bill C-201, An Act to amend the Holidays Act: Chapter No. 124;

Bill C-127, An Act to amend the Criminal Code in relation to sexual offences and other offences against the person and to amend certain other Acts in relation thereto or in consequence thereof—Chapter No. 125.

Hon. Erik Nielsen (Yukon): On a point of order, Mr. Speaker, I just want to reserve a point of order now. We are in the middle of discussions with the Government House Leader with respect to proceedings tomorrow. We had an arrangement which we fell somewhat short of this evening, in our view. The Government House Leader will be speaking to the Minister of Finance (Mr. Lalonde) this evening, getting back to me tomorrow, with respect to Routine Proceedings. I do not intend to raise the point tonight. But in the event that our discussions are fruitless, I will want to raise a point of order immediately when the House resumes business tomorrow.

Mr. Deputy Speaker: It being six o'clock, p.m. the House stands adjourned until tomorrow at two o'clock p.m.

At 6.10 p.m., the House adjourned, without question put, pursuant to Standing Order 2(1).

APPENDIX "A"

(*See p. 20077*)

P.C. 1982-3255

Certified to be a true copy of a Minute of a Meeting of the Committee of the Privy Council, approved by His Excellency the Governor General on the 26 October, 1982

The Committee of the Privy Council, on the recommendation of the Prime Minister, advise:

1. that in the absence from Ottawa of the Prime Minister or in the event of his being unable to perform the functions of his office, the next senior minister who is in Ottawa and is able to perform the functions of the Office of Prime Minister, be authorized to act for the Prime Minister;
2. that in the absence from Ottawa of a Minister whose name is set out in Column II of an item of the Schedule to this Minute, or in the event of that Minister being unable to perform the functions of his Office, the Minister whose name is set out in Column III of the item be authorized to act for the Minister named in Column II in respect of the Office set out in Column I of the item;
3. that in the absence from Ottawa of the Ministers named in Columns II andIII of an item of the Schedule to this Minute, or in the event of both of those Ministers being unable to perform the functions of their Office, the Minister whose name is set out in Column IV of the item be authorized to act for the Minister named in Column II in respect of the Office set out in Column I of the item;
4. that in the absence from Ottawa of the Ministers named in Columns II, III and IV of an item of the Schedule to this Minute, or in the event of all those Ministers being unable to perform the functions of their Office, the Prime Minister or, if the Prime Minister is absent from Ottawa or unable to perform the functions of his Office, the next senior minister who is in Ottawa be authorized to act for the Minister in Column II in respect of the Office set out in Column I of the item;
5. that where an Office out in Column I of an item of the Schedule to this Minute is vacant, the Minister whose name is set out in Column III of that item be authorized to act in the Office of the Minister whose Office is set out in Column I of that item; and
6. that where an Office set out in Column I of an item of the Schedule to this Minute is vacant, in the absence from Ottawa of the Minister whose name is set out in Column III of that item, or in the event of that Minister being unable to perform the functions of the Office set out in Column I of that item, the Minister whose name is set out in Column IV of that item be authorized to act in the Office of the Minister whose Office is set out in Column I of that item.

LIST OF ACTING MINISTERS

	COLUMN I OFFICE	COLUMN II NAME	COLUMN III ACTING MINISTER	COLUMN IV SECOND ACTING MINISTER
1.	Agriculture	Mr. E. Whelan	Mr. J.-L. Pepin	Mr. R. LeBlanc
2.	Communications	Mr. F. Fox	Mr. S. Joyal	Mr. E. Lumley
3a.	Consumer and Corporate Affairs	Mr. A. Ouellet	Mr. H. Gray	Mr. D. Johnston
3b.	Canada Post Corporation	Mr. A. Ouellet	Mr. H. Gray	Mr. D. Johnston
4a.	Economic Development	Mr. D. Johnston	Mr. J. Chrétien	Mr. E. Lumley
4b.	Science and Technology	Mr. D. Johnston	Mr. J. Chrétien	Mr. E. Lumley
5.	Employment and Immigration	Mr. L. Axworthy	Mr. C. Caccia	Mr. C. Lapointe

6.	Energy, Mines and Resources	Mr. J. Chrétien	Mrs. J. Erola	Mr. J. C. Munro
7.	Environment	Mr. J. Roberts	Mr. P. de Bané	Mr. J. C. Munro
8.	External Affairs	Mr. A. MacEachen	Mr. G. Regan	Mr. C. Lapointe
9.	Finance	Mr. M. Lalonde	Mr. P. Cosgrove	Mr. H. Gray
10.	Fisheries and Oceans	Mr. P. de Bané	Mr. J. Roberts	Mr. W. Rompkey
11.	Indian Affairs and Northern Development	Mr. J. C. Munro	Miss M. Bégin	Mr. J. Chrétien
12a.	Industry, Trade and Commerce	Mr. E. Lumley	Mr. W. Rompkey	Mr. G. Regan
12b.	Regional Economic Expansion	Mr. E. Lumley	Mr. Rompkey	Mr. G. Regan
13.	Justice and Attorney General	Mr. M. MacGuigan	Mr. R. Kaplan	Mr. S. Joyal
14.	Labour	Mr. C. Caccia	Mr. F. Fox	Mr. L. Axworthy
15.	National Defence	Mr. G. Lamontagne	Mr. A. MacEachen	Mr. W. B. Campbell
16.	National Health and Welfare	Miss M. Bégin	Mr. W. B. Campbell	Mr. C. Caccia
17.	National Revenue	Mr. P. Bussières	Mr. J.-J. Blais	Mr. M. Lalonde
18.	Privy Council	Mr. Y. Pinard	Mr. A. Ouellet	Mr. J.-J. Blais
19.	Public Works	Mr. R. LeBlanc	Mr. P. Bussières	Mr. P. de Bané
20.	Secretary of State	Mr. S. Joyal	Mr. J. S. Fleming	Mr. F. Fox
21.	Social Development	Mr. J. Austin	Mr. J. S. Fleming	Miss M. Bégin
22.	Solicitor General	Mr. R. Kaplan	Mr. M. MacGuigan	Mr. Y. Pinard
23.	Supply and Services	Mr. J.-J. Blais	Mr. R. LeBlanc	Mr. G. Lamontagne
24.	Transport	Mr. J.-L. Pepin	Mr. L. Axworthy	Mr. E. Whelan
25.	Treasury Board	Mr. H. Gray	Mr. M. Lalonde	Mr. A. Ouellet
26.	Veterans Affairs	Mr. W. B. Campbell	Mr. G. Lamontagne	Mr. E. Whelan

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Members/Membres	Mr./M.	A. J. MacEachen
	Sen./Sén.	H. A. Olson
	Mr./M.	A. Ouellet
	Sen./Sén.	R. J. Perrault
	Mr./M.	R. LeBlanc
	Mr./M.	J.-J. Blais
	Mr./M.	G. Regan
	Mr./M.	M. MacGuigan
	Mr./M.	W. Rompkey
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	Mr./M.	Y. Pinard
	Mrs./M^me^	J. Erola
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	Mr./M.	A. Ouellet
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	Mr./M.	G. Regan
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	Mr./M.	E. Lumley
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	Mr./M.	C. Caccia

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	Mr./M.	P. De Bané
	Mr./M.	R. P. Kaplan
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	Mr./M.	J.-J. Blais
	Mr./M.	P. Bussières
	Mr./M.	C. Lapointe
	Mr./M.	P. Cosgrove
	Mr./M.	S. Joyal
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	Mr./M.	H. Gray
	Mr./M.	R. LeBlanc
	Mr./M.	J.-J. Blais
	Sen./Sén.	H. R. Argue
	Mr./M.	G. Regan
	Mr./M.	M. MacGuigan
	Mr./M.	E. Lumley
	Mr./M.	L. Axworthy
	Mr./M.	P. Cosgrove
	Mr./M.	C. Caccia
	Mr./M.	S. Joyal

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	Mr./M.	E. F. Whelan
	Sen./Sén.	R. J. Perrault
	Mme/Mme	M. Bégin
	Mr./M.	F. Fox
	Mr./M.	G. Lamontagne
	Mr./M.	P. De Bané
	Mr./M.	G. Regan
	Mr./M.	R. P. Kaplan
	Mr./M.	E. Lumley
	Mrs./Mme	J. Erola
	Mr./M.	S. Joyal

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	Mr./M.	H. E. Gray
	Mr./M.	M. Lalonde
	Mr./M.	R. LeBlanc
	Mr./M.	J. Roberts
	Mr./M.	G. Regan
	Mr./M.	Y. Pinard
	Mr./M.	D. Johnston
	Mr./M.	L. Axworthy
	Mrs./Mme	J. Erola
	Sen./Sén.	J. Austin

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	Mr./M.	J.-L. Pepin
	Mr./M.	H. E. Gray
	Mr./M.	M. Lalonde
	Mr./M.	G. Regan
	Mr./M.	D. Johnston
	Mr./M.	S. Joyal

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	Mr./M.	M. Lalonde
	Mr./M.	G. Lamontagne
	Mr./M.	M. MacGuigan
	Mr./M.	R. P. Kaplan
	Mr./M.	Y. Pinard
	Mr./M.	L. Axworthy
	Sen./Sén.	J. Austin

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	Mr./M.	R. LeBlanc
	Mr./M.	J. Roberts
	M^me^/M^me^	M. Bégin
	Mr./M.	F. Fox
	Mr./M.	M. MacGuigan
	Mr./M.	R. P. Kaplan
	Mr./M.	C. Lapointe
	Mr./M.	L. Axworthy
	Mrs./M^me^	J. Erola
	Mr./M.	S. Joyal
	Mr./M.	B. Campbell

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Members/Membres	Sen./Sén.	R. J. Perrault
	Sen./Sén.	H. R. Argue
	Mr./M.	M. MacGuigan
	Mr./M.	W. Rompkey
	Mr./M.	P. Bussières
	Mr./M.	C. Lapointe
	Mr./M.	P. Cosgrove
	Mrs./M^me^	J. Erola
	Mr./M.	C. Caccia
	Mr./M.	S. Joyal
	Mr./M.	B. Campbell

Treasury Board/Conseil du Trésor

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Members/Membres	Sen./Sén.	H. A. Olson
	Mr./M.	A. Ouellet
	Mr./M.	J.-J. Blais
	Mr./M.	B. Campbell
Alternates/Suppléants	Mr./M.	C. Lapointe (1st Alternate/ 1er suppléant)
	Mr./M.	P. Cosgrove
	Sen./Sén.	H. R. Argue
	Mr./M.	W. R. Rompkey
	Mr./M.	P. Bussières
	Mr./M.	J. S. Fleming

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	Mr./M.	J. Chrétien
	Mr./M.	J. C. Munro
	Sen./Sén.	H. A. Olson
	Mr./M.	E. F. Whelan
	Sen./Sén.	R. J. Perrault
	Mr./M.	J. Roberts
	Mr./M.	P. De Bané
	Sen./Sén.	H. R. Argue
	Mr./M.	G. Regan
	Mr./M.	J. S. Fleming
	Mr./M.	E. Lumley
	Sen./Sén.	J. Austin

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

**N.B.* Le Vice-premier ministre, le Président du Conseil du Trésor et le Ministre des Finances sont membres, de par leurs fonctions, des Comités du Cabinet chargés du Développement économique et régional, de la Politique étrangère et de la défense, des Opérations gouvernementales et du Développement social. Tous les ministres sont libres d'assister aux rencontres de ces Comités.

HOUSE OF COMMONS

Thursday, October 28, 1982

The House met at 2 p.m.

• (1405)

MOTIONS UNDER S.O. 43

[*English*]

THE MINISTER OF FINANCE

Mr. Gordon Towers (Red Deer): Madam Speaker, my motion under Standing Order 43 is twofold:

One, to compliment the freshman Minister of Finance for having the wisdom and courage to break with Party and Cabinet solidarity by rolling back the half-baked taxation measures of his predecessor in that portfolio and,

Two, to chide him for his cavalier treatment of the very serious snowballing effect of the budgetary deficit, with a total debt heading for $200 billion.

This is not a matter to be treated lightly or taken in stride. He is mortgaging future generations by his excessive and wasteful spending. Madam Speaker, I so move, seconded by the Hon. Member for Pembina (Mr. Elzinga).

Madam Speaker: Is there unanimous consent for this motion?

Some Hon. Members: Agreed.

Some Hon. Members: No.

* * *

SPORTS

HOSTING OF 1986 WORLD CUP SOCCER CHAMPIONSHIP TOURNAMENT

Mr. Joe Reid (St. Catharines): Madam Speaker, the Canadian Soccer Association did earlier make application to host the 1986 World Cup Soccer Championships. We are all aware of the phenomenal growth of this sport in Canada and its benefits to the health and physical fitness of all those who participate. The withdrawal of Colombia from hosting these championships gives us the opportunity once more to focus the world spotlight on this nation in a very favourable way. I therefore move, in the anticipation that today it will have the support of all Members of this House, seconded by the Hon. Member for Erie (Mr. Fretz):

That the Government of Canada assist and co-operate with the Canadian Soccer Association in bringing to Canada the 1986 World Cup Soccer Championship Tournament.

Madam Speaker: Is there unanimous consent for this motion?

Some Hon. Members: Agreed.

Some Hon. Members: No.

* * *

CANADA MORTGAGE AND HOUSING CORPORATION

PROPOSED INCREASE IN CALGARY RENTS

Mr. John Kushner (Calgary East): Madam Speaker, whereas Canada Mortgage and Housing Corporation has caused the people on fixed incomes living in the low-cost housing project of Vista Heights Court in Calgary a rent increase of 250 per cent effective January 1, 1983, due to a horrendous bureaucratic bungle, I move, seconded by the Hon. Member for Calgary West (Mr. Hawkes):

That the Minister immediately investigate this serious situation and resolve the bureaucratic bungle in the most expedient way to eliminate the unnecessary additional financial burden to these people caused by Canada Mortgage and Housing, and also that the Minister report the outcome of his findings through a letter through me to the constituency.

Madam Speaker: Is there unanimous consent for this motion?

Some Hon. Members: Agreed.

Some Hon. Members: No.

* * *

PORTS

WHEAT SHIPMENTS THROUGH SAINT JOHN, N.B.

Mr. Bob Corbett (Fundy-Royal): Madam Speaker, the Minister responsible for the Canadian Wheat Board has received a brief from the City of Saint John's waterfront unions requesting that he favourably consider the movement of wheat and flour shipments through that port on a year-round basis rather than just the winter, which would provide badly needed jobs during a depressed time of activity. As this is clearly within the capacity of the Government to arrange, I move, seconded by the Hon. Member for Carleton-Charlotte (Mr. McCain):

That the Government take the necessary steps now to correct an obvious inconsistency, as other ports in eastern Canada are considered favourably, and ensure the workers that they too will receive their fair share of work through an equitable movement of wheat and flour through the Port of Saint John on a year-round basis.

S.O. 43

Madam Speaker: Is there unanimous consent for this motion?

Some Hon. Members: Agreed.

Some Hon. Members: No.

* * *

INDUSTRY

McDONALD RESTAURANT CHAIN'S REFUSAL TO BUY CANADIAN BUNS

Mr. Rod Murphy (Churchill): Madam Speaker, in view of the fact that in western Canada McDonald's restaurant chain is refusing to use Canadian hamburger buns, and since the green-felted clown masquerading as Canada's Minister of Agriculture (Mr. Whelan) has refused to intervene on the grounds that McDonald's does not like the quality of Canadian-made buns, an insult to Canadian farmers and Canadian bakers, and a loss of Canadian jobs, and since Mr. Cohon, the Chairman of McDonald's Canada chaired the Liberal fund-raising dinner last night at which the Prime Minister (Mr. Trudeau) asked for trust and co-operation, I move, seconded by the Hon. Member for Selkirk-Interlake (Mr. Sargeant):

That the Prime Minister remind his Liberal friends at McDonald's of his message last week "Why don't you take a chance on a Canadian?" or, if the Prime Minister feels up to it, that he phone Mr. Cohon and sing him a verse of "Give Canada a break today at McDonald's".

Madam Speaker: Is there unanimous consent for this motion?

Some Hon. Members: Agreed.

Some Hon. Members: No.

* * *

EMPLOYMENT

CALL FOR HOLDING OF FIRST MINISTERS' CONFERENCE

Mr. Bill Yurko (Edmonton East): Madam Speaker, I am pleased that this House has been graced by the presence of two new ladies.

Now that the Prime Minister (Mr. Trudeau) has spoken to the nation on the economic malaise facing Canada and the Minister of Finance (Mr. Lalonde) has brought forth an economic statement, I move, seconded by the Hon. Member for Calgary East (Mr. Kushner):

That the Prime Minister call a First Ministers' Conference immediately to evolve a joint federal-provincial national employment program to put people back to work.

Madam Speaker: Is there unanimous consent for this motion?

Some Hon. Members: Agreed.

Some Hon. Members: No.

• (1410)

LABOUR CONDITIONS

SUGGESTED LEGAL RECOURSE AGAINST UNION OR MANAGEMENT ACTIONS

Mr. Bill McKnight (Kindersley-Lloydminster): Madam Speaker, this is the ninth day of the work stoppage in the major ports on the west coast of Canada which is costing the Canadian grain farmers $8 million a day, a total of $72 million to date. For every day that their product is not delivered, grain farmers and the economy of Canada suffer. Innocent third parties have been affected by these strikes in the past. Therefore, I move, seconded by the Hon. Member for Red Deer (Mr. Towers):

That this House instruct the federal government to establish and maintain the right of innocent third parties to have legal recourse against union or management which deprives them of their livelihood.

Madam Speaker: Is there unanimous consent for this motion?

Some Hon. Members: Agreed.

Some Hon. Members: No.

* * *

NATIONAL ENERGY PROGRAM

EFFECT OF NATURAL GAS TAXES

Mr. David Kilgour (Edmonton-Strathcona): Madam Speaker, natural gas taxes imposed under the National Energy Program are causing major problems for the growth of the petrochemical industry in western Canada. This is because most of its products are exported and the taxes normally cannot be passed on to consumers for competitive reasons. Fully nine petrochemical projects in Alberta alone, which depend on natural gas feed stocks, have been delayed, deferred or cancelled since the new taxes were introduced. I therefore move, seconded by the Hon. Member for Medicine Hat (Mr. Hargrave):

That the government consider how much in lost construction jobs, lost permanent jobs, lost income tax revenue and lost exports these heavy new taxes are costing Canada with a view to reducing them at least for export purposes.

Madam Speaker: Is there unanimous consent for this motion?

Some Hon. Members: Agreed.

Some Hon. Members: No.

* * *

NUCLEAR ARMAMENTS

TESTING OF CRUISE MISSILES IN CANADA

Mr. Terry Sargeant (Selkirk-Interlake): I rise under the provisions of Standing Order 43. Whereas thousands of

Canadians are going to join in "refuse the Cruise demonstrations" across Canada this Saturday, indicating the rapidly growing opposition of Canadians to the testing of U.S. Cruise missiles in our land, and whereas the Minister of National Defence (Mr. Lamontagne) in a letter to me, dated October 18 of this year, said that the specific negotiations on Cruise testing have not yet begun, I move, seconded by the Hon. Member for New Westminster-Coquitlam (Miss Jewett):

That the government heed the wishes of the majority of Canadians by refusing the Cruise and by not going ahead with these negotiations.

Madam Speaker: Is there unanimous consent for this motion?

Some Hon. Members: Agreed.

Some Hon. Members: No.

* * *

THE PERFORMING ARTS

FUTURE OF THE ATLANTIC SYMPHONY ORCHESTRA

Mr. Howard Crosby (Halifax West): Madam Speaker, the Atlantic Symphony Orchestra is an important element in the cultural life of east coast Canada and has provided quality musical entertainment to thousands of Atlantic Canadians over the years. But its continuation as a performing symphony is now in jeopardy and the livelihood of over 50 highly qualified musicians is threatened unless new financial aid is provided. Accordingly I move, seconded by the Hon. Member for Fundy-Royal (Mr. Corbett):

That this House direct the Secretary of State and the officers of the Canada Council to co-operate with provincial and municipal government authorities and with community leaders to establish a plan for reasonable assistance that will assure the continuance and future viability of the Atlantic Symphony Orchestra.

Madam Speaker: Is there unanimous consent for this motion?

Some Hon. Members: Agreed.

Some Hon. Members: No.

* * *

NEW EMPLOYMENT EXPANSION AND DEVELOPMENT PROGRAM

ALLOCATION OF FUNDS TO RURAL AREAS

Mr. Stan Darling (Parry Sound-Muskoka): Madam Speaker, I rise on a matter of some urgency. The Minister of Finance (Mr. Lalonde), in his statement yesterday, promised an aptly named NEED Program which undertakes to provide 60,000 new jobs for the bargain basement price of $500 million. By my calculations that works out to a figure of $8,333 per job, surely a bargain in these times. The minister knows the majority of these benefits will find their way into the hearts of our cities where they will, I am sure, be thankfully received by the electorate who restored him and his party to power two and a half years ago. But in many ways it is in the rural areas of our country where the need is greater, where the un-Liberal tradition of self-reliance is still so strong. Therefore, I move, seconded by the Hon. Member for Timiskaming (Mr. MacDougall):

That the Minister of Employment and Immigration make certain that a significant portion of these funds be allotted to the rural areas of Canada.

Madam Speaker: Is there unanimous consent for this motion?

Some Hon. Members: Agreed.

Some Hon. Members: No.

* * *

• (1415)

[*Translation*]

SCIENCE AND TECHNOLOGY

REQUEST THAT GOVERNMENT ADOPT SCIENTIFIC RESEARCH POLICY

Mr. Lorne Nystrom (Yorkton-Melville): Madam Speaker, I rise under the provisions of Standing Order 43. Whereas the Ayerst Company, which has the third largest industrial research laboratory in Quebec, is going to close these facilities and move them to the United States, and whereas Canada is becoming increasingly dependent on patents and inventions developed in other countries, I move, seconded by the Hon. Member for Regina West (Mr. Benjamin):

That the government adopt a national science policy in order to protect the jobs of our research scientists in a sector that is so important to our country.

Madam Speaker: Is there unanimous consent for this motion?

Some Hon. Members: Agreed.

Some Hon. Members: No.

* * *

[*English*]

HOUSE OF COMMONS

WELCOME TO NEW PAGES

Madam Speaker: Members of the House will have noticed that we have a new crop of pages at the beginning of this sitting and I think all Members will want to join with me in wishing the pages a very fruitful experience in the House of Commons.

Some Hon. Members: Hear, hear!

[*Translation*]

Madam Speaker: I wish to welcome our new pages, who have already been instructed in the customs of the House of Commons, and we hope that this experience will be a fruitful one for them.

ORAL QUESTION PERIOD

[*English*]

UNEMPLOYMENT INSURANCE

EFFECT OF INCREASED PREMIUMS

Right Hon. Joe Clark (Leader of the Opposition): Madam Speaker, my question is directed to the Minister of Finance whose budget, the more often one looks at it, resembles more and more another trick of smoke and mirrors, and the kind of misleading budgetary projections we have received too often from this Government.

Will the Minister clarify this point. He has announced a program involving the expenditure of $500 million by the federal government to create about 60,000 jobs. Ottawa will give $500 million; Ottawa will take from the private sector $1.7 billion in increased unemployment insurance premiums. Can the Minister confirm our estimates that that taking from the private sector, particularly from small businesses which are on the edge of difficulty now, will cost the creation of at least the 60,000 jobs that the new $500 million program will create? In other words, will he confirm that the Government's increase in unemployment insurance premiums is going to cost Canadians at least as many jobs as his new program is going to create? And if he disputes that figure, will he tell the House of Commons how many Canadian jobs will be lost, how much capacity to create jobs will be denied Canadian small businesses as the result of this increase in unemployment insurance premiums?

Hon. Marc Lalonde (Minister of Finance): Madam Speaker, I regret that the Leader of the Opposition is approaching this very serious and very important issue of our economic situation still in a very partisan manner.

Some Hon. Members: Oh, oh!

Mr. Lalonde: I want to indicate to him that the Government has reallocated $500 million indeed specifically and directly to create jobs to help those unemployed who are in the most difficulty, and we have allocated another $600 million for activities that will also create jobs.

As far as the question that he raised is concerned, indeed the charge that will be taken in the form of premiums is in the range of the figures he has mentioned, but I remind him that all that money does not come to the government. It goes back to the unemployed people of this country to help them go through the difficult period we are experiencing at the present time. We, as a Government, are not taking money for our own purposes in this regard.

The unemployment insurance system is an insurance system and what we have done to minimize the impact is we have absorbed, through borrowing, more than half the total cost of the premiums we should have had to charge. We have done this to help small business and large business and the workers of this country. We are not charging the premium increase that we could or should have, according to some, in order to help those workers and businesses in this country who are going through the difficult times they are facing at the present time.

I would also remind the Leader of the Opposition that this decision has been taken upon the advice and recommendation of the advisory committee on unemployment insurance which is composed of employer representatives and labour representatives.

• (1420)

REQUEST FOR MINISTER'S ESTIMATE OF IMPACT

Right Hon. Joe Clark (Leader of the Opposition): Madam Speaker, let me deal first with the suggestion that we should be blaming the advisers. We do not believe, on this side of the House of Commons, that when Governments make mistakes they should fire the Deputy Ministers. We believe they should fire the Ministers when Governments make mistakes as they have done with these budgets.

Let me take the Minister's own words. The Minister has admitted he is taking $1.7 billion from the Canadian private sector through the increase in unemployment insurance premiums. He has admitted that. That money would have been used by Canadian small business in particular, either to keep people working or to create new jobs. When Canadians in business cannot use that money to hire other Canadians or keep them in the jobs they hold, that means Canadians lose jobs. We estimate that 60,000 jobs will be lost. How many Canadians does the Minister estimate that his increase in unemployment insurance premiums is going to put out of work—60,000, 70,000 or 100,000? What is the Minister's figure?

Hon. Marc Lalonde (Minister of Finance): Madam Speaker, I regret again that the Leader of the Opposition prefers partisan rhetoric to serious consideration of this particular issue. I want to remind him that the contribution of $1.7 billion I was referring to is not going to be contributed mainly by small business but by business generally, employers generally, and the workers. I would also remind him that yesterday I provided over $300 million of breaks to workers and employers in this country in order to give them an opportunity to do what has to be done to help us out of the current recession.

As far as the question the Hon. Member raises is concerned, I will tell him that I would be able to provide the answer to this figure if he could tell me how many jobs we are going to create by ensuring that those benefits are going to be paid to unemployed people who are going to spend the money and create jobs also in this country.

Mr. Clark: Madam Speaker, perhaps the Minister needs a sabbatical in Paris to learn a little bit about the private sector, along with Ed Clark.

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NEW EMPLOYMENT EXPANSION AND DEVELOPMENT PROGRAM

CONSULTATION WITH PROVINCES

Right Hon. Joe Clark (Leader of the Opposition): Madam Speaker, the Minister probably does not know that most of the jobs in this country are created by small business. Small business in this country is operating very close to the margins right now—those operations that are still functioning—and there is going to be a massive loss of jobs as a result of this increase in unemployment insurance premiums. The Minister owes the House the honesty to give us the projections he must have of how many new Canadians he is going to put out of work.

Let me ask the Minister a question about his so-called job creation program on which he indicated yesterday he was going to invite the provinces, and I quote, "—wherever possible to supplement the federal contribution." Would the Minister tell us which provinces specifically he consulted about this Program before announcing it to the House of Commons, or will he tell us that there was no consultation in detail with any province? If there was consultation, with which provinces?

Hon. Marc Lalonde (Minister of Finance): Madam Speaker, first of all I regret again that the Hon. Leader of the Opposition prefers to make funny jokes on this very important issue. I will remind him that I would rather trust the judgment of the spokesmen for the small business organizations who endorsed, very strongly, the statement I made yesterday, than his own judgment in this particular issue.

As for the specific question he raised on the issue of consultation, I understand that the Minister of Employment and Immigration had discussions with the Ontario Government on a preliminary basis. He has also been in touch with the Quebec Government and was going to arrange a meeting which he held yesterday. What we have provided has been funds and a very broad framework for a program. The details of that program are going to be finally worked out as the Minister of Employment and Immigration concludes his discussions. I understand Quebec officials are coming to meet with officials of the Minister this week and that the Minister is going to Ontario again this afternoon and that he will be out West and in the Maritimes in the course of next week. He will have terminated the consultations during the course of next week after which he will be able to announce the details of the Program we have talked about.

I said that as a Government we are ready to take and provide leadership to this country, but we are also ready to consult, and that is what we are doing.

• (1425)

REQUEST FOR PROGRAM DETAILS

Right Hon. Joe Clark (Leader of the Opposition): Madam Speaker, just so that I am clear on this, the Minister of Finance has now indicated that, in so far as advanced consultation is concerned, the Liberal Government believes that this is a country of two Provinces, Ontario and Quebec, and that the other eight Provinces and two Territories are called in after the fact.

Some Hon. Members: Oh, oh!

Mr. Clark: Let me put the following questions to the Minister of Finance who introduced this Program. Are the details of the Program now established? Is the proposition being put to the Provinces that they can take it or leave it as Ottawa dictates, or is there more flexibility? Can we have the details of that proposal spelled out in the House of Commons now, details which were announced in general terms by the Minister of Finance yesterday?

Hon. Lloyd Axworthy (Minister of Employment and Immigration): Madam Speaker, perhaps I can take the opportunity to respond to the Right Hon. Leader of the Opposition who seems to be preoccupied with the question of consultation. I do not know what he did with his summer vacation, but all summer I talked to the Provinces, business and labour, concerning job creation. I did not see him at any of those meetings or discussions.

The fact of the matter is that the Provinces are approaching this in the spirit of co-operation, unlike the Right Hon. Leader of the Opposition who is just here apparently to make political points. The fact is that we are developing a program in consultation with them because we recognize that there are people in the country who are suffering severe hardship as a result of unemployment. We want to devote our efforts and our resources as much as possible, in combination with the Provinces, the municipalities and the private sector, to mount a maximum effort on their behalf. Frankly, we invite Members of the Opposition to put their best efforts forward in this regard rather than simply their criticisms.

ROLE OF PROVINCES

Miss Pat Carney (Vancouver Centre): Madam Speaker, my supplementary question is directed to the Minister of Employment and Immigration. I ask him to give us a little more detail on the programs announced yesterday by the Minister of Finance. Since the Government last year reduced its transfer payments to the Provinces, forcing them to close hospital beds, fire teachers, and lay off workers, where does the Minister expect the Provinces to get the money to participate? Equally important, will the Provinces be required to contribute matching funds before the federal Government participates?

Hon. Lloyd Axworthy (Minister of Employment and Immigration): Madam Speaker, there was very much a false

premise in the basis of the Hon. Member's question. The Provinces are not closing hospitals because of a lack of transfer payments. In fact transfer payments were increased on the basis of 12 per cent per year, which is a substantially higher contribution than most provincial Governments were making to those very same programs. I think it is important to get those facts on the table. In this area we are going through a very honest and open process of discussion with provincial Governments and others so that we can combine our efforts and our resources to determine how, where their own efforts are devoted and targeted at those particular groups, we can provide a match-up. But we do not go on the basis of saying that there must be requirements; we go on the basis of looking for the best accommodation.

EFFECT ON YOUNG UNEMPLOYED WORKERS

Miss Pat Carney (Vancouver Centre): Madam Speaker, my supplementary question is directed to the Minister of Finance. Last night he said that he could spare funds to employ only 60,000 of the 1.3 million Canadians who are currently unemployed. One of the problems of these programs is that they are not often effective. For instance, in Port Alberni, British Columbia, where there were 4,500 people out of work this summer, there are only 24 employed at planting trees because people who have exhausted their unemployment benefits are not eligible for the Program. What assurances can the Minister give us that these 60,000 jobs will be targeted to those Canadians who need them the most—young Canadians who account for nearly half the unemployed and Canadians who have lost their unemployment insurance benefits? I hope this Minister of Finance can speak to his own budget, unlike his predecessor.

Hon. Lloyd Axworthy (Minister of Employment and Immigration): Madam Speaker, again I will answer the Hon. Member who wants specific responses concerning this Program. We have made it very clear that this particular job-creation program is targeted at those people in the community who have run out of unemployment insurance benefits. We are providing them with an option to work for an income in order to re-establish their stability and basis.

• (1430)

I should point out that that is not the only job-creation program. We have a number of programs presently in place. For example, the Canada Community Development Project is providing an addition to the 60,000 jobs through the NEED Program and another additional 60,000 jobs to the community development projects as well as a number of programs targeted specifically at young people and others in need. In fact, the budget at this present time for direct employment programs is well over $600 million and we are adding another $500 million to it for this particular group. Therefore, this government is committing well over $1 billion at this point in time for direct employment programs to cover a wide variety of people who now have employment problems.

UNEMPLOYMENT INSURANCE

SITUATION OF "EXHAUSTEES"

Mr. Nelson A. Riis (Kamloops-Shuswap): Madam Speaker, a new sociological phenomenon is happening in Canada these days and, as a result, a new vocabulary is emerging. The term "exhaustees" is becoming very critical now in discussions and debates in this House. The Department of Employment and Immigration tells us that in the months remaining this year every month 55,000 Canadians will come off UIC benefits. That figure will increase over the whole of 1983. The Minister's mini-budget statement yesterday suggested that 1,200 people a month between now and the end of the year will be serviced in terms of new jobs. What do we do about the short fall of 53,800 Canadians who will find their UIC benefits exhausted.

Hon. Lloyd Axworthy (Minister of Employment and Immigration): Madam Speaker, if the hon. member would read the study thoroughly he would find that, when it comes to people exhausting their benefits, a large percentage of those are able to gain alternative employment within the first six or seven weeks. That is well over 35 per cent of the total.

Another large group in that range of people have other forms of income support.

An Hon. Member: Yes, welfare.

Mr. Axworthy: This program is targeted for those who have the greatest need, those who face no other choice but to go on welfare. The program was designed to meet the needs of that group of people which the survey points out represents only 10 per cent of the total number of people who would be exhausting their benefits. It is because of the need to give them the maximum amount of assistance that we have targeted the program particularly for that group.

Mr. Riis: Madam Speaker, that is why I termed it indirectly as a sociological phenomenon which obviously the Minister of Employment and Immigration does not understand. His department has provided statistics that show that a significant number of those people losing their jobs, going onto UIC and now coming off UIC, are the bread winners in those families. They are not sons or daughters or spouses; they are the sole bread winners of their families. That is the phenomenon of the last number of months. However, I would like to try my question again but this time I will address it to the Minister of Finance.

GOVERNMENT PROGRAMS

Mr. Nelson A. Riis (Kamloops-Shuswap): Madam Speaker, the Program of the Minister of Finance indicated that 60,000 jobs would be created in the next 18 months. Using the figures of the Minister of Employment and Immigration we find that 1,155,000 Canadians will be exhaustees. Will the Minister of Finance please have the courage to rise and tell us what do we do with this shortfall of over 1,000,000 exhaustees in the next

18 months when all the Minister is going to create is 60,000 new jobs?

Hon. Lloyd Axworthy (Minister of Employment and Immigration): Madam Speaker, I am sorry if it appears that the Hon. Member did not hear my first answer. What I pointed out to him is that out of the people exhausting benefits many of them find alternate employment within a matter of the first six or seven weeks. Certainly we do not want to design a program that would provide a disincentive for them to go to work. Therefore, we want to design a program that is targeted very much at those who face the greatest hardship.

In addition to that, as I pointed out in answer to previous questions, we also have in place other employment programs, for example, the Canada Community Development Program which is presently providing a substantial amount of employment in the Hon. Member's own riding. He knows what is available to provide those kinds of alternative employment. We are trying to cover as broad a base as we can. We have to husband our resources as carefully as possible. That is another reason why we have invited the Provinces, the private sector, other communities and non-profit groups to join us in this effort so that we can share responsibility in providing as much employment as possible to those in need.

Mr. Riis: Madam Speaker, the Minister is saying that his programs are trying to provide employment to get people back on UIC. That is not the kind of job-creation programs that we in this Party would like to see the Government implement.

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WELFARE

REQUEST FOR ESTABLISHMENT OF SPECIAL FUND FOR MUNICIPALITIES

Mr. Nelson A. Riis (Kamloops-Shuswap): Madam Speaker, I have been asked to rise today on a matter on behalf of one community in western Canada, but the same could be done for communities across Canada. The Mayor of Kamloops has asked me to ask the Minister of Finance for some special consideration. In our city of Kamloops we have hundreds of people each day who are unable to provide food for their families. These are exhaustees. The Department of Welfare encourages these individuals to approach the Church, the Salvation Army, and food banks in our community, because they are not eligible for welfare. Would the Minister of Finance consider giving some special consideration for a special fund to allow municipalities across Canada to provide food for people who fall between the UIC and welfare traps?

Hon. Marc Lalonde (Minister of Finance): Madam Speaker, there is a social assistance program in this country to which the federal government contributes 50 per cent of the cost. There is an Unemployment Insurance Program to which the federal government also contributes quite significantly. There are cases quite obviously where there may be a lag between the time when somebody gets off unemployment insurance and gets into welfare.

Mr. Riis: There is no lag.

Mr. Lalonde: My hon. friend says there is no lag. If there is no lag, then these people will get social assistance.

Miss Jewett: They are not eligible.

Mr. Lalonde: My hon. friend had better explain even further then.

Miss Jewett: You do not understand. They are not eligible.

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FINANCE

ADMINISTRATIVE COSTS OF GOVERNMENT DEPARTMENTS

Hon. Michael Wilson (Etobicoke Centre): Madam Speaker, my question is for the Minister of Finance, if I could draw his attention away from his bedmates over there.

Some Hon. Members: Oh, oh!

Mr. Wilson: In the Minister's budget speech yesterday, he announced two decisions which will reduce employment in the country. The first is the increase in unemployment insurance premiums by some 40 per cent to 50 per cent. The second is to refuse to withdraw or reverse the reduction in the capital cost allowances that came about as a result of the November budget last year. Both of these he said were because they would cause an increase in the deficit. How does the Minister justify these decisions when there will continue to be unnecessary government spending, such as the 17.1 per cent increase in the administrative costs of the 12 largest departments of government as I pointed out in my speech yesterday?

Hon. Marc Lalonde (Minister of Finance): Madam Speaker, the question of administrative costs in the Government are constantly being reviewed. The President of the Treasury Board will have an opportunity to address that very issue in the next short while. I will provide to the Hon. Member full explanations as to the reasons for particular increases in particular departments. The Minister, however, will have an opportunity to examine the figures mentioned by the Hon. Member and explain the situation fully. I might add that those costs have been examined by the various parliamentary committees when the estimates were tabled and they have been approved by this Parliament. I invite my friend to reflect on those considerations that have taken place in the various expenditure programs.

MEASURES TO CUT GOVERNMENT EXPENDITURES

Hon. Michael Wilson (Etobicoke Centre): Madam Speaker, I cannot understand why the Minister said that the particular question I raised could be addressed some time in the future.

Before he made that decision, he should have addressed that question. Those costs were not approved by this Parliament, they were approved by the Liberal majority in this Parliament.

In the previous budget, the former Minister of Finance said that he could not cut back unnecessary government spending any further than we had done. Yet in this budget, this Minister has found ways in the areas of energy, foreign aid and defence to cut back further. Is the Minister saying today that there is absolutely no other way to cut government spending other than to cut into important social programs, as the Government has done to date in the case of pensions, health and post-secondary education? Is there no other way of cutting government spending other than in those areas?

Hon. Marc Lalonde (Minister of Finance): No, Madam Speaker, we are constantly reviewing government expenditures and trying to cut any expenditures which do not meet the highest priority compared to the other expenses that we have to incur.

Mr. Clark: Ask Ed Clark.

Mr. Lalonde: We do this consistently and regularly. As I indicated in my speech, the President of the Treasury Board has been asked to look again at areas where additional cuts can be made to try to maintain a much lower rate of growth in our expenditures. This is going on all the time and it will continue.

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• (1440)

AVIATION INDUSTRY

PARLIAMENTARY APPROVAL OF FUNDS FOR CROWN CORPORATIONS

Hon. Sinclair Stevens (York-Peel): Madam Speaker, my question is for the Minister of Industry, Trade and Commerce. It touches on his announcement made only two days ago that he is intending to seek the approval of Parliament for an injection of $400 million of equity into two Crown-owned aircraft manufacturers, including $200 million to Canadair alone.

Would the minister indicate to the House what he means by parliamentary approval? Is his Department going to propose the sham that was thrust through this House only a few months ago, a $1 item in estimates, where we were asked at that time to approve the guaranteeing of $1.2 billion of liabilities in favour of Canadair? Is that what he means by parliamentary approval, or will there be a proper opportunity given for this House to examine why he feels such expenditures should be made on behalf of the people of Canada?

Hon. Ed Lumley (Minister of Industry, Trade and Commerce and Minister of Regional Economic Expansion): Madam Speaker, as I recall the Hon. Member's discussion with my predecessor, it was the concern of the Opposition with respect to letters of comfort that had been authorized previously. The former President of the Treasury Board and my predecessor decided at the time that from then on we would go to parliamentary estimates for any funds asked for by the two Crown corporations. This is exactly what we have done.

I also recall that the Member was one of those who insisted that equity injections be given to these particular companies rather than debt capital as before. That is exactly what the Government has done.

TIMING OF FUNDING

Hon. Sinclair Stevens (York-Peel): Madam Speaker, my supplementary question is to the Minister of Industry, Trade and Commerce again. I would like him to show evidence to back up either of the statements that he has made touching on what I have asked for in previous Parliaments. I take it then that we will only be given the opportunity to approve an injection of $400 million into these two Crown corporations by approving a $1 item in supplementary estimates yet to be seen.

Would the Minister indicate what he means by having two task forces at work, one to be updated in their report and the other to be constituted in due course? Does he not feel that it is backwards, if you like, to be asking Parliament to approve something before he even hears from the two task forces that he says he has in place to recommend, or otherwise, whether equity should be put in these two companies?

Hon. Ed Lumley (Minister of Industry, Trade and Commerce and Minister of Regional Economic Expansion): Madam Speaker, the reason we put the request before the President of the Treasury Board to put this in supplementary estimates was to ensure that the Opposition would have an opportunity to discuss, at the parliamentary committee stage, the activities of both Canadair and de Havilland. I think the Hon. Member has heard the questions from his colleagues yesterday and today with respect to job creation. I can think of no more important a sector in Canada than the aerospace sector. The Hon. Member, as well as colleagues on both sides of the House, will have the opportunity to put questions of this nature to Canadair and de Havilland officials when those estimates come forward.

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ENERGY

INQUIRY RESPECTING PROGRAM CUTBACKS

Ms. Lynn McDonald (Broadview-Greenwood): Madam Speaker, my question is for the Minister of Finance and is with regard to cutbacks in the energy program. He said in his speech yesterday that the Petroleum Incentives Program grants would be maintained at their existing levels. What programs, then, is he planning to cut, and how many jobs will be lost by these cuts?

Hon. Jean Chrétien (Minister of Energy, Mines and Resources): Madam Speaker, I would like to congratulate the

Hon. Member on her first question in the House of Commons. I would like to say to the House that I will be in a position to report some time in the future on the nature of the cuts in my Department.

Some Hon. Members: Oh, oh!

Mr. Chrétien: I think that we have to review some of the programs to make sure that there is no abuse and that they are serving the public, but perhaps cutting some of the costs of these programs. I do think that it is possible in the ministry to find some cuts.

I am very shocked to see the Tories do not appreciate a minister who tries to cut down expenditures in his Department.

CHIP AND OFF-OIL PROGRAMS

Ms. Lynn McDonald (Broadview-Greenwood): Madam Speaker, the purpose of a job-creation program—that is by reallocation of funds—is that more jobs be created in the new program than are lost in the programs being cut. I am somewhat disturbed to see that no calculation has been made.

I wish to inquire about two programs particularly, the CHIP Program and Off-Oil. These are Programs both important for conservation and job creation. Can we have the assurances of the minister, or any minister for that matter, that these two Programs will not be cut?

Hon. Jean Chrétien (Minister of Energy, Mines and Resources): Madam Speaker, it is my intention to maintain these programs but I will try to use them in a more efficient way. There were some complaints which I received from the private sector that there were a lot of abuses in the system. I would like to make them more efficient so that the consumer would benefit from these programs but at the same time the taxpayer would have equal value for the money invested.

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CANADIAN NATIONAL RAILWAYS

INVESTMENT IN CAST SHIPPING GROUP

Mr. Howard Crosby (Halifax West): Madam Speaker, I have a question for the Minister of Transport concerning the continuing involvement of Canadian National Railways in the CAST shipping group. The minister knows that Canadian National Railways have already invested $60 million in CAST. They have provided extensive credit for freight rates and credit for onshore facilities. Now the time has come to cut the losses and bail out of CAST.

Will the Minister give the House his personal assurance that no more public funds will be given to this foreign owned shipping group? Will he make Canadian National Railways co-operate so that all the facts related to this unfortunate investment will be disclosed to the Canadian Transport Commission hearing in November? Other Canadian ports and shipping interests have a right to know these facts.

Hon. Jean-Luc Pepin (Minister of Transport): Madam Speaker, I think that anybody who has read the papers in recent days knows that the Chairman of CN has been quite clear on the subject. CN is remaining in CAST to protect its investment, but he has added that there is no intention on the part of CN to add to the liability it has in CAST presently.

With respect to the facts and fiction on the CN investment in CAST, there will be any number of inquiries. There is one coming soon to the CTC which will be looking into the second CN investment in CAST. I presume that the parliamentary committee on transportation could look at it again. I am quite sure that there will be a number of learned essays, books and articles on the subject in the future.

POSITION OF MINISTER

Mr. Howard Crosby (Halifax West): Madam Speaker, the Minister of Transport must know that Canadian National Railways have consistently fought to keep the relationship with the CAST shipping group secret. They have taken cases to the Supreme Court of Canada to prevent disclosure of these facts. He also must know that Canadian National Railways on other occasions have indicated that they would no longer invest further public funds in CAST and went back on this word by becoming involved in other activities with CAST. Would he simply state his position before the House of Commons with respect to the matter of Canadian National Railways' involvement in CAST. He was in favour of it a year ago. Is he still in favour of continuation on this relationship?

Hon. Jean-Luc Pepin (Minister of Transport): Madam Speaker, everyone knows that I try not to run on a day to day basis these Crown corporations for which I am responsible. When the chairman of one of those corporations states as clearly as Mr. Horner did yesterday that there was no intention on the part of CN to increase its liabilities in the CAST organization, I prefer to quote him than to take responsibility myself for imposing these views on an excellent board, excellent chairman, and an excellent president.

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NATIONAL DEFENCE

ANNOUNCED CUTS IN BUDGET AND ADJUSTMENT OF PROGRAMS

Hon. Allan B. McKinnon (Victoria): Madam Speaker, my question is for the Minister of National Defence. Yesterday the Minister of Finance announced a $230 million cut in the defence budget. I presume that this cut is in addition to the $200 million cut announced at the time of the June budget. Would the Minister tell the House how much of this cut applies to this fiscal year and how much to 1983-84? Would he also explain the remarks of the Minister of Finance that there will be some adjustments in the nature of the programs we have planned to undertake? What adjustments, and what programs?

Hon. J. Gilles Lamontagne (Minister of National Defence): Madam Speaker, the reallocation of the defence moneys to the job-creation program was made through the years 1983-84, 1984-85. It does not affect the present budget of 1982-83. This reallocation of money is made possible because of the policy of the Government, of six and five which is very successful. We can effect savings in these two years due to the six and five, because salary increases were projected at 11 per cent or 12 per cent when the estimates were tabled last November. As you know, at the same time we have a special economic model at DND, an economic model which forecasts or predicts rates of inflation. This also was revised too, considering that we have been very successful to the moment in bringing the inflation rate down. This was calculated using the DND model at, let us say, an inflation rate of about 13 per cent or 14 per cent for these years. Considering that the Canadian rate of inflation is going down and that the United States rate of inflation is also going down, we will save money as a result of these factors, and then we re-allocate the money saved for the job creation program.

• (1450)

Mr. McKinnon: It is interesting to know that the Armed Forces will pay for their own equipment. The Minister should remember what he said on July 12 when he admitted in the House that he was unable to find the $200 million from the imposition of 6 per cent ceiling on servicemen's pay raises, through this year and next year.

LAY-OFFS OF INSTRUCTORS AT ST-JEAN, P.Q.

Hon. Allan B. McKinnon (Victoria): Madam Speaker, I want to point out to the Minister that last week, when the Prime Minister was giving his trilogy, he told those Canadian employers thinking of cutting jobs to cut costs to consult with their employees as they might find that the workers would be prepared to participate in work sharing in order to save jobs. In view of that statement, why has the Minister laid off 42 English instructors and 15 French instructors at St-Jean? The military management there has refused to consider work sharing. Could the Minister explain the Department's refusal to comply with the Prime Minister's pleas to employers?

Hon. J. Gilles Lamontagne (Minister of National Defence): Madam Speaker, this is a special circumstance, I know, relating to St-Jean. I think the explanation I gave when I was asked by some of my colleagues why some teachers were laid off at St-Jean was very simple. It was a normal administrative decision. At the moment, as the Hon. Member knows very well, recruiting is at about the lowest level possible. We have fewer enlistees than ever before because people now stay in the Forces. Therefore, we do not have any attrition, and teachers in different schools and different training programs are simply not required any more. Thus, we had to lay off some of these people who were not needed any longer.

UNEMPLOYMENT INSURANCE

INCREASE IN PREMIUMS

Mr. Cyril Keeper (Winnipeg-St. James): Madam Speaker, my question is directed to the Minister of Finance. Mr. Minister, you increased unemployment insurance premiums to deal with the unemployment insurance deficit, created—

Some Hon. Members: Order.

An Hon. Member: Through the Speaker.

Mr. Keeper: Very well. Through you, Madam Speaker, to the Minister of Finance, I would ask a question. Yesterday the Minister increased unemployment insurance premiums in order to deal with an unemployment insurance deficit which has been created, at least in part, by his detrimental economic policies with regard to the economy, which create unemployment. To quote the Prime Minister, he said in June that "it is still possible to scare the hell out of people by creating more unemployment". These unemployment insurance premiums will cost the average working person, earning who is, let us say, $20,000, some $460 in the new year, which is a tax increase of some 53 per cent. Mr. Minister, is it fair to impose a 53 per cent increase in a regressive tax on the average Canadian in these economic times?

Hon. Marc Lalonde (Minister of Finance): Madam Speaker, in case the Hon. Member does not know that unemployment is more than a strictly Canadian problem, I would remind him that there are 30 million unemployed in the OECD countries today and we expect that there may be even more next year, so it is not a purely Canadian phenomenon.

The Government has made its decision after consultation with both labour and management. We have held meetings with spokesmen for the unions. Some were invited but, like the CLC, decided not to show up. Instead, the CLC sent a letter merely stating, "extend the benefits and do not increase the rates". That was the extent of its contribution. The others, those in a responsible union leadership, said they were ready to consider an increase but that there should be a sharing of the cost of the increase. The same view was taken by management. The advisory council on unemployment insurance, representing both labour and management, recommended that we set increases at $2.30, and this is what the Government has done.

REQUEST THAT MINISTER RECONSIDER INCREASE

Mr. Cyril Keeper (Winnipeg-St. James): Madam Speaker, surely the Minister does not deny that his Government has contributed to unemployment. Under the economic policies of the Minister's Government, the average working Canadian earning $20,000 a year will be losing $2,200 as a result of salary restrictions under six and five, some $450 from higher income tax under de-indexation, and some $320 by the unemployment insurance premium increase. Considering the impact of the loss of some $3,000 to an average Canadian who may be earning $20,000, will the Minister at least reconsider his

increase in the regressive unemployment insurance premiums and place some of the burden to pay for that Program on the general tax revenues?

Hon. Marc Lalonde (Minister of Finance): Madam Speaker, out of the increase that has been announced, if we take into account the deficit this year and next year, the Government will be absorbing about 70 per cent of the additional cost which this will represent. I think that is a fair contribution by the general taxpayer to the system when one realizes that, out of the rest, the employers contribute about 58 per cent and the workers contribute about 42 per cent. I think the Government of Canada and the taxpayers of Canada in general have indeed made their contributions to this particular situation.

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NATIONAL PAROLE BOARD

GOVERNMENT POLICY ON MANDATORY SUPERVISION PROGRAM

Mr. Benno Friesen (Surrey-White Rock-North Delta): Madam Speaker, my question is directed to the Solicitor General. For over a year the Solicitor General has been saying, "At any time now there will be a policy statement with regard to mandatory supervision," that social failure. In the meantime, because of his inaction, the Chairman of the National Parole Board has had to make a test case in British Columbia with regard to the Minister's policy. Can the Minister tell us when we can expect a policy statement from him, or legislation, which will put the security of the public of Canada first?

Hon. Bob Kaplan (Solicitor General): Madam Speaker, I am now ready to discuss, with my critics in the Opposition, the amount of time that might be required to deal with the legislation I propose to bring forward to tighten mandatory supervision.

Mr. Friesen: Madam Speaker, if the Minister were not so interested in spending $60,000 to train mice to sniff out marijuana, he could perhaps have had this ready a long time ago.

SECURITY OF CITIZENS

Mr. Benno Friesen (Surrey-White Rock-North Delta): Madam Speaker, my supplementary question is as follows: Will this policy change come as legislation, will it come as an Order in Council, and will it, above all else, put the security of Canadians first?

Hon. Bob Kaplan (Solicitor General): Madam Speaker, I cannot assure the House that the Opposition will totally agree with the provisions to tighten the rules of mandatory supervision which I am proposing, but it will be by legislation. I do hope to have the support and co-operation of the Opposition so that the House can deal with it rapidly when it is brought forward. The measures have in no way been held up by any considerations with regard to mice.

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TERRORISM

INVESTIGATION OF CRIMES

Hon. Allan Lawrence (Durham-Northumberland): Madam Speaker, I wonder if the Solicitor General would have some statement or comment to make on the ugly emergence of violent terrorism in this country over the last few months. I am specifically speaking of the destruction of power facilities in British Columbia, the execution of a foreign diplomat on an Ottawa road, and the dangerous blowing up of the front of a Defence plant in Toronto. Are arrests in any or all of these cases near?

Hon. Bob Kaplan (Solicitor General): Madam Speaker, as the Hon. Member knows, the detection—the solving of these crimes, if I can put it that way—is primarily a responsibility of local police forces. I can assure the Hon. Member that my understanding is that local police forces are giving them top priority. However, to the extent that national security and international terrorism are a factor in them, I can again assure him that the Security Service is discharging its responsibility in gathering information about them and in fully co-operating with the local police forces so far as the furnishing of intelligence available to our national Security Force is concerned.

USE OF STOLEN EXPLOSIVES

Hon. Allan Lawrence (Durham-Northumberland): Madam Speaker, just to emphasize the national aspect of this matter, of which I am sure the Solicitor General should be aware, early in this year a large quantity of explosives was stolen in British Columbia. Later, only part of these explosives were used to destroy power facilities in that Province. I ask the Solicitor General whether he can tell us if some of those same explosives stolen in British Columbia were used to blow up the front of Litton Industries in Toronto, and whether he can inform us of the whereabouts, the quantity and the quality of the presumably unused remainder of those explosives, especially in light of threats being made about every second or third day against some other plants in this country. That is a national police matter. It is not a local police matter.

• (1500)

Hon. Bob Kaplan (Solicitor General): Madam Speaker, I can assure the Hon. Member that I am well aware of the substance of the matters that he put forward before the House. I would again like to remind him that in view of the division of constitutional responsibility and policing responsibilities, any progress in solving these cases will be announced by the local police departments concerned.

Business of the House

BUSINESS OF THE HOUSE

WEEKLY STATEMENT

Mr. Nielsen: Madam Speaker, may I ask the Government House Leader the usual Thursday question with respect to the business of the House for next week, whether there have been any changes since our last discussion?

[*Translation*]

Mr. Pinard: Madam Speaker, until further notice, the business of the House remains unchanged as far as today, tomorrow, Monday and Tuesday are concerned. Yesterday, I asked the House to wait until today for further details about our business for next Wednesday and Thursday. So, today, we will start the debate on second reading of Bill C-128, a measure to provide the government with supplementary borrowing authority. Tomorrow will be the second day of this debate, which should end next Tuesday by 9:45 p.m. Both Monday and Friday next week will be opposition days. As far as Wednesday and Thursday are concerned, there are bills arising from the last budget which we should like to have debated in the House as soon as possible. These bills will be introduced in a few moments by the ministers concerned. The bills we wish to consider on Wednesday and Thursday are the following, in that order—provided, of course, that more than one is passed. The first one will be the bill in the name of the Minister of Agriculture (Mr. Whelan), entitled "An Act respecting rebates of interest on farm loans made under the Farm Credit Act". The second bill to be considered concerns small business, and is entitled "Small Business Investment Grants Act", and the third bill still arising from the June budget that will be presented to Parliament for consideration is in the name of the Minister of Public Works (Mr. LeBlanc) and is entitled "An Act to amend the National Housing Act (No. 2)".

Thus, the order of business for next week is very straightforward and clear-cut, except for Wednesday and Thursday when we will be considering, in order, a number of bills arising from the last budget. These are the bills I have just mentioned and they will be introduced in a few moments.

Now, I shall, if I may, add a few remarks about the statement made yesterday by the Minister of Finance (Mr. Lalonde). We expected the minister's statement to take up about one hour, in fact it was a bit longer than that, so that, at the request of the opposition parties, Madam Speaker, we have agreed that when we get to Statements by Ministers, the question and answer period following the statement will continue today for an additional period of not more than twenty minutes, and I may add, as I said yesterday, that we would not want this to be considered a precedent.

[*English*]

Mr. Nielsen: Madam Speaker, as the Government House Leader has indicated, we have had some discussion on this matter. It relates to a reservation I made last night immediately prior to the adjournment, namely that there was a point of order that might arise today with respect to the item upon which the House should have commenced proceedings today.

There is a substantive argument that could be made procedurally that we should have started today's proceedings where we left off yesterday, namely under the item on Routine Proceedings entitled "Statements by Ministers". There is an argument that can be made under Standing Order 7 and Standing Order 15 and Bourinot, May and Beauchesne all support that. However, since the Government has agreed to extend the examination of the Minister of Finance for a further 20 minutes, it is not my intention to advance that submission today.

I rise now simply to make certain that the record will show that our acquiescence to this proceeding today, that is, embarking on the question period rather than continuing the item we left off yesterday, is not to be taken in any way, shape or form as any precedent for the future should we find ourselves in a similar position.

Mr. Deans: Madam Speaker, I also was involved in this, but I hope it is a precedent in fact in that it shows the goodwill that can be obtained when we try to work together.

ROUTINE PROCEEDINGS

[*Translation*]

EXTERNAL AFFAIRS AND NATIONAL DEFENCE

PRESENTATION OF TWELFTH REPORT OF STANDING COMMITTEE

Mr. Marcel Prud'homme (Saint-Denis): Madam Speaker, as chairman of the Standing Committee on External Affairs and National Defence, I have the honour to present, in both official languages, the Twelfth Report of the Standing Committee on External Affairs and National Defence, which concerns Canada's relations with Latin America and the Caribbean, and I wish to request an extension until November 30, a memorable date, since it is Winston Churchill's birthday and mine as well.

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

* * *

[*English*]

PRIVILEGE

MR. FRIESEN—PRODUCTION OF PAPERS ALLEGED INCOMPLETE

Mr. Benno Friesen (Surrey-White Rock-North Delta): Madam Speaker, it was my understanding that this question of privilege would arise after "Statements by Ministers", but I am prepared to proceed now. I beg the indulgence of the House on this matter.

I rise on a question of privilege relating to the rights of this House and the rights of Members to full and complete disclosure in answer to an order of the House, and also to indicate that the House and its Members are entitled to complete production of all documents to comply with an order of this House.

On April 1, 1982, under Division No. 157, this House by a vote of 160 to 5 agreed to my Private Member's Motion for the Production of Papers. This decision, arrived at after near unanimity, followed the lengthy debate of December 17, 1981 and April 1, 1982.

It is my view that a prima facie case of privilege exists since the return is not complete. In view of the ruling of the Speaker of the House on February 16, 1954, page 2121 of *Hansard*, which establishes a precedent that there is a prima facie case for this question of privilege, it is my right to raise the question at this time.

The order of the House that we presented on April 1 and on which we voted read as follows:

That an humble address be presented to His Excellency that he will cause to be laid before this House copies of all correspondence, notes, minutes of meetings, memos, telegrams, and communications relating to the order respecting Emergency Planning P.C. 1981-1305, May 21, 1981, Registration SI/81-76 June 10, 1981.

It was in defiance of Citation 213 of Beauchesne's fourth edition, 1958 and Citation 389 of Beauchesne's third edition, 1943 that the President of the Privy Council (Mr. Pinard) finally did table some of the documents on July 29, 1982, four months after that order of the House was issued and only after I was forced to raise this specific matter of neglect to the House on two separate occasions.

There is no doubt that the Government has not complied with this order. Over the summer months I have collected hundreds of pages of documents which should have been tabled at this time but were not.

The omissions that I have uncovered reveal that there were many and various kinds of correspondence, tabled documents that were not included. I would like to give just one example of this omission. It is a letter tabled in the Alberta legislature, and, therefore, is public property. It is addressed to the "Hon. Yvon Pinard, President of the Privy Council." It says in part, and this is why it is so important that we have in all the documents:

Alberta is seriously concerned, however, that the proposed federal legislation will not necessarily be confined to emergencies of an overriding national concern but that it also contemplates federal authority in what may be very localized situations.

That gives some import to the particular motion which I had voted on in the House. You will note, Madam Speaker, that the Motion for the Production of Papers reads "—all correspondence, notes, minutes of meetings, memos, telegrams and communications." It does not say "part of the documentation" or "most of the documentation", it says all of the documentation.

• (1510)

In addition, Madam Speaker, you will note that there is no date attached to this motion and that the order is quite specific as it relates to any documentation concerning that order, either before its implementation or after.

The government might want to argue that the undisclosed material is privileged information. As I have already indicated, that information is readily available in the legislative assemblies because it has been tabled in the legislature of at least one of the Provinces, and, I believe, those of several other provinces. For example, in a letter dated April 28, 1982, to Mr. Marvin E. Moore, the Minister in charge for the Alberta Disaster Services, the President of the Privy Council states that he has certainly—and I quote:

—no objections to your tabling in your legislature the exchange of correspondence between us and the subject of legislation on matters relating to Emergency Planning.

In fact, Madam Speaker, that letter, together with five others, was tabled in the Alberta Legislature. Yet the President of the Privy Council refused to do the same in this Chamber even despite the fact that there was a House order to do so.

In addition, memoranda of understanding were reached with the Provinces at a meeting held in Ottawa at the Chateau Laurier Hotel in January of this year. Subsequent to that meeting, these memoranda of understanding were made public, yet those documents are also missing, despite the fact that they are accessible elsewhere.

To underscore my point, the President of the Privy Council issued a news release just two days ago in which he announced the significance of that memorandum of understanding with one of the Provinces. In that release the minister states that a memorandum of understanding has been signed in the Province of New Brunswick, thus indicating, of course, that the document exists.

I should also point out that under Citation 389 in Beauchesne's third edition it is stated:

—If parties neglect to make returns to orders of either House in reasonable time, they are ordered to make them forthwith; or so much of returns as has not been made. If they continue to withhold them, they are ordered to attend at the bar of the House; and unless they satisfactorily explain the causes of their neglect, and comply with the order of the House, they will be censured or punished according to the circumstances of the case.

That Citation, Madam Speaker, refers to specific cases where information sought has not all been provided or where information having been sought was not given. The wording is taken from May, pages 562 and 563, twelfth edition; and I also refer you to pages 256 and 257 of the fifteenth edition.

I fully understand, Madam Speaker, the general theory which can be found in the fifteenth edition, which is to the effect that if there is a failure to comply, a sufficient cause must be demonstrated for the exercise of that power. If consideration of public policy can be urged against a motion for Papers, it is either withdrawn or otherwise dealt with according to the judgment of the House. That theory is alluded to by the Speaker of the House of Commons in a decision

rendered on July 16, 1955, page 6246 of *Hansard*. In addition, the Speaker goes on to say:

—if the hon. member wishes to complain further about the non-compliance with the order, it is not a point of order or a point of privilege, and he must do so by moving the proper motion if he deems that advisable.

I respectfully submit, Madam Speaker, that in the case affecting my motion, in contrast to that decision rendered almost two decades ago, there is sufficient cause to justify a prima facie case of privilege. In my view, in this case no consideration of public policy can be urged against the motion for these papers since many of these documents are readily available now through the provincial Legislatures.

I also refer to a decision rendered on March 20, 1962, found at page 1967 of *Hansard*, where the Speaker states:

Perhaps the hon. member who feels the order of the House has not been sufficiently complied with would inform the minister of the specific documents which he says have not been produced. Then if he is not satisfied there is provision under our rules for a debatable motion to produce documents. This procedure gives a remedy for that matter which the hon. member for Laurier now raises.

In contrast to this decision, I have, first of all, already alluded to those documents which have not been produced. Second, I am satisfied that an order of the House was not discharged. In my view, a blatant contempt of that order has been demonstrated by the Government for its failure to produce these documents. How is it possible for a Member to indicate that all of the documents have not been produced before the Government decides to table those documents which it wants to? It is an impossible task.

I might refer to page 3793 of *Hansard*, May 11, 1956. You will note that in that particular case the Government did indicate its responsibility to table all documents and undertook to look into any oversight which may have occurred. However, in this case no oversight could possibly have occurred by the very magnitude of the number of documents which I have uncovered are missing.

You will note that at the bottom of pages 562 and 563 of May's twelfth edition and at pages 256 and 257 of May's fifteenth edition, there are footnotes which refer to the *Journals* and *Hansard* from which these specific cases were extracted. Going back to the *Journals* of 1834, 1835, 1841, 1876 and 1820, and also *Hansard* for these periods, you will note that the House has in the past ordered certain officers to produce certain documents. These points are a subject of the Speaker's remarks on Saturday, July 16, 1955, at page 6245 of *Hansard*, to which I have already alluded.

You will note that the Speaker refers to one case in which the Clerk of the Peace of Caernarvon was involved. The reason the Clerk was not producing the documents was because he felt the expense of producing such documents should be paid by the House, whereas a Member suggested it should be paid for by the Member who moved the motion. In another case, the man involved was a witness who appeared before a committee and refused to produce a book in his possession. The Speaker does not go into the other particular cases involved, but the Speaker ruled, upon looking into the background of these documents, that it would appear that ordinary citizens were involved with neglect rather than direct officers of the Crown.

It is my contention, Madam Speaker, that if an ordinary citizen can be held culpable for neglect, for whatever reason, so too should officers of the Crown, especially when they are Ministers of the Crown and have a direct responsibility in the operations and conduct of democracy in this country.

In other words, Ministers must be held accountable for their actions to an extent even beyond that of the ordinary citizen. Going over all the debates which have taken place on the Emergency Planning Order, the Government and its representatives have consistently adopted the view that there was nothing secret about the Emergency Planning Order. Indeed, it has indicated on almost every occasion that it wanted to make information available to clear up any misapprehension which could have occurred concerning this order.

Once the House order was passed on April 1, 1982, the Government said there was a problem only for the translation of the documents, that as soon as the documents were translated they would be made available to the House. At no time was a question of public policy raised as to the confidentiality of the record.

In addition, I would like to refer you to the ruling of the Speaker on February 21, 1979, page 3460, in a response to a question of privilege raised by the Hon. Member for Winnipeg South Centre. You will note that the question dealt with the failure of the then Minister of Transport to make available documents to the House which had been made available to an inquest conducted by a coroner on the crash of an aircraft in Saskatchewan. The Speaker clearly indicates that if the Hon. Member had actually said he had made application pursuant to motions for the production of documents and that the Minister subsequently refused to produce them, then it could have been brought forward within the ambit of privilege.

• (1520)

I understand, Madam Speaker, that over 70 people are directly employed by the federal Government to develop the Emergency Planning Order passed by Order in Council. I stress that these people are directly employed and do not include all those others indirectly involved. I find it impossible to believe that such a large contingent could produce such a small quantity of papers as were tabled here in the House. I think it is a byword across the country that the main industry here is to produce paper.

Finally, Madam Speaker, I would like to draw your attention to Citation 395 of Beauchesne's third edition, which tells us that once papers and files are entrusted to the Clerk of the House and recorded in the *Journals*, they become the property of the House. I suggest that, given the fact that many of the items to which I have referred earlier, and which I will not go over again, are already a matter of public record in the provincial legislatures, the President of the Privy Council must be obliged to table the missing documents in order to ensure that the rights of the Members of the federal legislature are respected. As a matter of fact I would state, Madam Speaker,

that the documents are now already public property here and that the President of the Privy Council is withholding public property.

In addition, Madam Speaker, there is no doubt in my mind that a prima facie case of privilege does exist and that the conduct of the President of the Privy Council and the Minister responsible for emergency planning in Canada in failing to provide documentation which he was to have provided under an order of this House of Commons should be referred to the Standing Committee on Privileges and Elections, the committee to have the power to call persons, papers and documents and report its findings to the House of Commons.

[*Translation*]

Hon. Yvon Pinard (President of the Privy Council): Madam Speaker, I am not so sure I understand what the Hon. Member means. He is saying there are documents that are now public property and that I am at fault because I am withholding them. Now if they are public property, how can there be any question of my withholding them! He is saying that what is important is not really the content of those documents but the amount. He is saying that this is a country where a lot of paper is produced and that, considering the number of employees we have, we should have been producing a more impressive pile of documents. I think the Hon. Member has a rather superficial attitude, and I am trying to understand what he really means, although frankly, I am at a loss.

The Hon. Member ought to know that the documents we produced were tabled with the consent of members on both sides of the House. We accepted this motion for production of documents in good faith, and I asked my officials to do the necessary research and obtain the appropriate material so as to respond in a full and adequate manner to the request and the order of the House. My parliamentary secretary tabled the documents himself in the course of his duties, and he tells me that the pile was about as high as the pile of documents he has here which he is going to table today in answer to another request. Perhaps the Hon. Member wanted a bigger pile and that is why he is now accusing me of withholding documents which are already in the public domain. I really cannot follow his reasoning.

In any case, Madam Speaker, perhaps I could draw your attention to a citation in Beauchesne which says quite clearly that a question of privilege ought rarely to come up in this House, and that the definition of privilege where members' rights are concerned is very limited and applies primarily to a breach of members' rights to freedom of speech. In the circumstances, I say that we acted in good faith, with the unanimous consent of the House, that we tabled all the documents we believed to be relevant and that if the Hon. Member were to indicate a document or documents in which he is interested and which could be tabled, I assure you I would do so without hesitation. However, I am sure that the Hon. Member never intended to question my good faith, because otherwise I would have a thing or two to say about that.

Madam Speaker: The President of the Privy Council (Mr. Pinard) has raised a number of questions. For the benefit of the ruling I will have to make on the question which has just been raised, I would like the minister to tell me, first of all, whether he is invoking the restrictions indicated by Beauchesne, in Citation 387 I believe, with respect to these documents? As far as I know, the government never invoked any of those restrictions and had always given the House to understand that it was prepared to produce the documents. The member for Surrey-White Rock-North Delta (Mr. Friesen) was very clear as to the documents he would like to consult if they were laid on the table of the House. He mentioned a number of documents he has as yet been unable to consult because, for some reason, the government has not yet tabled them. I do not know whether it is because they have not been translated or because the government does not have them at this time. In any case, to help me in making my ruling, I would appreciate it if the minister would tell me whether he is invoking Beauchesne's restrictions or whether he has another reason for not tabling the documents.

[*English*]

Hon. Erik Nielsen (Yukon): Madam Speaker, while the President of the Privy Council (Mr. Pinard) is thinking about that, I might intervene and submit to you, with respect, that it does not make any difference at this stage whether the Government wishes to invoke the discretion of privilege. The fact is that the House passed an order. That order called for the production of all papers and documents relevant to the subject matter of the motion which was on the Order Paper. That motion was accepted by the House. Normally, if any conditions or restrictions are going to be placed upon the agreement by the Government for the production of those papers, that is the point at which those conditions or restrictions are invoked. Now, that period of time has gone by so my submission to you, Madam Speaker, is that it is too late for the Government to attempt to impose restrictions on an order of this House which requires the Government to produce all documents and papers with respect to the motion.

The President of the Privy Council used the words "production of relevant documents." I submit that that discretion is now beyond him. The order of the House did not call for the production of all relevant documents, it called for the production of all documents, and it is a little late now for the government to invoke the doctrine of irrelevancy, the doctrine of privilege, or indeed any other doctrine that might have been available to it under the rules at the time the House adopted unanimously the motion of the Hon. Member.

It seems to me, Madam Speaker, from what I have been listening to, that the Hon. Member who raises the point has very succinctly and clearly made out a prima facie case of privilege and any doubt—and I submit that there can be none in your mind, but if there might be a lingering doubt—has to

be resolved in favour of the Hon. Member who raises the question. There is only one instrument for resolving it and that is the Standing Committee to which the Hon. Member wishes the whole matter to be referred so he might produce there, in that forum, the documents which are public in other legislatures of the country but which for some reason or other the Government will not make public here, notwithstanding the existence of an order of this House that those documents be produced.

Never has there been a clearer case of privilege, Madam Speaker, and I would suggest in this instance that it is a most appropriate case for allowing the motion to be put that the matter be referred to the Standing Committee, so that apparently the hundreds or dozens, or whatever, of other documents that the Member could not reach in the limited time available to him for making the point which he has very ably done might be also produced.

The main point, Madam Speaker, is that it is too late now for the Government to invoke these restrictions and qualifications which, if it wanted to do so, should have been done at the time the House passed an unqualified, unrestricted, unconditional order for production.

[*Translation*]

Mr. Pinard: Madam Speaker, you asked me a question. You referred to a list of documents mentioned by the Hon. Member. You said that it would have been repetitive to table documents in the House that were already public property. You said that we acted in good faith when we tabled a large quantity of documents. Today, the Hon. Member is mentioning other documents he would like to examine. I said earlier that I would like to have time to check what documents he is talking about. I did not receive prior notice of this question. I am aware that according to parliamentary procedure, the Hon. Member is not obliged to give notice, but since we were acting in good faith in tabling a very large quantity of documents and the Hon. Member would like to have more of these, I would like to have time to check whether we have the documents and whether they can be tabled, and then answer your question later on, if you will give me enough time. However, I still think, and this was my reaction straight away, that as far as documents that are already in the public domain are concerned, it would be repetitive to table them in the House. Furthermore, the agreement with New Brunswick referred to by the Hon. Member was signed only a few days ago. I signed it last week while Parliament was still in recess. In the circumstances, I do not think a complaint is justified.

• (1530)

[*English*]

Madam Speaker: The Hon. Member for Surrey-White Rock-North Delta (Mr. Friesen) has made his case quite completely. Hon. Members will notice that I have let him go on for a considerable time to give him a chance to give his complete submission in this case, especially since I believe this is the second time he feels he has had to raise this question before the House. I needed to have his complete submission in order to make a finding in this particular case. There is still some doubt in my mind as to the way my decision should go. The Hon. Member for Yukon (Mr. Nielsen), I am sure, is not suggesting that when I am in doubt I should automatically decide in favour of the Member who has raised a question.

Mr. Nielsen: Let the House decide.

Madam Speaker: When I am in doubt I try to find out more information about the case so that I can give a ruling which is not doubtful. That is precisely what I want to do.

There is no question in my mind that if there is a disobedience to an order of the House then this is a prima facie question of privilege. It is not as clear as I would want it to be to decide that the Government has refused to obey an order of the House. I agree with the Hon. Member that it is taking some time, and maybe his patience is coming to an end. Perhaps there are reasons for that.

I should like also to look into the point raised by the Hon. Member for Yukon about whether the time has passed at which a Member can invoke some other restrictions. As I understand it now, the Government has not invoked any restrictions, so that point is clear.

If Hon. Members would allow me to look at the order that has been made—I looked through my documents and I do not have it with me—I will rule on it later.

Mr. Nielsen: That is eminently reasonable, Madam Speaker. I do not want to be misunderstood on the question of doubt. I was not suggesting that if any doubt resided in the mind of the Chair it should be resolved in favour of the question. What I was suggesting to the Chair has been common practice in the past and it has been followed by at least two of your predecessors, and that is that where a doubt exists—and they are on record as saying this several times—it is resolved by allowing the motion suggested by the Member to be put to the House. I suggest that is the proper course here if there is any doubt.

[*Translation*]

Mr. Pinard: Madam Speaker, if I understand correctly, you are giving me time to argue my case further and to invoke restrictions if necessary. I think I understand you are not closing the door on any arguments I may bring forward, but as I said earlier, the request is so complex and the pile of documents tabled is so substantial that I would like to know whether anything was really left out and whether we had any reason to leave it out. Meanwhile, I would remind the House that as far as the time factor is concerned, since you mentioned the time involved when you were discussing the Hon. Member's question of privilege, the Hon. Member himself is well aware of the problem. On this side of the House we like to table documents in both official languages, and because of the number of documents involved, it took some time to have them translated, which explains the delay. So I hope the Hon. Member is not going to complain that we took the time that was necessary to observe the Official Languages Act.

[*English*]

Mr. Friesen: Madam Speaker, on a point of order—

Madam Speaker: I have heard the Hon. Member on his question of privilege. Perhaps we should end the debate there and I will look at the different submissions and rule later.

HON. J. REID—ENTRANCE TO HOUSE IMPEDED

Hon. John M. Reid (Kenora-Rainy River): Madam Speaker, I gave you notice of my question of privilege yesterday. It is based on the fact that since my return to Ottawa after the summer I have been stopped three times from entering the House of Commons. I must admit I have not been absolutely prevented from entering the House of Commons, but I have found my entrance into the House of Commons impeded. I understand as well that Your Honour has had discussions with the Members of the Management and Members' Services Committee and I understand that the Whips have gone to all the parties to seek some general consensus in terms of imposing upon ourselves new restrictions in respect of the security of Members of the House of Commons. In general I have no problem with that and in general I am sympathetic to the position Your Honour found yourself in when you were informed of the dangers that apparently were involved.

My question of privilege is on the basis that while a general consensus has emerged and while there has been some specific discussion with the Management and Members' Services Committee, the stories going around are that there are to be far more restrictions placed upon the ability of Members of the House and their staffs to move around the building.

I understand the dilemma that Your Honour has since the House Leader has not seen fit to set up the Committee on Procedure and Organization which has traditionally looked into this kind of matter. I was a member of that committee in 1971 when we looked into the Chartier case. For Members who do not remember, that individual wired himself up as a bomb and blew himself up in one of the washrooms near the Prime Minister's office. The second time, of course, was in 1975 when the Procedure and Organization Committee looked into the question of security again.

I do not want to proceed with a formal motion on my question of privilege for two reasons. First of all, the people affected would be the constables who were trying to follow the directions of their superiors. I think it would be unfortunate, when they were simply trying to obey instructions from their superiors, if they were to go through the kind of process we would have to put them through.

If we are going to impose restrictions upon ourselves as Members of Parliament, I think the Speaker should have the advice and assistance of a standing committee of some sort. As Hon. Members know, and as I am sure you will understand, Madam Speaker, what is going to happen is going to be fairly controversial.

I make an appeal to the House Leader and to the Leaders of the other parties to make some arrangement to provide this kind of help and assistance to the Speaker. I know that not many of us wear the pins and the identification that we have been given. In my own case I wear no wedding ring and no other kind of jewellery. I have no identification that proves I am a Member of Parliament. I have never required any identification to prove that I was a Member of Parliament until this September. If we are going through this process, then I think there ought to be a wide-ranging set of discussions within the House of Commons.

As I say, Madam Speaker, I understand the difficulty you are in. I am fully in sympathy with the decisions you felt you had to take and I am prepared to support them. I would make an appeal to the House itself and to Members to take much more interest in what is going on.

Madam Speaker: I was just going to interrupt the Hon. Member. Of course, I cannot be asked to rule on a hypothetical situation where the Hon. Member is saying that in the future some more stringent security measures might be imposed upon Members. I can assure him that there has been no discussion at the present time of any more stringent measures being imposed upon Members. I can assure him that there has been no discussion at the present time of any more stringent measures being imposed upon Members except the ones that have been agreed to by the different caucuses. The Hon. Member is raising a question of privilege based on some rumour that has circulated around the Hill. He has been here long enough to know that there are a lot of rumours circulated around the Hill and that it is not always a good idea to give credence to those rumours.

Security measures have now been put in place. There is one more that will be put in place later which has been agreed upon by all caucuses after intensive consultation with the Whips, the Whips having brought the problem to the caucuses which have discussed it. This is, of course, an administrative matter that I could probably have decided upon myself but I would not have wanted to deprive myself of the wisdom of all Members in the House in this very delicate matter.

Members should understand that I get informed of certain incidents which, in the time that I have been here, have given me and others cause to worry. We have had to come to the conclusion that certain of these measures were necessary. They are as repugnant to me as they are to many Hon. Members, but I ask the House to co-operate in the implementation of these measures.

• (1540)

I would like the Hon. Member to wear his pin if he could, but it is not necessary for Members of Parliament who do not like to wear jewellery. The guards have been trained to recognize all Members. If the Hon. Member has been stopped at the door, I am sorry for that, but it must be one of the exceptions. That it should happen to him three times in a row is very unlucky for the Hon. Member, but I think we all realize that Parliament must be open to everyone. That remains a very, very important principle, but some kind of security measure had to be put in place in order to protect us from people who,

for some reason, want to do harm to us. I do not understand why, but some do.

I appreciate the Hon. Member raising this question, but it could have been raised more properly with me privately since it is a matter of the administration of the House of Commons.

* * *

PETITIONS

MR. TAYLOR—REINSTATEMENT OF CAPITAL PUNISHMENT FOR CERTAIN CRIMES

Mr. Gordon Taylor (Bow River): Madam Speaker, I have great pleasure in presenting a petition on behalf of some 116 Canadians who are residing in the Province of British Columbia, largely in the riding of Comox-Powell River. Ballots were printed by Proctor Publications Ltd. in *The Press* newspaper of Sechelt, British Columbia. The petition requests that capital punishment be reinstated for premeditated crimes of first degree murder and for the murder of children. A growing percentage of the population of adults in Canada want capital punishment reinstated, and this petition is representative of the thinking of more than 80 per cent of Canadians.

The Government has a responsibility to reflect the thinking of its people in its legislation. The petitioners pray that the Government will bring a Bill to the House of Commons reinstating the death sentence for anyone found guilty, beyond the shadow of a doubt, of deliberately taking the life of another human being, particularly anyone murdering a child.

MR. SKELLY—LABOUR DISPUTE AT NORDAIR

Mr. Ray Skelly (Comox-Powell River): Madam Speaker, I would also like to submit a petition on behalf of a large number of Canadian citizens interested in participating with the Prime Minister (Mr. Trudeau) and the Government in this new age of co-operation.

The clerical and technical employees of Nordair have been on strike since June 24, 1982. This company is 86 per cent owned by Air Canada, and Nordair refuses to bargain. The Minister of Labour (Mr. Caccia) refuses to answer a request from Nordair employees to appoint a mediator to attempt to resolve this nasty and prolonged dispute. The petition asks the Government to practise what it preaches and begin some co-operation by appointing a mediator.

Madam Speaker: I caution Hon. Members that these two petitions have been presented in an argumentative way. I think Members are going beyond the rule and making a habit of presenting petitions in this manner. The titles of petitions should be presented to the House, and that is it. That is the way in which petitions should be presented to the House.

Statements by Ministers. I understand that by unanimous consent we will continue for a period of 20 minutes with questioning which follows the statement of the Minister of Finance (Mr. Lalonde).

Mr. Bill Yurko (Edmonton East): Madam Speaker, I was not consulted on this new type of procedure in terms of questioning the Minister on a statement. I agreed with the unanimous consent yesterday to move forward on that basis or with that type of procedure, but I do not agree today to extend it.

Hon. Erik Nielsen (Yukon): Madam Speaker, when the Government House Leader made his submission with respect to the results of the meetings between House Leaders at the opening of the House, he disclosed the fact that there was unanimous consent. Madam Speaker will recall that I rose afterwards and I believe the Hon. Member for Hamilton Mountain (Mr. Deans) did likewise. I submit that it was at that point that unanimous consent was sought and achieved, and it is too late now for the Hon. Member to rise in an attempt to refuse unanimous consent.

Mr. Yurko: Madam Speaker, I am amazed at how the House Leader of the Official Opposition can distort the facts. You asked for unanimous consent to extend this unusual procedure just a few minutes ago. There was no attempt to ask for it before then.

Mr. Ian Deans (Hamilton Mountain): Madam Speaker, there is an interesting point which should be considered in this matter. I agree with the House Leader of the Official Opposition that we in fact commented upon the request of the Government House Leader some time ago with regard to extending the period into today. There was no evidence at that point that anyone objected to it. I would point out, however, that all that is being done is that the length of time in total to be afforded to questions to and responses of the Minister will not exceed the length of time taken by the Minister yesterday. I suggest that with that in mind, and also with the previous consultation which took place, perhaps unanimous consent is not required.

Mr. Nielsen: And with the previous consent of yesterday.

Madam Speaker: I remind the Hon. Member for Edmonton East (Mr. Yurko) that earlier in the proceedings of the House the matter of continuing the questioning of the Minister on his statement of yesterday was raised. Both Party Leaders agreed that that was the conclusion which all Parties had reached. No one at that time posed any objection, and I assumed that the consent of the House had been given to proceed to the period of questioning.

Furthermore, Standing Order 15(3) indicates that the Speaker has some leeway in determining the period of time for these question. It reads:

> Mr. Speaker shall limit the time for such proceedings as he deems fit.

If I read the sentiments of the House, it seems to me that a period of 20 minutes for questions is quite appropriate.

Mr. Yurko: Madam Speaker, I wish to put a serious complaint before the House with respect to my privileges on the basis that it was not—

Madam Speaker: Order, please. I have ruled on the matter. The Hon. Member has had a chance to express his views, but regardless of his views, which I appreciated, I have ruled that we will have a period of 20 minutes to question the Minister.

Mr. Yurko: Madam Speaker, I rise on a point of privilege. I would inform the House and the Chair that it is my intention to raise a point of privilege at the earliest opportunity in connection with your ruling just now, because you did not seek unanimous consent earlier.

Madam Speaker: Order. If the Hon. Member feels he has a question of privilege, he may raise it. He does not need to give notice to the House but only to the Speaker in writing. If he consults the rules he will remember that any question of privilege may be raised after a written statement has been given to the Speaker. However, I warn the Hon. Member that a ruling has been made and that he may not discuss it.

* * *

THE ECONOMY

STATEMENT BY MINISTER OF FINANCE

The House resumed, from Wednesday, October 27, consideration of the statement of Mr. Lalonde.

Hon. Flora MacDonald (Kingston and the Islands): Madam Speaker, yesterday the Minister of Finance (Mr. Lalonde) proposed a $500 million program to provide jobs for some 60,000 individuals over the next 18 months. Meanwhile, his Government's own projections show that there could be as many as 790,000 individuals who will run out of unemployment benefits during the next nine months. Many of these people will have to go on welfare, which is causing an enormous amount of concern in the country. Where does the Minister expect municipalities such as Toronto, Kingston or Sudbury suddenly to find their share of the money which they will have to pay to support these people through the winter, people who are without jobs not because of anything the municipalities have done but because of the economic policies of the Government?

• (1550)

Hon. Marc Lalonde (Minister of Finance): Madam Speaker, the Minister of Employment and Immigration (Mr. Axworthy) answered this question in good part earlier this afternoon when he revealed from his scientific study released this summer that between 35 per cent and 40 per cent of those who exhaust their unemployment insurance benefits find jobs. Then there is another group of people who either have savings or have managed to rearrange their affairs, and only 10 per cent of the total actually end up on social assistance programs.

The program we have put forward will significantly contribute toward dealing with the particular difficulty raised by the Hon. Member. I would also like to point out to the Hon. Member that in addition to the $500 million, there is an amount of $1.4 billion in direct job-creation programs and other programs that we have announced over the course of this year which are either in effect at the present time or will come into effect in the next few months. Literally there will be hundreds of thousands more jobs created, a lot more than the 60,000 jobs to which the Hon. Member was referring. For instance, there is a particular program for November, December, January and February, which will encompass expenditures of $300 million to help those who are unfortunately no longer receiving insurance benefits. I think the Hon. Member has to bear in mind the totality of the programs that are in operation at the present time, not only the ones that I announced yesterday.

Miss MacDonald: Madam Speaker, I regret that the Minister's answer only underlines the fact that he has not taken into consideration the tremendous problem arising for a great number of people who will have to go on welfare this winter. They have no other way out.

How are municipalities expected to prepare for this massive assault on their very limited resources? The Minister may very well know that the municipalities cannot even get reliable estimates outlining how many people are going to go off UIC benefits and on to welfare for weeks ahead, let alone for the whole of the coming winter.

Could the Minister at least undertake to make this information available to individual municipalities throughout the country? If the Minister of Finance does not have the information, will he order the Minister of Employment and Immigration (Mr. Axworthy) to get that information and provide it to the municipalities?

Mr. Lalonde: Madam Speaker, again the Hon. Member has referred to 790,000 people. Assuming the same percentage, 10 per cent, would apply or 79,000 people, for the program I have announced and the programs that we already have in operation will be more than able to cope with the particular problem which the Hon. Member has raised.

Second, I would remind the Hon. Member that there are some Provinces where the provincial government is paying the full 50 per cent of the social assistance.

Miss MacDonald: No, not in Ontario, Manitoba or Nova Scotia.

Mr. Lalonde: I know this is not the case in Ontario. It has been the decision of the Ontario Government to divide the responsibilities for social assistance that way. We are still paying 50 per cent of whatever social assistance is required.

Finally, in answer to the Hon. Member's question, the Minister of Employment and Immigration, as I have indicated, is in Toronto this afternoon proceeding with those consultations to which she has referred. When the program and the details of it are finalized after the Minister's consultations, we

will certainly make sure that the municipalities are aware of the program so they can make the necessary arrangements to accommodate themselves within the guidelines to be issued.

Miss MacDonald: Madam Speaker, could I ask the Minister to give us a clear idea right now when the municipalities can get that information? I cannot underscore enough how necessary it is to have this advance information as quickly as possible in order to prepare for the difficulties that are going to face so many people in the months ahead. That is all I am asking for. The municipalities need that information now.

Mr. Lalonde: Madam Speaker, I presume the Hon. Member is referring to the program I announced yesterday.

Miss MacDonald: No, Madam Speaker, what I am asking for is for the Minister to supply the municipalities with an estimate of the number of people who will be coming off UIC benefits and going on to welfare week by week and month by month for, say, the next six months so they will know what revenues they will have to raise for their share of the payments.

Mr. Lalonde: Madam Speaker, I will certainly raise the matter with the Minister of Employment and Immigration who is administering the UIC program.

Miss MacDonald: The municipalities have nothing.

Mr. Lalonde: I suggest the Hon. Member could raise this matter directly with the Minister, but I will pass her suggestion on to the Minister. As a matter of fact, I know of municipalities that have arranged to get that information already.

Miss MacDonald: They cannot. The Minister will not give it to them.

Mr. Lalonde: The hon. lady says that they have not. I am telling her that to my knowledge there are municipalities who have similar arrangements. Nevertheless, I will bring the matter to the attention of the Minister.

Mr. Don Blenkarn (Mississauga South): Madam Speaker, in the statement of the Minister of Finance (Mr. Lalonde) yesterday he said:

> Our productivity performance continues to lag. New production techniques must be developed and implemented. This requires development of our technological base, increased investment—

The Minister knows that in the November 12 budget the most antiproductive productivity measures were measures that cut back on capital cost allowance and affected soft costs, particularly soft costs in connection with money expended to extend productive plants, factories, office buildings, and so on, by existing businesses. Why did the Minister in his budget not make some changes in the capital cost allowance structure to take into account particularly that soft cost issue that affects the extension of existing industrial plants? Why did the Minister not also at the same time take into account, by some change in the capital cost structure, capital cost allowance arrangements with respect to the purchase of production machinery and that type of thing that would increase productivity?

On the basis of representations made very eloquently by the Canadian Manufacturers' Association and the Canadian Chamber of Commerce to the Standing Committee on Finance, Trade and Economic Affairs, this would not have completely upset the Minister's capital cost structure or his soft problem, but it certainly would have gone a long way to increasing productivity, and also adding some credibility to the Minister's statement. Could the Minister explain his attitude?

Mr. Lalonde: Madam Speaker, in my statement yesterday I left out a number of issues that are still to be considered in terms of the amendments to the Income Tax Act arising out of the previous budget. I have not gone through all the details of that particular amendment. The issue of soft costs is one that I am addressing. When the bill is introduced I hope that the clauses in the Bill will be to the satisfaction of the Hon. Member. I thank him for drawing my attention to it.

Mr. McDermid: Why don't you scrap it and start again?

Mr. Wilson: More changes.

Mr. Lalonde: As far as capital cost allowance is concerned, I answered a question in the House yesterday posed by the Hon. Member for Etobicoke Centre (Mr. Wilson).

Mr. Blenkarn: Madam Speaker, the method of dealing with capital cost allowance was a brutal one, whereby capital cost allowance in the first year was treated at 50 per cent of the regular rate. There have been some amendments to the capital cost allowance already. I believe it is contained in Schedule 29. Why could the Minister not also change some of the features with respect to that across-the-board sweeping measure to make sure that there is really something in his speech yesterday with respect to productivity? I thank the Minister for the soft cost matter. But on this question, it should not be too difficult to come up with something that would make it possible for people to buy new productive machinery, new technological equipment, so that we can compete as a nation with the Japanese and others in the automobile industry particularly and perhaps in the electronics industry. Sure there must be a method by which the Minister can create another schedule of capital cost allowances, change the system slightly and ameliorate the effect of the rather blunt method that the former Minister had in his November 12 budget.

• (1600)

Mr. Lalonde: Madam Speaker, in my statement in the House yesterday, and in answer to a question, I indicated that I had studied this question of capital cost allowance. I found that the measures put forward by my predecessor were fair and adequate and that I did not intend to make any changes to them. The Hon. Member is making representations in that regard. If he wishes to put them in writing and send them to me I will promise to examine his point of view again. However, I must tell him at the present time that my conclusion is to the

effect that we should not make changes to the capital cost allowance rules that have been put into effect.

Mr. Nelson A. Riis (Kamloops-Shuswap): Madam Speaker, I carefully listened to the statement by the Minister of Finance (Mr. Lalonde) yesterday and his concern about fairness and equity. Soon the limit on earnings of contributors to unemployment insurance will be at the $20,200 level. Those earning incomes beyond $20,200 will not contribute to the fund. In the essence of pursuing a fair system which could be called progressive as opposed to regressive, would the Minister give some consideration to raising funds to assist building the base of that very important fund these days by making the system more progressive, asking those people who earn incomes $40,000, $60,000, $100,000 and $200,000 per year to pay a little larger share to the UIC fund?

Mr. Lalonde: The Hon. Member is making a suggestion that concerns budgetary matters and also fundamental reform of the UI program. As he knows, there have been discussions about revisions to the Unemployment Insurance Act. I will pass the representations of the Hon. Member on to the Minister of Employment and Immigration for consideration in the review that he may want to make of the Unemployment Insurance Act.

As far as the other aspect is concerned, I will consider it as a representation for the forthcoming budget and I will bear the Hon. Member's representations in mind.

Mr. Sid Parker (Kootenay East-Revelstoke): My question to the Minister is with regard to the $400 million that has been allotted to the railway system in western Canada. Will the minister ensure, if this program comes about, that the railways will not be laying off workers to the extent that they have? They have given notifications in Calgary, Winnipeg and Montreal of 3,500 lay-offs in their shops.

I would like to have the assurance from the Minister because these railways have received many benefits from the six and five program, saving literally billions of dollars. If we are now going to put $400 million into a railway fund, will we have the assurance that there will not be any future lay-offs and that they will upgrade their equipment, bring about those things which are needed and available at this time to get our people back to work? Will they ensure that their equipment is ready when the economy does pick up?

Mr. Lalonde: Madam Speaker, our intention is to try to speed up the railways' operation, rehabilitation and modernization in the west. If we can succeed in getting the railways to spend the $11 billion that is talked about in terms of capital investment for railway improvement over the next nine years in the west, that will obviously have a significant impact on jobs.

However, I am sure that the Hon. Member recognizes that I cannot give him a guarantee that there will not be lay-offs of certain types of employees while other types of employees are being hired. This is a matter for the railways to decide.

I would also like to draw to the attention of the Hon. Member that while he says that the railways have benefited significantly from the six and five program, he must also realize that the railways are incurring very large deficits at the present time, like many private companies, because of the recession. They are not laying off people because they like to do it, but because there is no work for them.

Hon. John Wise (Elgin): Madam Speaker, I know that time is running short and other Members want to ask questions of the Minister, so I will try to be as brief as possible. The Minister concluded his financial statement yesterday with some reference to the agricultural community. I believe he was speaking sincerely and with some compassion, but what was disappointing was that there was actually nothing in the budget for the agricultural community, a sector which is extremely important. It is the largest single employer and it is going through one of the worst financial situations since confederation. We talked about the six and five program. I am sure that my farming friends in the House would be happy if all segments of the agricultural community could even achieve that six and five goal. In fact, farm income will be down by some 17 per cent this year.

Referring to his statement, the Minister indicates that he is accepting the recommendation of his blue chip committee and the fact that the agribond concept will not be implemented. That will be very sad news to the agricultural community. I would like him to comment about that.

Second, he indicated that the Small Business Bond provision would be extended, which is fine. However, the real problem with the Small Business Bond is the same problem which existed with the Farm Improvement Loans Act, that is, that the banks will not participate. What does he plan to do with respect to that?

The other problem which the agricultural committee was looking at was for some easement or relaxation in the capital gains legislation. I say to the Minister through you, Madam Speaker, that it was his Government who promised to update evaluation day values from 1970 to 1974 during the last election. The Government has four opportunities to do so and has not taken advantage of any of those occasions.

I have other questions but I will yield the floor to the Minister so he may respond.

Mr. Lalonde: I would first like to tell the Hon. Member that I indicated in my statement yesterday that I intended to present a budget in early 1983. I did not intend to cover the whole taxation sector in my statement. I did not perceive my statement as a budget.

Second, I would like to remind the Hon. Member that the $400 million which we have allocated for railway improvement and the settlement of the Crow issue in the west is in addition to the $3.2 billion that my predecessor, and the Minister of Transport (Mr. Pepin) have already announced. We hope that these measures will significantly benefit the western farmers.

I have also indicated that the Government is giving the west coast entrepreneurs and longshoremen until Monday to settle their strike and lock-outs. Otherwise, the Government would take the necessary steps to ensure at least grain movement very soon.

Finally, there is a Bill before the House that will be considered in the next few days, I hope, which concerns helping the farmers in terms of credit, in terms of the advantages given to farmers. These are matters addressed to the farming community particularly. I think all around what I am doing and what I will try to do as Minister of Finance is not so much to attempt to sprinkle small benefits here and there like dew all over the ground, but to try to get the economy moving for everyone and lower interest rates for everyone. Interest rates are now around 14 and one-quarter per cent on mortgages and 13 and three-quarters per cent on the prime rate. If we can get them down further for everyone in the next few weeks and months, the farmers will benefit significantly from that as well. I am trying to act on a global basis as well as trying to face the special situations which we must face.

Mr. Charles Mayer (Portage-Marquette): I would like to pursue what the Minister talked about concerning the $400 million for western rail expansion. Would the Minister be more specific and indicate whether that is a one-time fund to be added to the $3.2 billion that he just referred to? Is that to be thrown into the so-called pot as part of the Gilson recommendations? Is it to be used for one-time capital expenditure by the railways for some specific project? Would he comment on whether or not any of that money will be used to offset some of the concerns that the Ontario and Quebec farmers have over what may happen to their economic advantage if, in fact, the Gilson Report is implemented?

• (1610)

Mr. Lalonde: Madam Speaker, I have not divided the specific allocation of funds between direct allocation for railway improvement and settlement of the Crow issue. I have allocated $400 million to the Minister of Transport (Mr. Pepin) to deal with this particular issue.

Mr. Mayer: Over what period of time?

Mr. Lalonde: It will greatly depend on how quickly the Minister of Transport can get a resolution of the Crow issue. However, spending the money could begin right away. The particular allocation will depend on negotiation with the railways and the Crow negotiations. We would like the railways to immediately start in the west with some of the operating and improvement provisions and the Minister of Transport will meet very shortly with the railways with regard to that matter.

As far as the Crow negotiations are concerned, the Hon. Member knows the point at which they are as well as I. The money will be available without delay, but I cannot guarantee at what time the payments will occur because it will depend on two sets of negotiations.

Mr. Donald W. Munro (Esquimalt-Saanich): Madam Speaker, when a Minister stands to speak about the distribution or redistribution of revenues, he gets dangerously close to making a budget speech. Therefore, if the Minister does not wish to call it "a budget", I will settle for "a budgetary statement".

On page 4 of his budgetary statement, I am glad to see that he did mention the abundance of Canada's resources and their present waning state. He mentioned the need for our forests to be replenished and our fisheries to be husbanded. I was very carefully listening for that second shoe to drop, if you like. Within that statement, have I somewhere missed a provision that our forests be replenished and our fisheries be husbanded?

I will ask the Minister a second question as well. On page 12 he spoke of the reduction of some $245 million in official development assistance which will not prevent us from achieving our aid goal, "our aid commitment level of 0.5 per cent GNP by 1985-86". The Minister went on to mention the adjustments of the programs. Could the Minister tell us where that $245 million will come from in the ODA, the official development assistance, and what programs will have to be adjusted in order to provide for that $245 million saving?

[*Translation*]

Mr. Lalonde: My colleague has raised several points in his intervention. I will try to deal with them individually and, as I recall, the last one had to do with CIDA.

First of all, with respect to the forest industry, I should like to remind the Hon. Member that my colleague, the Minister of Environment (Mr. Roberts) announced in early September an agreement with the provinces and the industry under which expenditures in that field would increase from $300 million to $650 million between now and 1985. If my memory serves me well, my colleague has increased the federal share by up to an additional $170 million for the forest industry, precisely to make sure that forest resources will be fully protected in the future and that the necessary measures will be taken to ensure, among other things, reforestation and a better administration of our forest resources. So I did not refer to any specific measures since my colleague had already dealt with that issue barely two months ago. I would refer the Hon. Member to the statement by the Minister of Environment.

With regard to fisheries, I am pleased to inform my colleague that cabinet is now examining the whole question. As he knows, we have received a report concerning the west coast, the Pearse report, as well as another one concerning the east coast, the Kirby report, which is now under close scrutiny by cabinet. I hope to have something to announce in that respect in the near future. Concerning the CIDA cutbacks, I am not in a position to be more explicit as to where those cutbacks will be implemented because, as the Hon. Member knows, they stem from a lower inflation rate and a decline in the growth of the gross national product. Our targeted contribution to CIDA programs based on our GNP have remained unchanged. Our objectives are the same, but lower inflation and a declining

gross national product have made it possible for us to reduce our over-all contribution. As a result of this, in certain cases CIDA will have to reconsider some of its financial commitments with respect to foreign countries, either over a somewhat longer period of years or by decreasing certain contributions in some cases. CIDA is now actively engaged in that reconsideration and the details are not available to me. However, I am advised by the Secretary of State for External Affairs (Mr. MacEachen) that he would see to it that the information is available as soon as he gets it.

* * *

BRETTON WOODS AGREEMENTS ACT

MEASURE PROVIDING FOR REDUCTION OF INTEREST RATES

Hon. Marc Lalonde (Minister of Finance) moved for leave to introduce Bill C-129, an Act to amend the Bretton Woods Agreements Act and the International Development Association Act.

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

* * *

INTERNATIONAL DEVELOPMENT (FINANCIAL INSTITUTIONS) CONTINUING ASSISTANCE ACT

AUTHORIZATION OF CONTINUING FINANCIAL ASSISTANCE

Hon. Marc Lalonde (for the Secretary of State for External Affairs) moved for leave to introduce Bill C-130, an Act to authorize continuing financial assistance to be provided to certain international financial institutions.

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

* * *

OLD AGE SECURITY ACT

MEASURE TO AMEND

Hon. Jim Fleming (for the Minister of National Health and Welfare) moved for leave to introduce Bill C-131, an Act to amend the Old Age Security Act (No. 2).

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

FAMILY ALLOWANCES ACT, 1973

MEASURE TO LIMIT INDEXATION

Hon. Jim Fleming (for the Minister of National Health and Welfare) moved for leave to introduce Bill C-132, an Act to amend the Family Allowances Act, 1973.

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

* * *

SUPPLEMENTARY RETIREMENT BENEFITS ACT

MEASURE TO INCREASE BENEFIT INDEX

Hon. Jim Fleming (for the President of the Treasury Board) moved for leave to introduce Bill C-133, an Act to amend the Supplementary Retirement Benefits Act (No. 2).

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

* * *

FARM LOANS INTEREST REBATE ACT (NO. 2)

MEASURE TO REDUCE INTEREST RATE

Hon. Jim Fleming (for the Minister of Agriculture) moved for leave to introduce Bill C-134, an Act respecting rebates of interest on farm loans made under the Farm Credit Act.

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

* * *

NATIONAL HOUSING ACT

MEASURE TO AMEND

Hon. Marc Lalonde (for the Minister of Public Works) moved for leave to introduce Bill C-135, an Act to amend the National Housing Act (No. 2).

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

* * *

SMALL BUSINESS INVESTMENT GRANTS ACT

MEASURE TO PROVIDE FOR REDUCTION OF INTEREST RATES

Hon. Paul J. Cosgrove (for the Minister of State (Small Businesses)) moved for leave to introduce Bill C-136, the Small Business Investment Grants Act.

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

• (1620)

MOTION TO ADJOURN UNDER S.O. 26

[*English*]

Madam Speaker: I have a notice under Standing Order 26 from the Hon. Member for Kindersley-Lloydminster (Mr. McKnight).

* * *

LABOUR CONDITIONS

WEST COAST WORK STOPPAGE

Mr. Bill McKnight (Kindersley-Lloydminster): Madam Speaker, I seek leave to move that adjournment of the House under the provisions of Standing Order 26, seconded by the Hon. Member for Portage-Marquette (Mr. Mayer), to debate a specific and important matter requiring immediate consideration, namely the work stoppage at the Port of Vancouver and at other major ports on the west coast. This is the first opportunity that we have had since Parliament resumed to present this motion, arising because of a national emergency.

Since October 19, this work stoppage has had and continues to have a serious and negative impact on the economy of Canada. Yesterday and again today the Minister of Finance (Mr. Lalonde) said that the Government wished to wait until Monday before taking action on this national emergency. The cost is $8 million a day to the grain producers alone in western Canada. This situation has now gone on for nine days. If on Monday the grain is not moving and the workers are not at work on the west coast, under our rules and procedures it will take another four to five days to act, at an additional cost of some $75 million to $80 million to the people of Canada.

Over 3,000 lay-offs have occurred to date in the railway, grain handling and other industrial sectors. Commodities such as coal, lumber, potash and sulphur are sitting idle on western Canada sidings. Lay-offs are occurring daily in these and other industries. Canada's $6.4 billion grain export trade and our reputation as a reliable supplier is at stake. This matter is particularly urgent in light of the concern of the Prime Minister (Mr. Trudeau) over Canada's declining productivity and our failure to compete in foreign markets.

If you find this application acceptable for debate, Madam Speaker, I would so move the appropriate motion.

Madam Speaker: The problem is obviously an important one. The impact on the country, as the Hon. Member just stated, is very considerable. However, the Hon. Member knows, of course, that in allowing a debate under Standing Order 26 the Speaker has to consider whether the matter might be brought into the House within a reasonable time.

I will tell the Hon. Member that this afternoon after Routine Proceedings a Bill will be called under which the Hon. Member may discuss this matter if he so wishes. Another Bill has been announced in the House relating to Canagrex which also would allow the Hon. Member to debate this question. Further, we all know that negotiations have been reopened. These negotiations could lead to a settlement. At any rate, I believe the Hon. Member does have opportunity to discuss this question under different proceedings. For that reason, I feel I cannot allow an emergency debate.

* * *

QUESTIONS ON THE ORDER PAPER

(Questions answered orally are indicated by an asterisk.)

Mr. David Smith (Parliamentary Secretary to President of the Privy Council): Madam Speaker, the following questions will be answered today: Nos. 1, 561, 775, 776, 777, 1,057, 1,248, 2,277, 2,444, 2,445, 2,542, 2,596, 2,624, 2,644, 2,719, 2,873, 3,735, 3,770, 3,773 to 3,796 inclusive. 3,798 to 3,808 inclusive, 3,810 to 3,828 inclusive, 4,150, 4,151, 4,187, 4,197, 4,257, 4,265, 4,266, 4,302, 4,304, 4,324, 4,326, 4,328, 4,352, 4,361, 4,363, 4,371, 4,373, 4,378, 4,380, 4,383, 4,389, 4,391, 4,392, 4,393, 4,395, 4,398, 4,400, 4,408, 4,409, 4,412, 4,418, 4,420, 4,424, 4,427, 4,434, 4,437 to 4,454 inclusive, 4,459, 4,460 and 4,466.

[*Text*]

CBC— MISS SUSAN REISLER

Question No. 1—**Mr. Cossitt:**

1. Is Miss Susan Reisler an employee of CBC and, if so, does she assist Mr. Mark Starowicz in producing the programme "Sunday Morning"?

2. Has she visited Cuba on one or more occasions to assist in the cutting of sugar cane and has she ever expressed admiration for Fidel Castro publicly?

3. Did she cover for the CBC the "Non-Alligned" Conference in Havana and, if so, who made the decision to send her including the names and job designations of any persons involved?

Mr. Jack Burghardt (Parliamentary Secretary to Minister of Communications): I am informed by the Canadian Broadcasting Corporation as follows:

1. Ms. Susan Reisler is a CBC employee and assigned as Washington correspondent for CBC Radio News.

2. The CBC does not monitor or interfere with employees' opinions or off-duty activities if they do not conflict with the Corporation's established policies.

3. Ms. Reisler covered the conference of non-aligned nations in Cuba for the CBC. The details of her assignment are among those areas of internal management and administration which Parliament has not, as a matter of custom, required the CBC to provide. The background of this custom was explained in detail in the reply to question No. 2,530, May 22, 1975.

CBC—MR. LIONEL MARTIN

Question No. 561—**Mr. Cossitt:**

1. (a) What is the complete employment history with the CBC of Mr. Lionel Martin and is he presently stationed in Cuba (b) what were his qualifications that led to him being considered suitable for employment with the CBC?

2. Did Mr. Martin, on Sunday, April 13, 1980, take part in the program "Sunday Morning" on CBC radio and, if so, did he present views corresponding with those of Premier Fidel CASTro of Cuba and, if so, in such a case, what steps does the government intend to take?

3. Is it government policy to allow the management of the news to be governed by the political views of those working in CBC radio or television?

Mr. Jack Burghardt (Parliamentary Secretary to Minister of Communications): I am informed by the Canadian Broadcasting Corporation as follows:

1. Lionel Martin is not a CBC employee. He is a freelance journalist living in Cuba who reports for CBC from time to time.

2. He did take part in "Sunday Morning" on April 13, 1980, in a segment about Cuban refugees. He reported conditions at the Peruvian Embassy and the Cuban government's actions and statements in relation to the refugees.

3. The CBC was established as a Crown corporation for the purpose of producing and broadcasting, independently of political or commercial influence, programs for a national broadcasting service. Successive Governments have not sought to direct the CBC in the discharge of its responsibilities under the Broadcasting Act.

Question No. 775—**Mr. Cossitt:**

Was Mr. Lionel Martin, when broadcasting from Havana, representing the CBC, and did he praise the CASTro regime for digging a latrine across the road for fugitives in the Peruvian Embassy grounds and not shooting these people when they dared to use such a latrine and, if so, does the CBC and the Government consider this balanced news broadcasting?

Mr. Jack Burghardt (Parliamentary Secretary to Minister of Communications): I am informed by the Canadian Broadcasting Corporation as follows: As a freelance broadcaster, Lionel Martin is not a representative of the CBC. In a report broadcast on April 8, Mr. Martin described the conditions inside the Peruvian Embassy grounds and then stated that the Cubans had "built a row of outhouse-type toilets outside the fence of the embassy" and refugees "could go to the toilet and return without being molested". Mr. Martin was reporting facts and there was no praise spoken or implied of the Cuban action.

Question No. 776—**Mr. Cossitt:**

Is Mr. Lionel Martin an American who served as an advisor to Prime Minister CASTro and was he a correspondent for a Communist newspaper either before or after he was used by the CBC and, specifically, what are the names and job designations of all CBC personnel authorizing the use of his broadcasts?

Mr. Jack Burghardt (Parliamentary Secretary to Minister of Communications): I am informed by the Canadian Broadcasting Corporation as follows: Freelance reporters are chosen for use by the CBC on the basis of their previous work as reporters. The Corporation, in using Mr. Martin's services as a freelancer, does not have knowledge of his full career history.

The names of CBC staff members involved in individual program projects are among those details of internal management and administration which Parliament has not, as a matter of custom, required the CBC to provide. The background to this custom was explained in detail in the reply to question No. 2,530, May 22, 1975.

Question No. 777—**Mr. Cossitt:**

1. Was Mr. Lionel Martin broadcasting for the CBC from Havana when he made the statement, that the thousands who jammed the Peruvian Embassy grounds in Havana are criminals, thieves, prostitutes and particularly "delinquents or anti-social elements" and, if so, how did he investigate the background of these 10,000 people in a matter of a few hours in order to reach such conclusions?

2. Is it CBC policy to require its reporting staff to authenticate news statements before they are made and, if so, in what way does this apply to Mr. Martin?

Mr. Jack Burghardt (Parliamentary Secretary to Minister of Communications): I am informed by the Canadian Broadcasting Corporation as follows:

1. Examination of tapes of the contributions by Lionel Martin has failed to disclose the characterizations of refugees in the Peruvian Embassy with the exception of describing some of them as "delinquent". In a report broadcast on April 20, Mr. Martin describes the refugees as "the disaffected, the alienated, the ideological dissidents and even a good number of delinquents". In the light of subsequent general knowledge, these would seem to have been accurate journalistic assessments.

2. Yes. CBC expects those reporting for its news service to authenticate their statements, and this policy applied to Mr. Martin.

Question No. 1,057—**Mr. Cossitt:**

1. Has Mr. Lionel Martin been broadcasting for the CBC from Havana, Cuba, recently and, if so, is the CBC or the government aware that Mr. Martin was employed on or about 1961 by the Ministry of Education in the Cuban Government of Fidel CASTro?

2. To the knowledge of the government or the CBC, was Mr. Martin for some time the Cuban correspondent for the American newspaper *The Guardian* and has this paper been clearly labelled by many as a Communist publication?

Mr. Jack Burghardt (Parliamentary Secretary to Minister of Communications): I am informed by the Canadian Broadcasting Corporation as follows:

1 and 2. As of the date of the question, the CBC had not used a broadcast by Lionel Martin since April, 1980. The Corporation is aware of Mr. Martin's professional experience as a freelance broadcaster but has no knowledge of his employment in other capacities.

CANADA COUNCIL ART BANK

Question No. 1,248—**Mr. Cossitt:**

1. Did Lise Cohen of the Canada Council Art Bank state that the estimated cost of the items constructed of mostly steel and aluminum placed in Rockcliffe Park by the Canada Council cost "somewhat less" than the $100,000 mentioned

in the House of Commons by the Hon. Member for Leeds-Grenville and, if so, for what reason?

2. Did an official of the Canada Council inform the Hon. Member's office on June 12, 1980, that the exact cost was $99,900?

3. Does the Canada Council define "somewhat less" as the sum of $100?

Mr. Jack Burghardt (Parliamentary Secretary to Minister of Communications): I am informed by the Canada Council as follows: 1. Yes. 2. Yes. 3. Yes.

AMOUNT SPENT BY GOVERNMENT ON GUN CONTROL

Question No. 2,277—**Mr. Greenaway:**

1. (a) From 1979 to date, by year, what amount was spent by the Government and/or its agencies on gun control (b) for what purpose (c) what was the total expenditure per capita?

2. For the same period, by year and by province, how many offences under the gun control legislation were recorded in Canada and in how many cases were charges laid by the Government and/or its agencies?

Hon. Bob Kaplan (Solicitor General): 1. Ministry Secretariat (Firearms Policy Centre)

Type of Expenditure	1978/79 $	1979/80 $	1980/81 $
Salaries	187,955.47	110,165.03	69,636.00
Operating costs	78,127.62	45,762.94	41,170.57
Production of film	34,272.67	—	—
Personal service contract	5,128.65	10,313.72	12,835.00
Advertising and/or information material	725,033.74	7,077.71	16,615.43
Evaluation study	—	292,440.00	—
Total costs	1,030,518.15	465,759.40	140,257.00
Per capita cost	.042	.019	.005

Royal Canadian Mounted Police. See table below.

2. Please see the Annual Firearms Report to the Solicitor General of Canada by the Commissioner of the RCMP for the number of offences under the gun control legislation recorded in Canada for the same period and the number of cases in which charges were laid by the Government. The 1979 annual report was tabled in the House of Commons on April 23, 1980, the 1980 annual report was tabled on March 25, 1981 and the 1981 annual report was tabled on April 7, 1982.

Royal Canadian Mounted Police

Type of Expenditure	1978/79 Firearm Registration Unit Costs $	1978/79 FAC & Business System Administrative Costs $	1979/80 Firearm Registration Unit Costs $	1979/80 FAC & Business Systems Administrative trative Costs $	1980/81 Firearm Registration Unit Costs $	1980/81 FAC & Business Systems Administrative trative Costs $
Salaries	306,710.00	114,277.00	380,156.00	89,624.00	300,130.00	136,684.00
Travel (training and Chief Provincial Firearms Officers' Conference)	3,022.82	149,008.53	3,163.58	11,361.26	1,549.00	748.00
Stationery	11,175.00	427,266.00	17,529.34	134,147.00	23,881.00	9,792.00
Transportation costs (shipment of firearms acquisition certificates, permits, etc.)	672.00		83.66		79.00	1,280.00
Legal fees	564.00		1,637.65		2,042.00	
Provincial deficits		523,014.26		357,069.27		713,773.00
Audit costs (Supply & Services Canada)		10,308.00		43,731.00		47,005.00
Storage of FAC's						5,374.00
Miscellaneous	3,141.00		274.80		393.00	
	325,284.82	1,223,873.79	402,845.03	635,932.53	328,074.00	914,656.00
Total costs—gun control program	1,549,158.61		1,038,777.56		1,242,730.00	
Per capita cost	.0649		.0430		.0515	

GOODS TRADED IN METRIC OR IMPERIAL UNITS

Question No. 2,444—**Mr. Flis:**

What is the number of countries that have their companies manufacture products for export in (a) "metric" (b) "imperial"?

Mr. David Berger (Parliamentary Secretary to Minister of Consumer and Corporate Affairs): Restrictions as to whether goods traded are in metric or imperial units are imposed by the importing not the exporting country. Currently, there are 154 United Nations countries of which 152 are metric or are converting to metric usage.

PROTESTS CONCERNING ORDER IN COUNCIL

Question No. 2,445—**Mr. Domm:**

1. Did the Minister of Consumer and Corporate Affairs and Postmaster General receive over 5,000 individual letters of protest from citizens objecting to the Order in Council gazetted on February 28, 1981 that makes Canadian units of measure illegal in the retail trade of a commodity and, if not, how many did he receive?

2. Did the Minister of State (Small Business and Tourism) receive letters of protest from citizens objecting to the Order in Council gazetted on February 28, 1981 that makes Canadian units of measure illegal in the retail trade of a commodity and, if so, how many?

3. Did the Minister of Industry, Trade and Commerce receive letters of protest from citizens objecting to the Order in Council gazetted on February 28, 1981 that makes Canadian units of measure illegal in the retail trade of a commodity and, if so, how many?

4. Was the Minister of Consumer and Corporate Affairs and Postmaster General or the Minister of State (Small Business and Tourism) or the Minister of Industry, Trade and Commerce advised that the retail food industry members of the Working Group on Scale Conversion wished to recommend strongly to the Government that the scheduling of retail food scale conversion to metric units in Canada, which appeared in the *Canada Gazette* Part I of February 28, 1981, be delayed so that conversion would take place at a time close to when retail food scales will be converted in the United States?

Mr. David Berger (Parliamentary Secretary to Minister of Consumer and Corporate Affairs): Consumer and Corporate Affairs Canada.

1. No, from Feruary 24, 1981 to May 12, 1981, the Minister of CCAC received a total of 1,845 letters on the subject of metric conversion.

2. See below reply from Metric Commission Canada.

3. See below reply from Metric Commission Canada.

4. Yes.

Metric Commission Canada

1. See above reply from Consumer and Corporate Affairs Canada.

2. Yes, 79 letters of protest and 892 machine-printed post cards.

3. Yes, 6 letters of protest and 984 machine-printed post cards.

4. Yes.

DSS—LOCATION OF FEDERAL SERVICE BUREAUX

Question No. 2,542—**Mr. Cossitt:**

1. At what locations are the federal service bureaux set up by the Department of Supply and Services and, in each case, on what date was the bureau opened?

2. Is a bureau planned for the Province of Ontario and, if not, for what reason?

3. Did the Minister of Supply and Services make a statement on May 25, 1981 to the effect that the only step being taken in Ontario was the establishment of a partial facility in Toronto rather than a full facility at a future date?

4. Is the Province of Ontario, with the largest population of any of the provinces, being treated in a lesser fashion than other areas of the country and, if so, for what reason?

Hon. J.-J. Blais (Minister of Supply and Services): On the date this question was asked, a significant answer was not available. This information has now been compiled as of December 15, 1981.

1. Canada Service Bureau Openings

	Operational on:
Edmonton	December 9, 1980
Vancouver	March 9, 1981
Halifax	April 1, 1981
Québec	May 7, 1981
Montréal	June 22, 1981
Winnipeg	July 27, 1981
Regina	May 1, 1981
Calgary	August 15, 1981
Charlottetown	August 6, 1981
Victoria	September 1, 1981
Saskatoon	August 10, 1981
Toronto	September 10, 1981
Moncton	July 29, 1981
St. John's	August 14, 1981

Itinerant Services

Operating from:	Operational on:
Kelowna	September 28, 1981
Gimli	August 17, 1981
North Bay	August 24, 1981
Sherbrooke	July 29, 1981
Matane	August 11, 1981
Bathurst	September 28, 1981
Sydney	July 6, 1981
Windsor	August 24, 1981

2. Yes, see 1 above.

3. The Service Bureau project is to some extent experimental in that through it the government is going to measure the need for this type of service as well as the best methods of providing it. To meet this objective the Task Force on Service to the Public has 14 offices in major cities across Canada, plus mobile services covering an additional 75 communities. The Service Bureaux are therefore both providing a service to Canadian citizens on a broad scale and providing the knowledge needed to evaluate success in meeting this particular demand. In Ontario, there is a Service Bureau at 50 Bloor St., West in the shopping concourse and a mobile service covering

northeast Ontario from a base in North Bay. The results of the first year of Service Bureau operation will be available by the middle of 1983 at which time a decision will be made on the future of the operation.

4. See part 3 above.

DND—PERSONNEL STRENGTHS OF VARIOUS UNITS

Question No. 2,596—**Mr. McKinnon:**

As of February 1, 1981 what was the active and available strength, excluding those personnel on retirement leave, in hospital, on courses longer than six months, or seconded to other units or duties, of the (a) East Coast Ships (i) Fleet Replenishment Ships (ii) 1st Canadian Destroyer Sqn. (iii) 5th Canadian Destroyer Sqn. (iv) 1st Canadian Submarine Sqn. (v) Training Vessels (vi) Diving Support Vessel (b) West Coast Ships (i) Fleet Replenishment Ships (ii) 2nd Canadian Destroyer Sqn. (iii) Training Group Pacific (c) 1 Canadian Brigade Group (d) 5e Groupe-Brigade du Canada (e) Special Service Force (f) Air Defence Group (i) 414 Electronic Warfare Sqn. (ii) 409 All-Weather Fighter Sqn. (iii) 416 All-Weather Fighter Sqn. (iv) 425 All-Weather Fighter Sqn. (v) 410 All-Weather Operational Training Sqn. (vi) 24 Pinetree Line Radar Sites (vii) 21 Dew Line Sites (viii) Space Sensor Units, Cold Lake and Chatham (ix) Air Weapons Control Countermeasures School (g) Air Transport Group (h) 10 Tactical Air Group (i) 408 Sqn. (ii) 427 Sqn. (iii) 430e Escadrille tactique d'helicopteres (iv) 403 Sqn. (v) 447 Sqn. (vi) 450 Sqn. (vii) 434 Sqn. (viii) 430e Escadrille (ix) 401 Air Reserve Sqn. (x) 438 Air Reserve Sqn. (xi) 400 Air Reserve Sqn. (xii) 411 Air Reserve Sqn. (*i*) Maritime Air Group (i) 32 Utility Sqn. (ii) 443 Helicopter Anti-Submarine Sqn. (iii) 423 Helicopter Anti-Submarine Sqn. (iv) 880 Maritime Reconnaissance Sqn. (v) 405 Maritime Patrol Sqn. (vi) 415 Maritime Patrol Sqn. (vii) 413 Transport and Rescue Sqn. (viii) 33 Utility Sqn. (ix) 442 Transport and Rescue Sqn. (x) 407 Maritime Patrol Sqn. (xi) 406 Maritime Operational Training Sqn. (xii) 404 Maritime Training Sqn. (xiii) Maritime Proving and Evaluation Unit (xiv) 420 Air Reserve Sqn. (j) 4 Canadian Mechanized Brigade Group (k) 1 Canadian Air Group?

Hon. J. Gilles Lamontagne (Minister of National Defence): Figures for "active and available" strength can only be provided through detailed analysis of each unit's personnel status on a given day, in this case February 1, 1981. The department does not have the resources to carry out such an analysis. Furthermore, the aggregation of the detailed information requested would reveal classified operational capabilities the release of which could be injurious to national security.

However, the functional strength of the major formations as of March 31, 1982 is as noted below.

Formation		Functional Strength
(a)	East Coast Ships	3,288
(b)	West Coast Ships	1,656
(c)	1 Canadian Brigade Group	4,139
(d)	5e Groupe-Brigade du Canada	3,733
(e)	Special Service Force	3,269
(f)	Air Defence Group	3,126
(g)	Air Transport Group	5,358
(h)	10 Tactical Air Group	1,548
(i)	Maritime Air Group	1,319
(j)	4 Canadian Mechanized Brigade Group	3,280
(k)	1 Canadian Air Group	783

BANK OF CANADA—ART COLLECTION

Question No. 2,624—**Mr. Cossitt:**

1. Does the Bank of Canada own and is it adding to an art collection and, if so, what is (a) the total cost of all items in the collection to date (b) a list of all items, including the name of the artist and the amount paid in each case?

2. (a) Is Mrs. Simon Reisman in any way connected with the acquisition of the paintings and, if so (i) in what capacity (ii) what is her salary or commission, including the details of any contract she may have (b) what are the names and details of employment of other persons connected with the acquisitions?

3. For what reasons does the Bank of Canada require an art collection?

Hon. Paul J. Cosgrove (Minister of State (Finance)): In so far as the Minister of Finance is concerned, I have been advised by the Bank of Canada as follows.

1. The Bank of Canada does not now have, nor is it planning to acquire, what it thinks can appropriately be called an art collection. It owns some paintings, some acquired recently and some in earlier years, which it uses to decorate the lobbies, meeting rooms and offices in its buildings. Since its establishment the Bank has purchased some 141 portraits, paintings and prints by Canadian artists at a cost of $170,000. Most of the paintings in use in the Bank are rented from the Canada Council Art Bank.

2. Mrs. C. Carin Reisman is employed by the Bank on contract as a consultant to advise Bank officers on interior furniture and furnishings in the Bank's buildings and in the course of doing so has provided some assistance with paintings. She is paid for her work for the Bank on the basis of an hourly fee.

3. See 1.

COMMEMORATIVE STAMP FOR ROYAL WEDDING

Question No. 2,644—**Mr. Beatty:**

1. To the knowledge of the Government, will independent member countries of the Commonwealth, other than the United Kingdom, Australia, the Bahamas, Barbados, Fiji, The Gambia, Lesotho, Mauritius, New Zealand, Samoa, Sierra Leone, Swaziland, Vanuatu and the Solomons, be issuing stamps to commemorate the Royal Wedding?

2. Did the Government issue a commemorative stamp on the occasion of the marriage of then Princess Elizabeth and, if so (a) what was the denomination (b) what number were printed?

3. Is the Government issuing a commemorative stamp for the marriage of the present heir to the Throne and, if not, for what reason?

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

1. At the time the question was asked, the Government was not aware which independent Commonwealth countries, other than the ones mentioned, would be issuing stamps to commemorate the Royal Wedding.

2. (a) and (b) Canada Post commemorated the marriage of Princess Elizabeth with a 4 cent stamp issued on February 16, 1948. The number of stamps printed was 50,010,000.

3. No. This is because the "Policy Guidelines for the Selection of Subjects for Canadian Postage Stamps" effective

March 1981, state that "postage should not be issued to honour living persons other than the sovereign."

REQUESTS FROM THIRD PARTIES FOR DATA FROM STATISTICS CANADA

Question No. 2,719—**Mr. Beatty:**

Since March 1, 1980, did (a) Statistics Canada (b) the Department of National Revenue receive requests from third parties (i) within (ii) outside the Government for personally identifiable information about individuals which was collected from those individuals under the threat of penalties for failure to disclose the information to the Government and, in each case, what was the response of Statistics Canada or the Department of National Revenue?

Mr. David Smith (Parliamentary Secretary to President of the Privy Council): I am informed by the Department of National Revenue and Statistics Canada as follows:

(a) Since March 1, 1980, Statistics Canada has received requests from third parties both from within and outside the Government for personally identifiable information.

The disclosure of identifiable information about individuals collected under the Statistics Act is forbidden by the Act except when such disclosure is explicitly consented to by the individual in question. For example, individuals request that their census records be disclosed to pension authorities for proof-of-age purposes. Some 13,000 requests of this nature are serviced by Statistics Canada each year.

(b) Since March 1, 1980, the Department of National Revenue has received requests from third parties, within and outside the Government, for personally identifiable information about individuals as extracted from income tax returns. While no record is kept of all requests received, the Department accedes when the requester has a legal entitlement to such information under subsection 241 (4) of the Income Tax Act. See also question 2,681, answered October 21, 1981.

HOSPITALITY SERVICES—DEPARTMENT OF SECRETARY OF STATE

Question No. 2,873—**Mr. Clarke:**

With reference to the Professional and Special Services recorded by the Department of the Secretary of State under the Arts and Culture Program at page 32.32, Volume II of the 1979-80 Public Accounts of Canada, with particular reference to Hospitality Services (a) what was the name of each type of service (b) what was the amount paid for each service and, for contracts of a value more than $2,000, to whom was it paid (c) are guidelines used to determine when the Department will pay for hospitality and, if so, what are they (d) of the $62,159 paid for hospitality, what percentage was principally used to entertain (i) foreign visitors (ii) Canadian businessmen (iii) provincial public servants (iv) federal public servants (v) ministerial exempt staff (vi) Members of Parliament (vii) Members of Provincial Parliaments, Legislative Assemblies and the National Assembly (viii) Canadian dignitaries, such as the Governor General and Lieutenant-Governors General (ix) federal Crown corporation executives (x) provincial Crown corporation executives (xi) members of federal commissions, boards and councils (xii) any other categories?

Mr. David Smith (Parliamentary Secretary to President of the Privy Council): I am informed by the Department of Communications and the Secretary of State as follows:

(a) Breakfast, luncheon, dinner, reception, refreshments.

(b) Hospitality costs incurred by the portion of the Arts and Culture program transferred to the Department of Communications amounted to $16,872 during 1979-80:

Cannes Film Festival (May 6-21, 1979) Carlton Hotel, Cannes, $2,222	$ 9,006
Various functions not over $2,000 (see part a)	$ 7,866
	$16,872

Hospitality costs incurred by the portion of the Arts and Culture program remaining with the Department of Secretary of State (State Protocol and Special Events) amounted to $45,287 during 1979-80.

(i) Visit of H.R.H. The Princess Anne, $4,011; Hilton Harbour Castle Hotel, Toronto, Ontario, $2,222.

(ii) State Funeral of the Rt. Honourable J. G. Diefenbaker, $4,421; Parliamentary Restaurant, Ottawa, Ontario, $4,333.

(iii) Festival Canada celebrations, $15,954; National Arts Centre Corporation, Ottawa, Ontario; Reception, $2,419; Gestion Michel Sénécal Incorporée, Outremont, Quebec; Reception for press conferences, $3,177; Market Development Services, Toronto, Ontario; Reception for press conferences, $3,624.

(iv) Visit of H.R.H. The Prince of Wales, $17,580; Explorer Hotel, Yellowknife, N.W.T., $11,654.

(v) Various functions not over $2,000 (see part a), $3,321.

(c) The guidelines on hospitality contained in the Treasury Board directive Chapter 360 were followed.

(d) Information not readily available, see parts (a) and (b).

ALLOWANCE PAYMENTS TO OFF RESERVE STUDENTS

Question No. 3,735—**Mr. Althouse:**

1. Did the Department of Indian Affairs order a cutback of student allowance payments on January 1, 1982 to off-reserve Indian students and, if so, prior to that date, by province, what amount was expended on the program?

2. By province, how many Indian students are attending school off reserve as opposed to on reserve?

Hon. John C. Munro (Minister of Indian Affairs and Northern Development): 1. Under the 1971 revision of the Department's Educational Assistance policy Indian students attending provincial or private high schools are provided with educational allowances to cover miscellaneous and personal supplies and to enable students to take part in community affairs and social activities. The rates are $10 monthly for students aged between 14 and 17 inclusive in grades 9 and over and $20 monthly for students aged 18 and over. The student allowance was being paid to registered Indian students in grade nine and above, irrespective of place of residence.

Following legal advice that the Department's authority under the Indian Act did not extend to providing educational services to elementary and secondary students normally resident off reserve, regions of the Department took steps to phase out programs of educational assistance to off-reserve students. Since 1980-81 was a transitional year, disparities between

regions were at a maximum as the allowance had been phased out in some regions but continued in others. The Saskatchewan region discontinued the payment of allowances to off-reserve elementary and secondary students on January 1, 1982.

The record of payments to off-reserve elementary and secondary students combines student allowances and expenditures for books and school supplies. The breakdown by Province for 1980-81 is as follows:

Atlantic	$ 11,000
Quebec	nil
Ontario	nil
Manitoba	13,000
Saskatchewan	225,400
Alberta	51,000
British Columbia	34,000
Yukon	3,100
Total	$ 337,500

2. The number of Indian students for whose education this Department is responsible and in respect of whom the Department and Indian education authorities entered into tuition agreements with provincial and private school boards in 1980-81 is as follows:

Atlantic	1,760
Quebec	7,610
Ontario	6,425
Manitoba	5,864
Saskatchewan	8,088
Alberta	7,680
British Columbia	10,895
Yukon	22
Total	48,344

The number of Indian elementary and secondary students who attended federal and band-operated on-reserve schools in 1980-81 is as follows:

Atlantic	1,701
Quebec	3,196
Ontario	7,189
Manitoba	9,059
Saskatchewan	6,461
Alberta	4,095
British Columbia	2,751
Yukon	5
Total	34,457

The 48,344 students in respect of whom the Department entered into tuition agreements were all resident on reserves as were the 34,457 attending federal and band-operated on-reserve schools. All of the 48,344 reserve residents attending provincial schools and meeting the grade nine, 14 years of age and above criteria continue to be eligible for student allowances.

The number of students who were off-reserve residents in 1980-81 and who received student allowances and/or books and school supplies was approximately 6,189 distributed as follows:

Atlantic	200
Quebec	nil
Ontario	nil
Manitoba	811
Saskatchewan	3,005
Alberta	849
British Columbia	1,286
Yukon	38
Total	6,189

INTELPOST

Question No. 3,770—**Mr. Beatty:**

On what date did Canada first participate in Intelpost and, since that date, by month (a) how many prepaid letters originating in Canada were carried by Intelpost and to which foreign Intelpost offices were they sent (b) how many prepaid letters directed to Canada were carried by Intelpost and from which foreign Intelpost offices were they sent (c) what was the cost to the Post Office of participation in Intelpost (d) what revenues to the Post Office resulted from its participation in Intelpost (e) what amount was spent on publicity to promote Intelpost?

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

The Intelpost service began operation on June 17, 1980. As to the remaining portions of the question, public disclosure of the internal operating information would provide commercial and financial information which would be of substantial value to competitors.

In addition, as Intelpost is being offered in conjunction with Teleglobe Canada, CNCP Telecommunications and a number of other postal and telecommunication administrations, disclosure of the operating information requested would release data which are proprietary to these other organizations.

QUALIFICATIONS OF PSYCHIATRISTS AT FEDERAL PENITENTIARIES

Question No. 3,773—**Mr. Lawrence:**

For the years 1976 to 1980, what was the number of (a) full-time (b) part-time psychiatrists at the Dorchester Penitentiary, Dorchester and, in each case, what was his/her (i) educational qualification (ii) previous work experience (iii) salary?

Hon. Bob Kaplan (Solicitor General): In so far as the Correctional Service of Canada is concerned: (a) and (b) There were no full-time or part-time psychiatrists employed through the federal public service at Dorchester Penitentiary. Psychiatric services were provided by a psychiatrist under contract. Hospitalization for psychiatric purposes took place in the institutional health care centre, a provincial mental health facility or the Ontario Regional Psychiatric Centre (RPC), depending on the severity of the illness.

(i), (ii) and (iii) Not applicable.

Question No. 3,774—**Mr. Lawrence:**

For the years 1976 to 1980, what was the number of (a) full-time (b) part-time psychiatrists at the Pie IX Centre, Montreal and, in each case, what

was his/her (i) educational qualification (ii) previous work experience (iii) salary?

Question No. 3,775—**Mr. Lawrence:**

For the years 1976 to 1980, what was the number of (a) full-time (b) part-time psychiatrists at Benoit XV Centre, Montreal and, in each case, what was his/her (i) educational qualification (ii) previous work experience (iii) salary?

Hon. Bob Kaplan (Solicitor General): In so far as the Correctional Service of Canada is concerned: Pie IX Centre, Benoit XV Centre.

(a) and (b) There were no psychiatrists at the above-mentioned institutions. Prior to 1978 inmates who required psychiatric services were referred to either the Quebec Regional Psychiatric Centre or to Cowansville Institution. Since 1978, however, all psychiatric services to the inmates of the Quebec region are provided by the provincially-operated Institut Philippe Pinel in accordance with a federal-provincial agreement signed by both governments.

(i), (ii) and (iii) Not applicable.

Question No. 3,776—**Mr. Lawrence:**

For the years 1976 to 1980, what was the number of (a) full-time (b) part-time psychiatrists at Cowansville Institution, Cowansville and, in each case, what was his/her (i) educational qualification (ii) previous work experience (iii) salary?

Hon. Bob Kaplan (Solicitor General): In so far as the Correctional Service of Canada is concerned: (a) and (b) There were no full-time or part-time psychiatrists employed through the federal public service at Cowansville Institution. Psychiatric services for the years 1976 and 1977 were provided by a psychiatrist under contract with the CSC. For 1978 and subsequent years, psychiatric services in the Quebec region were provided by the provincially operated Institut Philippe Pinel.

(i), (ii) and (iii) Not applicable.

Question No. 3,777—**Mr. Lawrence:**

For the years 1976 to 1980, what was the number of (a) full-time (b) part-time psychiatrists at Sherbrooke Centre, Montreal and, in each case, what was his/her (i) educational qualification (ii) previous work experience (iii) salary?

Question No. 3,778—**Mr. Lawrence:**

For the years 1976 to 1980, what was the number of (a) full-time (b) part-time psychiatrists at Martineau Centre, Montreal and, in each case, what was his/her (i) educational qualification (ii) previous work experience (iii) salary?

Question No. 3,779—**Mr. Lawrence:**

For the years 1976 to 1980, what was the number of (a) full-time (b) part-time psychiatrists at Ogilvie Centre, Montreal and, in each case, what was his/her (i) educational qualification (ii) previous work experience (iii) salary?

Question No. 3,780—**Mr. Lawrence:**

For the years 1976 to 1980, what was the number of (a) full-time (b) part-time psychiatrists at Federal Training Centre, Laval and, in each case, what was his/her (i) educational qualification (ii) previous work experience (iii) salary?

Question No. 3,781—**Mr. Lawrence:**

For the years 1976 to 1980, what was the number of (a) full-time (b) part-time psychiatrists at Leclerc Institution, Laval and, in each case, what was his/her (i) educational qualification (ii) previous work experience (iii) salary?

Question No. 3,782—**Mr. Lawrence:**

For the years 1976 to 1980, what was the number of (a) full-time (b) part-time psychiatrists at Archambault Institution, Sainte-Anne-des-Plaines and, in each case, what was his/her (i) educational qualification (ii) previous work experience (iii) salary?

Question No. 3,783—**Mr. Lawrence:**

For the years 1976 to 1980, what was the number of (a) full-time (b) part-time psychiatrists at Correctional Development Centre, Laval and, in each case, what was his/her (i) educational qualification (ii) previous work experience (iii) salary?

Question No. 3,784—**Mr. Lawrence:**

For the years 1976 to 1980, what was the number of (a) full-time (b) part-time psychiatrists at the Regional Reception Centre, Sainte-Anne-des-Plaines and, in each case, what was his/her (i) educational qualification (ii) previous work experience (iii) salary?

Hon. Bob Kaplan (Solicitor General): In so far as the Correctional Service of Canada is concerned: Sherbrooke Centre, Martineau Centre, Ogilvie Centre, Federal Training Centre, Leclerc Institution, Archambault Institution, Correctional Development Centre, Laval, Regional Reception Centre, Sainte-Anne-des-Plaines.

(a) and (b) There were no psychiatrists at the above-mentioned institutions. Prior to 1978 inmates who required psychiatric services were referred to either the Quebec Regional Psychiatric Centre or to Cowansville Institution. Since 1978, however, all psychiatric services to the inmates of the Quebec region are provided by the provincially-operated Institut Philippe Pinel in accordance with a federal-provincial agreement signed by both governments.

(i), (ii) and (iii) Not applicable.

Question No. 3,785—**Mr. Lawrence:**

For the years 1976 to 1980, what was the number of (a) full-time (b) part-time psychiatrists at the Portsmouth Centre, Kingston and, in each case, what was his/her (i) educational qualification (ii) previous work experience (iii) salary?

Question No. 3,786—**Mr. Lawrence:**

For the years 1976 to 1980, what was the number of (a) full-time (b) part-time psychiatrists at the Keele Street Centre, Toronto and, in each case, what was his/her (i) educational qualification (ii) previous work experience (iii) salary?

Question No. 3,787—**Mr. Lawrence:**

For the years 1976 to 1980, what was the number of (a) full-time (b) part-time psychiatrists at the Montgomery Centre, Toronto and, in each case, what was his/her (i) educational qualification (ii) previous work experience (iii) salary?

Question No. 3,788—**Mr. Lawrence:**

For the years 1976 to 1980, what was the number of (a) full-time (b) part-time psychiatrists at the Beaver Creek camp, Gravenhurst and, in each case, what was his/her (i) educational qualification (ii) previous work experience (iii) salary?

Order Paper Questions

Question No. 3,789—**Mr. Lawrence:**

For the years 1976 to 1980, what was the number of (a) full-time (b) part-time psychiatrists at Bath Institution, Bath and, in each case, what was his/her (i) educational qualification (ii) previous work experience (iii) salary?

Question No. 3,790—**Mr. Lawrence:**

For the years 1976 to 1980, what was the number of (a) full-time (b) part-time psychiatrists at the Pittsburg Institution farm, Joyceville and, in each case, what was his/her (i) educational qualification (ii) previous work experience (iii) salary?

Question No. 3,791—**Mr. Lawrence:**

For the years 1976 to 1980, what was the number of (a) full-time (b) part-time psychiatrists at the Frontenac Institution farm, Kingston and, in each case, what was his/her (i) educational qualification (ii) previous work experience (iii) salary?

Question No. 3,792—**Mr. Lawrence:**

For the years 1976 to 1980, what was the number of (a) full-time (b) part-time psychiatrists at the Warkworth Institution, Campbellford and, in each case, what was his/her (i) educational qualification (ii) previous work experience (iii) salary?

Question No. 3,793—**Mr. Lawrence:**

For the years 1976 to 1980, what was the number of (a) full-time (b) part-time psychiatrists at the Joyceville Institution, Joyceville and, in each case, what was his/her (i) educational qualification (ii) previous work experience (iii) salary?

Question No. 3,794—**Mr. Lawrence:**

For the years 1976 to 1980, what was the number of (a) full-time (b) part-time psychiatrists at the Collins Bay Institution, Kingston and, in each case, what was his/her (i) educational qualification (ii) previous work experience (iii) salary?

Question No. 3,795—**Mr. Lawrence:**

For the years 1976 to 1980, what was the number of (a) full-time (b) part-time psychiatrists at the Millhaven Institution, Bath and, in each case, what was his/her (i) educational qualification (ii) previous work experience (iii) salary?

Question No. 3,796—**Mr. Lawrence:**

For the years 1976 to 1980, what was the number of (a) full-time (b) part-time psychiatrists at the Prison For Women, Kingston and, in each case, what was his/her (i) educational qualification (ii) previous work experience (iii) salary?

Hon. Bob Kaplan (Solicitor General): In so far as the Correctional Service of Canada is concerned: Portsmouth Centre, Keele Street Centre, Montgomery Centre, Beaver Creek Camp, Bath Institution, Pittsburgh Institution Farm, Frontenac Institution Farm, Warkworth Institution, Joyceville Institution, Collins Bay Institution, Millhaven Institution, Prison for Women, Regional Reception Centre, Kingston.

(a) and (b) There were no psychiatrists at the above mentioned institutions. Psychiatric services were either provided by or co-ordinated through the Ontario Regional Psychiatric Centre (RPC). Limited use of provincial psychiatric facilities took place where RPC hospitalization was inappropriate.

(i), (ii) and (iii) Not applicable.

Question No. 3,798—**Mr. Lawrence:**

For the years 1976 to 1980, what was the number of (a) full-time (b) part-time psychiatrists at the Regional Reception Centre, Kingston and, in each case, what was his/her (i) educational qualification (ii) previous work experience (iii) salary?

Hon. Bob Kaplan (Solicitor General): In so far as the Correctional Service of Canada is concerned: Portsmouth Centre, Keele Street Centre, Montgomery Centre, Beaver Creek Camp, Bath Institution, Pittsburgh Institution Farm, Frontenac Institution Farm. Warkworth Institution, Joyceville Institution, Collins Bay Institution, Millhaven Institution, Prison of Women, Regional Reception Centre, Kingston.

(a) and (b) There were no psychiatrists at the above-mentioned institutions. Psychiatric services were either provided by or co-ordinated through the Ontario Regional Psychiatric Centre (RPC). Limited use of provincial psychiatric facilities took place where RPC hospitalization was inappropriate.

(i), (ii) and (iii) Not applicable.

Question No. 3,799—**Mr. Lawrence:**

For the years 1976 to 1980, what was the number of (a) full-time (b) part-time psychiatrists at the Robson Centre, Vancouver and, in each case, what was his/her (i) educational qualification (ii) previous work experience (iii) salary?

Question No. 3,800—**Mr. Lawrence:**

For the years 1976 to 1980, what was the number of (a) full-time (b) part-time psychiatrists at the Pandora Centre, Victoria and, in each case, what was his/her (i) educational qualification (ii) previous work experience (iii) salary?

Question No. 3,801—**Mr. Lawrence:**

For the years 1976 to 1980, what was the number of (a) full-time (b) part-time psychiatrists at the Elbow Lake forestry camp, Harrison Mills and, in each case, what was his/her (i) educational qualification (ii) previous work experience (iii) salary?

Question No. 3,802—**Mr. Lawrence:**

For the years 1976 to 1980, what was the number of (a) full-time (b) part-time psychiatrists at the Ferndale Institution, Mission and, in each case, what was his/her (i) educational qualification (ii) previous work experience (iii) salary?

Question No. 3,803—**Mr. Lawrence:**

For the years 1976 to 1980, what was the number of (a) full-time (b) part-time psychiatrists at the Matsqui Trailer Unit and, in each case, what was his/her (i) educational qualification (ii) previous work experience (iii) salary?

Question No. 3,804—**Mr. Lawrence:**

For the years 1976 to 1980, what was the number of (a) full-time (b) part-time psychiatrists at the Mission Institution, Mission and, in each case, what was his/her (i) educational qualification (ii) previous work experience (iii) salary?

Question No. 3,805—**Mr. Lawrence:**

For the years 1976 to 1980, what was the number of (a) full-time (b) part-time psychiatrists at the William Head Institution, Victoria and, in each case, what was his/her (i) educational qualification (ii) previous work experience (iii) salary?

Question No. 3,806—**Mr. Lawrence:**

For the years 1976 to 1980, what was the number of (a) full-time (b) part-time psychiatrists at the Mountain Institution, Agassiz and, in each case, what was his/her (i) educational qualification (ii) previous work experience (iii) salary?

Question No. 3,807—**Mr. Lawrence:**

For the years 1976 to 1980, what was the number of (a) full-time (b) part-time psychiatrists at the Matsqui Institution, Abbotsford and, in each case, what was his/her (i) educational qualification (ii) previous work experience (iii) salary?

Question No. 3,808—**Mr. Lawrence:**

For the years 1976 to 1980, what was the number of (a) full-time (b) part-time psychiatrists at the Kent Institution, Agassiz and, in each case, what was his/her (i) educational qualification (ii) previous work experience (iii) salary?

Hon. Bob Kaplan (Solicitor General): In so far as the Correctional Service of Canada is concerned: Robson Centre, Pandora Centre, Elbow Lake Forestry Camp, Ferndale Institution, Matsqui Trailer Unit, Mission Institution, William Head Institution, Mountain Institution, Matsqui Institution, Kent Institution.

(a) and (b) There were no psychiatrists at the above-mentioned institutions. Psychiatric services were provided at the Pacific Regional Psychiatric Centre (RPC).

(i), (ii) and (iii) Not applicable.

Question No. 3,810—**Mr. Lawrence:**

For the years 1976 to 1980, what was the number of (a) full-time (b) part-time psychiatrists at the Carlton Centre, Halifax and, in each case, what was his/her (i) educational qualification (ii) previous work experience (iii) salary?

Question No. 3,811—**Mr. Lawrence:**

For the years 1976 to 1980, what was the number of (a) full-time (b) part-time psychiatrists at the Shulie Lake camp, Parrsboro and, in each case, what was his/her (i) educational qualification (ii) previous work experience (iii) salary?

Hon. Bob Kaplan (Solicitor General): In so far as the Correctional Service of Canada is concerned: Carlton Centre, Shulie Lake Camp.

(a) and (b) There were no psychiatrists at the above-mentioned institutions. Inmates requiring psychiatric assessment for case management purposes were either referred to provincial mental health facilities or visited by psychiatrists under contract to Dorchester or Springhill Institutions.

If hospitalization was required, it would take place in the institutional health care centre, a provincial mental health facility or the Ontario Regional Psychiatric Centre, depending upon the severity of the illness.

(i), (ii) and (iii) Not Applicable.

Question No. 3,812—**Mr. Lawrence:**

For the years 1976 to 1980, what was the number of (a) full-time (b) part-time psychiatrists at the Springhill Institution, Springhill and, in each case, what was his/her (i) educational qualification (ii) previous work experience (iii) salary?

Hon. Bob Kaplan (Solicitor General): In so far as the Correctional Service of Canada is concerned: (a) and (b) There were no full-time or part-time psychiatrists employed through the federal public service at Springhill Institution. Psychiatric services were provided by a psychiatrist under contract. Hospitalization for psychiatric purposes took place in the institutional health care centre, a provincial mental health facility or the Ontario Regional Psychiatric Centre (RPC), depending on the severity of the illness.

(i), (ii) and (iii) Not applicable.

Question No. 3,813—**Mr. Lawrence:**

For the years 1976 to 1980, what was the number of (a) full-time (b) part-time psychiatrists at the Parrtown Centre, Saint John and, in each case, what was his/her (i) educational qualification (ii) previous work experience (iii) salary?

Question No. 3,814—**Mr. Lawrence:**

For the years 1976 to 1980, what was the number of (a) full-time (b) part-time psychiatrists at the Westmorland Institution farm, Dorchester and, in each case, what was his/her (i) educational qualification (ii) previous work experience (iii) salary?

Hon. Bob Kaplan (Solicitor General): In so far as the Correctional Service of Canada is concerned: Parrtown Centre, Westmorland Institution Farm.

(a) and (b) There were no psychiatrists at the above-mentioned institutions. Inmates requiring psychiatric assessment for case management purposes were either referred to provincial mental health facilities or visited by psychiatrists under contract to Dorchester or Springhill Institutions.

If hospitalization was required, it would take place in the institutional health care centre, a provincial mental health facility or the Ontario Regional Psychiatric Centre, depending upon the severity of the illness.

(i), (ii) and (iii) Not applicable.

Question No. 3,815—**Mr. Lawrence:**

For the years 1976 to 1980, what was the number of (a) full-time (b) part-time psychiatrists at the Osborne Centre, Winnipeg and, in each case, what was his/her (i) educational qualification (ii) previous work experience (iii) salary?

Question No. 3,816—**Mr. Lawrence:**

For the years 1976 to 1980, what was the number of (a) full-time (b) part-time psychiatrists at the Rockwood Institution farm, Stony Mountain and, in each case, what was his/her (i) educational qualification (ii) previous work experience (iii) salary?

Hon. Bob Kaplan (Solicitor General): In so far as the Correctional Service of Canada is concerned: Osborne Centre, Rockwood Institution.

(a) and (b) There were no psychiatrists at the above-mentioned institutions. Psychiatric services were provided by provincial mental health facilities, the Pacific Regional Psychiatric Centre and the Prairie Regional Psychiatric Centre which opened in 1978.

(i), (ii) and (iii) Not applicable.

Question No. 3,817—**Mr. Lawrence:**

For the years 1976 to 1980, what was the number of (a) full-time (b) part-time psychiatrists at the Stony Mountain Institution, Stony Mountain and, in each case, what was his/her (i) educational qualification (ii) previous work experience (iii) salary?

Hon. Bob Kaplan (Solicitor General): In so far as the Correctional Service of Canada is concerned: (a) There is one full-time psychiatrist employed at Stony Mountain. The same psychiatrist has been employed at this institution since 1976. His previous work experience with CSC dates back to January, 1967. He has no previous work experience in the federal public service.

(b) Nil. (i) The minimum educational qualifications for psychiatrists working in the correctional Service of Canada require graduation from a recognized school of medicine and certification in a medical specialty recognized in Canada by a statutory licensing body.

(ii) Information provided is for previous work experience in the federal public service. The provision of any additional information on individuals regarding previous work experience outside the federal public service is of a personal and confidential nature, the disclosure of which is governed under the Canadian Human Rights Act, Part IV.

(iii) Salary ranges for the years 1976 to 1980 for psychiatrists are as follows:

Year	Salary Range
1976	31,700 – 44,900
1977	33,200 – 44,900
1978	35,300 – 47,000
1979	37,249 – 49,400
1980	39,510 – 52,100

Question No. 3,818—**Mr. Lawrence:**

For the years 1976 to 1980, what was the number of (a) full-time (b) part-time psychiatrists at the Oskana Centre, Regina and, in each case, what was his/her (i) educational qualification (ii) previous work experience (iii) salary?

Hon. Bob Kaplan (Solicitor General): In so far as the Correctional Service of Canada is concerned: (a) and (b) There were no psychiatrists at Oskana Centre. Psychiatric services were provided by provincial mental health facilities, the Pacific Regional Psychiatric Centre and the Prairie Regional Psychiatric Centre which opened in 1978.

(i), (ii) and (iii) Not applicable.

Question No. 3,819—**Mr. Lawrence:**

For the years 1976 to 1980, what was the number of (a) full-time (b) part-time psychiatrists at the Saskatchewan Institution farm, Prince Albert and, in each case, what was his/her (i) educational qualification (ii) previous work experience (iii) salary?

Hon. Bob Kaplan (Solicitor General): In so far as the Correctional Service of Canada is concerned: (a) and (b) There were no psychiatrists at the above-mentioned institution. Psychiatric services were provided by provincial mental health facilities, the Pacific Regional Psychiatric Centre and the Prairie Regional Psychiatric Centre which opened in 1978.

(i), (ii) and (iii) Not applicable.

Question No. 3,820—**Mr. Lawrence:**

For the years 1976 to 1980, what was the number of (a) full-time (b) part-time psychiatrists at the Saskatchewan Penitentiary, Prince Albert and, in each case, what was his/her (i) educational qualification (ii) previous work experience (iii) salary?

Hon. Bob Kaplan (Solicitor General): In so far as the Correctional Service of Canada is concerned: (a) and (b) There were no full-time or part-time psychiatrists employed through the federal public service at Saskatchewan Penitentiary.

Psychiatric services for the years 1978, 1979 and 1980 were provided by psychiatrists under contract with the CSC. If hospitalization was required, it took place at the Pacific Regional Psychiatric Centre, the Prairie Regional Psychiatric Centre or a provincial mental health facility.

Prior to 1978 psychiatric services were provided by provincial mental health facilities and the Pacific Regional Psychiatric Centre. Hospitalization, when required, also took place at these facilities.

(i), (ii) and (iii) Not applicable.

Question No. 3,821—**Mr. Lawrence:**

For the years 1976 to 1980, what was the number of (a) full-time (b) part-time psychiatrists at the Regional Psychiatric Centre, Saskatoon and, in each case, what was his/her (i) educational qualification (ii) previous work experience (iii) salary?

Hon. Bob Kaplan (Solicitor General): In so far as the Correctional Service of Canada is concerned: (a) and (b) The R.P.C. opened in 1978. For the years 1978 to 1980 see table below.

(i) The minimum educational qualifications for psychiatrists working in the Correctional Service of Canada require graduation from a recognized school of medicine and certification in a medical specialty recognized in Canada by a statutory licensing body. Additional information regarding educational qualifications of individuals is of a personal and confidential nature, the disclosure of which is governed under the Canadian Human Rights Act, Part IV.

(ii) See table. Information provided is for previous work experience in the federal public service. The provision of any additional information on individuals regarding previous work experience outside the federal public service is of a personal and confidential nature, the disclosure of which is governed under the Canadian Human Rights Act, Part IV.

(iii) Salary ranges for the years 1978 to 1980 for psychiatrists are as follows:

Year	Salary Range
1978	$35,300 to $47,000
1979	$37,249 to $49,400
1980	$39,510 to $52,100

Year: As of December 31, 1978

			Previous work experience in the federal public service	
			With CSC	With other departments
(a)	Number of full-time psychiatrists: 2	Case 1	A psychiatrist with no previous work experience with the CSC, was hired in Jan. of 1978.	Nil
		Case 2	A psychiatrist with no previous work experience with the CSC, was hired in Sept. of 1978.	Nil
(b)	Number of part-time psychiatrists: Nil	N/A	N/A	

Year: As of December 31, 1978

			Previous work experience in the federal public service	
			With CSC	With other departments
(a)	Number of full-time psychiatrists: 3	Case 1	Since Jan. 1978	Nil
		Case 2	Since Sept. 1978	Nil
		Case 3	A psychiatrist, with no previous work experience with CSC, was hired in Dec. of 1979 to fill a vacant position.	Nil
(b)	Number of part-time psychiatrists: Nil	N/A	N/A	

Year: As of December 31, 1980

			Previous work experience in the federal public service	
			With CSC	With other departments
(a)	Number of full-time psychiatrists: 3	Case 1	Since Jan. 1978	Nil
		Case 2	A new pyschiatrist, with no previous work experience with the CSC, was hired in Jan. of 1980 to fill the position which became vacant.	Nil
		Case 3	Since Dec. 1979	Nil
(b)	Number of part-time psychiatrists: Nil	N/A	N/A	

Question No. 3,822—**Mr. Lawrence:**

For the years 1976 to 1980, what was the number of (a) full-time (b) part-time psychiatrists at the Altadore Centre, Calgary and, in each case, what was his/her (i) educational qualification (ii) previous work experience (iii) salary?

Question No. 3,823—**Mr. Lawrence:**

For the years 1976 to 1980, what was the number of (a) full-time (b) part-time psychiatrists at the Portal House, Calgary and, in each case, what was his/her (i) educational qualification (ii) previous work experience (iii) salary?

Question No. 3,824—**Mr. Lawrence:**

For the years 1976 to 1980, what was the number of (a) full-time (b) part-time psychiatrists at the Grierson Centre, Edmonton and, in each case, what was his/her (i) educational qualification (ii) previous work experience (iii) salary?

Question No. 3,825—**Mr. Lawrence:**

For the years 1976 to 1980, what was the number of (a) full-time (b) part-time psychiatrists at the Drumheller Trailer Unit and, in each case, what was his/her (i) educational qualification (ii) previous work experience (iii) salary?

Question No. 3,826—**Mr. Lawrence:**

For the years 1976 to 1980, what was the number of (a) full-time (b) part-time psychiatrists at the Bowden Institution, Innisfail and, in each case, what was his/her (i) educational qualification (ii) previous work experience (iii) salary?

Hon. Bob Kaplan (Solicitor General): In so far as the Correctional Service of Canada is concerned: Altadore Centre, Bowden Institution, Drumheller Trailer Unit, Portal House, Grierson Centre.

(a) and (b) There were no psychiatrists at the above-mentioned institutions. Psychiatric services were provided by provincial mental health facilities, the Pacific Regional Psychiatric Centre and the Prairie Regional Psychiatric Centre which opened in 1978.

(i), (ii) and (iii) Not applicable.

Question No. 3,827—**Mr. Lawrence:**

For the years 1976 to 1980, what was the number of (a) full-time (b) part-time psychiatrists at the Drumheller Institution, Drumheller and, in each case, what was his/her (i) educational qualification (ii) previous work experience (iii) salary?

Hon. Bob Kaplan (Solicitor General): In so far as the Correctional Service of Canada is concerned: (a) and (b) There were no full-time or part-time psychiatrists employed through the federal public service at Drumheller Institution.

Psychiatric services for the years 1978, 1979 and 1980 were provided by psychiatrists under contract with the CSC. If hospitalization was required, it took place at the Pacific Regional Psychiatric Centre, the Prairie Regional Psychiatric Centre or a provincial mental health facility.

Prior to 1978, psychiatric services were provided by provincial mental health facilities and the Pacific Regional Psychiatric Centre. Hospitalization, when required, also took place at these facilities.

(i), (ii) and (iii) Not applicable.

Question No. 3,828—**Mr. Lawrence:**

For the years 1976 to 1980, what was the number of (a) full-time (b) part-time psychiatrists at the Edmonton Institution, Edmonton and, in each case, what was his/her (i) educational qualification (ii) previous work experience (iii) salary?

Hon. Bob Kaplan (Solicitor General): In so far as the Correctional Service of Canada is concerned: (a) and (b) There were no psychiatrists at the above-mentioned institution. Psychiatric services were provided by provincial mental health facilities, the Pacific Regional Psychiatric Centre and the Prairie Regional Psychiatric Centre which opened in 1978.

(i), (ii) and (iii) Not applicable.

PURCHASE OF SAVIN CORPORATION BY CDC

Question No. 4,150—**Mr. Corbett:**

1. How many jobs are expected to be created in Canada as a result of the purchase of the Savin Corporation by the Canada Development Corporation?

2. How many Canadian scientists will be hired by the Savin Corporation?

3. Does the CDC intend to open any Savin branch plants in Canada and, if so (a) on what date (b) how many (c) at what locations?

4. Does the CDC intend to open a Savin Corporation research and development facility in Canada and, if so (a) on what date (b) at what location?

Hon. John C. Munro (Minister of Indian Affairs and Northern Development): 1 to 4. The Canada Development Corporation (CDC) is a private business corporation. More than 50 per cent of its equity is held by private investors. The federal government is an investor in the shares of the company under the CDC Act. It is currently holding approximately 46.5 per cent of the equity shares.

The federal Government cannot participate in any way in the day to day business activities of the CDC. It has never sought to influence the business decisions of the CDC which are the responsibility of the Board of Directors and its managers. As CDC is not in any way an agency of Her Majesty, information in reference to CDC must be sought from that company.

ONTARIO LIBERAL LEADERSHIP CONVENTION

Question No. 4,151—**Mr. Beatty:**

1. During the recent Ontario Liberal leadership convention, did CBLT employ anyone on a temporary basis and, if so, what were their names and duties?

2. Who is Lurch Pringle and what is his profession?

3. Did the Canadian Broadcasting Corporation receive any complaints about any of its temporary or full-time staff working at the convention and, if so, what was the nature of the complaints and what did the CBC do to investigate them?

Mr. Jack Burghardt (Parliamentary Secretary to Minister of Communications): I am informed by the Canadian Broadcasting Corporation as follows:

1. CBLT employed 15 people on a temporary basis as pollsters, technical personnel, a director and cable watchers. Additionally, there were six on-air guest commentators.

With regard to the names of other personnel, it has not been customary to require the CBC to provide such details of its internal management and administration as the names of personnel involved in individual program projects. The background to this custom is explained in the reply to question No. 2,530, answered November 6, 1975.

2. Howard Pringle is a freelance security man widely experienced in such work in the Toronto entertainment industry.

3. CBC received no complaints. It was informed that a complaint was made to the Ontario Liberal Party on behalf of television station CFTO-TV regarding CBC's engagement of four cable watchers. CBC was not informed of the wording of the complaint but understands that officials of the party investigated and concluded that it was not a valid complaint. It should be noted that the hiring of cable watchers is normal practice in the television industry whenever crowded convention floor situations arise.

LOCKHEED L1011 TRISTAR AIRCRAFT

Question No. 4,187—**Mr. Baker (Nepean-Carleton):**

1. Is the Minister and the Department of Transport aware of any problems encountered with the Lockheed L1011 Tristar aircraft?

2. Shortly after the takeoff of an Air Canada Tristar from Miami on March 14, 1982, did one engine overheat because of a lack of oil and partially disintegrate, forcing the aircraft to return to Miami?

3. Were other complaints of this nature made to the Department and, if so, how many?

4. Were investigations undertaken by the Department with regard to this problem and, if so, what were they?

5. Is the Department taking precautions to prevent future dangerous incidents of this sort and, if so, what are they?

6. Were directives issued by the Department, Air Canada or any other public authority on this matter and, if so, what were they?

7. Were consultations made with the FAA and other American agencies and departments with reference to this problem and, if so, what were they?

8. Was related correspondence received by the Department and, if so (a) what was it (b) would the Minister table all such correspondence as well as any reports or studies the Department initiated or received with regard to the safety of the Lockheed L1011 Tristar?

Mr. Jesse P. Flis (Parliamentary Secretary to Minister of Transport): 1. The Department of Transport is not aware of any problems with the Lockheed L1011 that compromise safety.

2. No. The aircraft in question suffered a mechanical failure in one of its wing mounted engines. Following the failure, prompted by increased vibration and rising gas temperatures within the engine, the crew followed mandatory procedures and shut down the engine concerned. The engine was at no time in imminent danger of disintegration. Following the engine shut down, the crew landed the aircraft using standard emergency procedures.

3. No complaints of Rolls Royce RB 211 engine failures have been received by the Department.

4. The Department received a telephone report from Air Canada and Rolls Royce which indicated that reports will be

submitted when the metallurgical studies of the broken components are completed.

5. No special precautions are being taken by the Department because of the mechanical failure which occurred on March 14, 1982. See parts 1, 2, 3, 4, 6, 7 and 8 of this answer.

6. No. See part 5 above.

7. Rolls Royce indicated there was no indication of design or manufacturing discrepancy and until metallurgical studies are completed no action is recommended.

8. No correspondence has been received and the failure does not warrant at this time the initiation of a Transport Canada independent investigation. This is standard procedure for engine failures.

EDC—LOANS TO EMPLOYEES

Question No. 4,197—**Mr. Baker (Nepean-Carleton):**

Were loans made to any employee of the Export Development Corporation or its subsidiaries since March, 1980 and, if so, in each case (a) what is the name and title of the employee (b) on what date was the loan taken out and on what date is it due (c) what was the amount of the loan (d) what interest rate is being charged (e) what was the purpose of the loan?

Hon. Gerald Regan (Minister of State (International Trade)): Export Development Corporation states that: No loan has been made to any employee of the Corporation since March, 1980. The Corporation has no subsidiary.

IT & C—CODE OF CONDUCT

Question No. 4,257—**Mr. Crosby:**

1. Does the Department of Industry, Trade and Commerce have written rules or regulations governing the conduct or standards of behavior for employees of the Department and, if so, are they embodied in a Code of Conduct or other specific document and is the Code or document available to the public?

2. In the five years preceding April 1, 1982, were any employees of the Department disciplined by way of suspension, dismissal or otherwise for violations of any rules or regulations governing the conduct or standards of behaviour for departmental employees and, if so, in each case, what was the name of the employee and the date of the disciplinary action?

Hon. Herb Gray (President of the Treasury Board): In so far as the Department of Industry, Trade and Commerce is concerned:

1. The Department has no written rules governing standards of conduct for its employees. There are, however, departmental guidelines on conflict of interest which are made available to all employees. Copies of the guidelines on conflict of interest are available to the public.

2. Employees have been disciplined through written reprimand as well as suspensions without pay of various lengths for breaches of generally accepted standards of conduct. Since April 1, 1977, a total of 35 written reprimands have been issued to 27 different employees. During the same period a total of 17 suspensions without pay varying in duration from one to 30 days have been levied against 10 different employees. (See table below). To be consistent with the provisions of the Canadian Human Rights Act we are not providing names.

Disciplinary Actions—I.T.C.

Year	Written Reprimands	Suspensions	Discharges
1977	5	1	0
1978	5	3	0
1979	2	2	0
1980	9	3	0
1981	10	6	0
1982	4	2	0
Total	35	17	0

DREE—CODE OF CONDUCT

Question No. 4,265—**Mr. Crosby:**

1. Does the Department of Regional Economic Expansion have written rules or regulations governing the conduct or standards of behavior for employees of the Department and, if so, are they embodied in a Code of Conduct or other specific document and is the Code or document available to the public?

2. In the five years preceding April 1, 1982, were any employees of the Department disciplined by way of suspension, dismissal or otherwise for violations of any rules or regulations governing the conduct or standards of behaviour for departmental employees and, if so, in each case, what was the name of the employee and the date of the disciplinary action?

Hon. Herb Gray (President of the Treasury Board): The reply for the Department of Regional Economic Expansion is as follows:

1. The Department maintains written rules governing the conduct of employees and establishing standards of behavior. These have been made available to all employees in a booklet entitled "Standards of Conduct". This document is available to the public.

2. Employees of DREE are subject to disciplinary action in the form of written reprimands, suspensions without pay and discharge after breaching the departmental code of conduct. Since April 1, 1977, a total of 19 written reprimands have been issued to 17 different employees. A total of 9 suspensions without pay ranging from one to 20 days were levied against six different employees during the same period. As well, two employees were discharged from the Department. In one case the employee was reinstated as a result of Public Service Staff Relations Board adjudicator's decision which imposed a six month suspension without pay in place of the discharge action. (See table below). To be consistent with the provisions of the Canadian Human Rights Act we are not providing names.

Disciplinary Actions—DREE

Year	Written Reprimands	Suspensions	Discharges
1977	5	1	0
1978	3	1	2
1979	2	5	0
1980	4	0	0
1981	5	1	0
1982	0	1	0
Total	19	9	2

Order Paper Questions

DEPT. OF SECRETARY OF STATE—CODE OF CONDUCT

Question No. 4,266—**Mr. Crosby:**

1. Does the Department of the Secretary of State have written rules or regulations governing the conduct or standards of behavior for employees of the Department and, if so, are they embodied in a Code of Conduct or other specific document and is the Code or document available to the public?

2. In the five years preceding April 1, 1982, were any employees of the Department disciplined by way of suspension, dismissal or otherwise for violations of any rules or regulations governing the conduct or standards of behaviour for departmental employees and, if so, in each case, what was the name of the employee and the date of the disciplinary action?

Hon. Serge Joyal (Secretary of State): 1. New employees are informed of the existence of the standards of conduct, discipline, which are contained in a chapter of the Personnel Manual which is available to the public upon request.

2. The list below indicates cases of disciplinary action from April, 1977 to March, 1982. To be consistent with the provisions of the Canadian Human Rights Act we are not providing names.

Discipline cases

April 1977 to March 1982

Year	Month	Date	Suspension	Letter of reprimand	Discharge
1977	May	11	1 day	X	
1977	November	10	½ day	X	
1978	March	6			
		7			
		8			
		9			
		10	5 days	X	
		28			
		29			
		30	3 days	X	
1978	May	11			
		12			
		15			
		16			
		17			
		18			
		19			
		23			
		24			
		25			
		26			
		29			
		30			
		31	14 days	X	
		31	1 day	X	
1978	June	1	1 day	X	
		1			
		2	2 days	X	
		2			
		5			
		6	3 days	X	
1978	July	19			
		20			
		21			
		24			
		25	5 days	X	
1979	February	9	½ day	X	
1979	August	16	1 day	X	
1980	March	18	1 day	X	
		18			
		19	2 days	X	
1980	May	14			
		15			
		16			
		20			
		21			
		22			
		23			
		26			
		27			
		28	10 days	X	
1980	June	20			
		23	2 days	X	
1980	August	18			
		19			
		20			
		21			
		22			
		25			
		26			
		27			
		28	10 days	X	
		29			
1980	September	2			
		3			
		4			
		5			
		7			
		8			
		9	7 days	X	
		11	1 day	X	
		26	1 day	X	
1980	October	15			
		16	2 days	X	
1981	January	5			
		6			
		7	3 days	X	
1981	February	9			
		10			
		11	3 days	X	
1981	March	2			
		3			
		4	3 days	X	
		9			
		10			
		11			
		12			
		13	5 days	X	
1981	July	27			
		28			
		29			
		30			
		31	5 days	X	
1981	August	3			
		4			
		5			
		6			
		7	5 days	X	X

1981	September	23		
		24		
		25		
		28		
		29		
		30	6 days	X
1981	October	1		
		2		
		5		
		6	4 days	X

GUN CONTROL

Question No. 4,302—**Mr. Greenaway:**

1. Since January 1, 1979, by year, what amount did Government Departments and agencies spend on the enforcement of gun control regulations?

2. For the same period, by year, what amount did the Government collect through the sale of firearms acquisition certificates?

Hon. Bob Kaplan (Solicitor General): 1. Since the enforcement of gun control regulations is a provincial responsibility under the purview of the provincial Attorneys General, no reply can be provided to part 1.

2. Moneys collected by the Government through the sale of firearms acquisition certificates since January 1, 1979 are as follows: 1979-80—$2,262,827; 1980-81—$1,526,025; 1981-82—$1,081,941.

FAMILY PLANNING SERVICES

Question No. 4,304—**Mr. Herbert:**

By province, what amount was contributed in each of the past five years for the development of family planning services and what amount was paid directly to the treasuries of the various provincial governments?

Mr. Jim Schroder (Parliamentary Secretary to Minister of National Health and Welfare): The following amounts have been contributed in each of the past five years, to the provincial and territorial governments which requested them, for the development of family planning services:

	1977-78	1978-79	1979-80	1980-81	1981-82
	$	$	$	$	$
Newfoundland	—	—	—	—	9,000
Prince Edward Island	—	37,700	37,000	18,000	40,300
Nova Scotia	—	30,630	—	40,000	—
New Brunswick	—	—	—	13,000	24,383
Quebec	357,429	380,000	81,566	90,000	91,498
Ontario	—	—	—	—	—
Manitoba	—	—	—	—	—
Saskatchewan	—	—	—	40,000	54,867
Alberta	—	—	—	—	—
British Columbia	—	—	25,000	30,000	38,344
Northwest Territories	—	—	—	50,000	56,043
Yukon	—	—	—	31,537	55,007
	357,429	448,330	143,566	312,537	369,442

These grants have served to fund various demonstration projects, training projects, as well as the development of family planning services in Quebec's local centres for community services.

Funds for the development of family planning services were not paid directly to the treasuries of provincial or territorial governments, but to the relevant departments administering the funds. As well, some of the funds provided to the provinces through the Established Programs Financing Act and the Canada Assistance Plan may have been directed towards the development of family planning services, however, no specific amounts can be determined from these fiscal arrangements.

ARMED FORCES ANNUITANTS AND DND PROMOTION POLICY

Question No. 4,324—**Mr. McKenzie:**

1. What is the total number of (a) Armed Forces annuitants (b) widows of Armed Forces annuitants (c) widows in receipt of an annuity due to the death of a spouse?

2. What is the total number of Armed Forces annuitants who died in each of the past 10 years, including the fiscal year 1980-81?

3. Did the Department of National Defence issue a directive number 4983-1B?

4. Did the Department issue an Order respecting Promotion Policy—Officers—Regular Force, OAFC 11-6 and, if so, does the Order carry out the provisions set in directive 4983-1B?

5. With respect to paragraph 10 of the Policy, how many officers were in the "protected" category for 1981 and how many are projected to be in the "protected" category for 1982?

6. Of the total number of "protected" officers in 1981, how many were promoted when a new promotion quota was authorized for each particular rank and officer classification?

7. What are the Department's projected figures for promoting "protected" officers in 1982?

8. If a "protected" officer is not promoted, what is his/her employment status?

9. By priority, what are the elements of the merit system used by the Department in its hiring and promotion procedure?

Hon. J. Gilles Lamontagne (Minister of National Defence): 1. (a) The total number of Armed Forces annuitants as of March 31, 1982—60,462. (b) and (c) Total number of widows of Armed Forces annuitants in receipt of an annuity as at March 31, 1982—8,095.

Note: Records are not available of widows of Armed Forces annuitants not in receipt of an annuity.

2. The information regarding the number of Armed Forces annuitants who died in each of the past ten years is not readily available and would require a great deal of manual checking of records for which the Department does not have the necessary resources. However, broader data pertaining to discontinued annuities per fiscal year which includes deceased, re-enrolled and transfers to public service superannuation and RCMP is listed below:

Fiscal Year	No. of Discontinued Annuities
1971-72	331
1972-73	437
1973-74	549
1974-75	478
1975-76	566
1976-77	555
1977-78	592
1978-79	791
1979-80	740
1980-81	945

3. The Department of National Defence twice yearly issues a document file No. 4983-18 entitled "In-service Five Year Training Plan". The document identifies quantitive requirements for individual training over a five-year period.

4. Yes. Canadian Forces Administrative Order (CFAO) 11-6 is concerned with promotion policy of regular force officers. However, there is no relationship between CFAO 11-6 and document 4983-18. The CFAO deals with officers promotion policy whereas the document is concerned with other ranks initial trades training as well as with Anglophone/Francophone proportions in certain trades training plans.

5. For 1981 there were 14 officers in the protected category. For 1982 there are 15 officers in the protected category.

6. All 14 "protected" officers were promoted during 1981.

7. Thirteen of the 15 "protected" officers have had their promotions authorized although the effective date for some promotions has not yet arrived. The other two "protected" officers will be promoted in 1983.

8. All "protected" officers have been or will be promoted. There are two possible circumstances when a "protected" officer would not be promoted: (a) a deterioration of performance or conduct by the officer where his supervisor no longer recommends promotion. (b) a deterioration of health where the officer is no longer fit for promotion.

The career status of officers in these situations would be subject to review.

9. The main elements of the merit system used by the Canadian Forces in selecting members for promotion are performance and potential. Each member of a merit board scores candidates out of a total of ten points: eight for performance and two for potential. Performance is evaluated by examination of past performance as described in annual Personnel Evaluation Reports. Potential is evaluated from a consideration of the member's professional attributes, depth and breadth of experience, qualifications including education, bilingual ability, special courses, etc., and any other factor considered to be important by the merit board. The rating for potential is not structured; no one aspect of potential is assigned a particular portion of the score.

The merit system used in recruiting consists of five elements, the most important being military potential. This is a numerical rating assigned to the applicant as a result of an interview by an experienced military career counsellor. The rating is based upon what the candidate does, has experienced, or has done, together with an estimate of both the candidate's ability to cope with military life in general and the likelihood of success in recruit training. The second element used is the candidate's score on the general entrance test. The third is the aptitude of the candidate, as determined by a series of tests, for the particular vacancy. The fourth element taken into consideration is the length of time the candidate has spent waiting for a vacancy. The final factor is the candidate's trade preference, i.e. whether the candidate indicated that the vacancy that exists was his or her first, second or third preference of trade.

ELECTRIC VEHICLES

Question No. 4,326—**Mr. Gurbin:**

1. Did departments give financial support to the Electric Vehicle Association (EVA) of Canada and, if so, what amount?

2. Which departments have corporate memberships in the Association?

3. Is research and development funding being allotted for the electric vehicle industry for independent research into electric vehicles, batteries and their components and, if so, which departments are doing so and what were the exact amounts for the past fiscal year?

Mr. David Smith (Parliamentary Secretary to President of the Privy Council): I am informed by the Department of National Health and Welfare, the Department of Industry, Trade and Commerce, the Department of Transport and the National Research Council as follows:

1. No financial support was given to the Association. In the early days the Department of Industry, Trade and Commerce supported the Association by preparing and distributing its newsletter until it could finalize its own arrangements.

2. Industry, Trade and Commerce; the Road Safety Branch of the Surface Administration of DOT; the Medical Services Branch of the Department of National Health and Welfare.

3. Yes. In so far as the Department of Industry, Trade and Commerce is concerned, the Department has authorized through its Enterprise Development Programs a contribution of 190,000 to R and D projects.

In so far as the Department of Transport is concerned:

EV Contracts including Batteries and other Components

Sponsor	Contractor	Contract	Total Contract	1981/82 Payments
	(a) Vehicles			
Transport Canada	DSMA-Atcon Toronto	E.V. Development & Evaluation		$146,389
	DSMA-Atcon Toronto	Evaluation Hybrid Vehicle	$1,400,000	$129,578
	Marathon Electric Vehicles Inc. Montreal	Manufacture of Experimental Hybrid Vehicle	$ 75,000	$ 48,071
	Marathon Electric Vehicles Inc. Montreal	Series Hybrid Vehicle	$ 34,000	$ 10,658

	Marathon Electric Vehicles Inc. Montreal	Hybrid Research	$ 341,700	$ 0
	(b) Batteries			
	Cominco Inc. Research Centre Sheridan Park	Lower Cost Ni-Zn Batteries	$ 140,000	$ 29,837
	R. G. Webb Corp. Ltd. Ottawa	Battery R&D in Canada	$ 15,000	$ 15,000
	(c) Components			
	AC Statpower Inc. Vancouver	Advanced Charger For EV Batteries	$ 49,915	$ 16,909
Transport Canada St. Lawrence Seaway Authority (SLSA)	Marathon Electric Vehicles Inc. Montreal	Modifications for SLSA Vans	$ 45,692	$ 45,492

In so far as the National Research Council is concerned:

In the fiscal year 1981-82 there was no R and D funding allotted for the electrical vehicle industry from the Hydrogen and Energy Storage Program of NRC. Electric vehicle related research is a new responsibility to this Program as of 1982.

Hydrogen and Energy Storage Program activities for 1981-82 which are of potential interest to the electric vehicle industry are those concerned with advanced battery research as follows:

Contract	Contractor	Funding
High temperature lithium cell development phase V	Institute of Research Hydro Québec	$ 120,000
High temperature lithium cell testing	Institute of Research Hydro Québec/Defence Research Establishment, Ottawa	$ 40,000
Non-aqueous lithium ion deposition	New Brunswick Productivity & Research Council	$ 84,000
Sodium beta-alumina type electrolytes	Almax/Ontario Research Foundation	$ 47,000
Lithium ion conductors	Ontario Research Foundation	$ 25,000
Ceramic ion conductor testing	McMaster University	$ 16,000

In 1982 a contract is planned for a pilot plant production of the high temperature lithium bicells which were developed under the above-mentioned Institute of Research Hydro Québec contract.

AVERAGE LIVE FED CATTLE MARKET PRICE

Question No. 4,328—**Mr. Hargrave:**

1. What was the average live fed cattle (steers and heifers) market price for 1981 as required by the Agricultural Stabilization Act?

2. What was the previous average five-year fed cattle market price immediately prior to 1981?

3. What was the previous average five year fed cattle market price prior to 1981 adjusted for the cost of production factor?

Hon. E. F. Whelan (Minister of Agriculture): 1. The average market returns for the 1981 marketing period were $75.08 per cwt., basis A1/A2 steers and heifers.

2. The previous five-year average market price was $58.16 per cwt.

3. Ninety per cent of the previous five-year average market returns, adjusted for the cost of production factor, is $74.98 per cwt.

AIR POLLUTION CONTROL AND ACID RAIN RESEARCH

Question No. 4,352—**Mr. Siddon:**

1. In (a) 1979 (b) 1980 (c) 1981 (d) 1982, what was the total budget for the Air Pollution Control Directorate of the Department of the Environment and what portion of that budget was devoted to (i) operating expenditures (ii) research into the control of sulphurous emissions and acid rain (iii) the development of new techniques and devices for the control of acid rain emissions?

2. How many research contracts were awarded for acid rain research by the Directorate in (a) 1979 (b) 1980 (c) 1981 (d) 1982?

3. How many research proposals for acid rain control technology were received and rejected by the Directorate in (a) 1979 (b) 1980 (c) 1981 (d) 1982?

Hon. John Roberts (Minister of the Environment):

			$(000)
1.	(a)		4,246.4
	(b)		4,511.0
	(c)		6,076.9
	(d)		5,642.2
	(i)	(a)	3,996.9
		(b)	4,350.2
		(c)	5,713.0
		(d)	5,256.7
	(ii)	(a)	None
		(b)	None
		(c)	27.0
		(d)	None
	(iii)	(a)	None
		(b)	None
		(c)	10.0
		(d)	None
2.	(a)		None
	(b)		None
	(c)		2
	(d)		None to date.
3.	(a)		None
	(b)		1
	(c)		3
	(d)		None to date.

FOREIGN SEASONAL AGRICULTURAL WORKERS PROGRAM

Question No. 4,361—**Mr. Heap:**

Does the Government have agreements governing the entry of migrant workers to Canada and, if so (a) with which countries (b) are copies of the agreements available for public scrutiny (c) under the agreements, what responsibilities does Canada undertake for the protection of the workers' occupational health and safety?

Order Paper Questions

Hon. Lloyd Axworthy (Minister of Employment and Immigration): Yes, in respect of temporary workers admitted to Canada under the Foreign Seasonal Agricultural Worker Programs.

(a) Memoranda of Understanding respecting the entry of seasonal agricultural workers exist between Canada and the following countries: Antigua, Barbados, Dominica, Grenada, Jamaica, Montserrat, St. Kitts-Nevis, St. Lucia, St. Vincent, Trinidad and Tobago, and the United States of Mexico.

(b) The Canadian Government has no objection to releasing the documents, however, in accordance with normal diplomatic practice the consent of the other signatory governments would have to be obtained.

(c) Canada, through the employment agreement between the employer, the worker and the foreign government representative, as provided for in the Memoranda of Understanding, requires the employer, among other conditions:

(i) to provide such adequate living accommodations to the worker, without cost to the worker, as meet the approval of the appropriate government authority responsible for health and living conditions in the province where the worker is employed and, in the absence of such authority, the approval of the foreign government's representative; and,

(ii) to comply with all laws, regulations and by-laws respecting conditions set by competent authority and, in addition, in the absence of any laws providing for payment of compensation to workers for personal injuries received or disease contracted as a result of the employment, shall obtain insurance accepted by the foreign government's representative providing necessary compensation to the worker.

STORAGE AND UTILIZATION OF HUMAN SPERM

Question No. 4,363—**Mr. Mazankowski:**

1. Is there an Advisory Committee on the Storage and Utilization of Human Sperm connected with the Department of National Health and Welfare and, if so, who are the members of the Committee and what are their titles?

2. Do the members of the Committee receive any remuneration such as salary or travel expenses and, if so, what amount did each member receive in (a) 1980-81 (b) 1981-82?

3. Were there any other costs associated with the Committee in (a) 1980-81 (b) 1981-82 and, if so, for what amount and for what reason?

4. What are the terms of reference and what is the rationale for the establishment of such a Committee?

Hon. Monique Bégin (Minister of National Health and Welfare): 1. The Advisory Committee on the Storage and Utilization of Human Sperm was connected with the Department of National Health and Welfare. Following a recommendation from the Annual Conference of Provincial Ministers of Health, The Hon. Marc Lalonde established in 1977 the Advisory Committee on the Storage and Utilization of Human Sperm to make recommendations to the Department of National Health and Welfare on Artificial Insemination with reference to the use of stored sperm. The Committee's report and recommendations were made public on May 5, 1982 and the Committee disbanded.

The Members of the Committee and their titles were as follows:

Sydney Segal, B.Sc., M.A., M.D., D.M., F.R.C.P. (C), F.A.A.P. (Chairman of the Committee)
Professor and Head
Division of Maternal, Foetal and Neonatal Medicine
Departments of Paediatrics and of Obstetrics and Gynaecology
Faculty of Medicine
University of British Columbia
Vancouver, B.C.

Charles F. D. Ackman, M.D., F.R.C.S. (C), F.A.C.S. (representative of the Canadian Medical Association)
Assistant Professor of Surgery (Urology)
Faculty of Medicine
McGill University
Montreal, Quebec

Mrs. Allison Burnet, B.Comm., LL.B.
Family Advocate
Richmond Unified Family Court
Ministry of the Attorney General of British Columbia
Richmond, B.C.

John Collins, M.D., F.R.C.S.(C)
Professor and Head, Department of Obstetrics and Gynaecology (representative of the Society of Obstetricians and Gynaecologists of Canada)
Faculty of Medicine
Dalhousie University
Halifax, N.S.

André Gombay, M.A., B. Philosophy
Associate Professor of Philosophy
Faculty of Arts
University of Toronto
Toronto, Ontario

Peter R. Grantham, B.A., M.D., C.C.F.P., F.C.F.P. (representative of the College of Family Physicians of Canada)
Associate Professor and Head
Department of Family Practice
Faculty of Medicine
University of British Columbia
Vancouver, B.C.

Mrs. Roswita Hardenne
833 University Avenue
Saskatoon, Sask.

Judge Sandra E. Oxner, B.A., LL.B.
Judge of Provincial Magistrate's Court
Halifax, N.S.

Jacques E. Rioux, M.D., M.P.H., F.R.S.H., F.A.C.O.G.
Professeur titulaire
Département d'obstétrique et de gynécologie (représentant de l'Association des Médecins de langue française du Canada)
Faculté de Médecine
Université de Laval
Ste-Foy (Québec)

David J. Roy B.A., S.T.B., S.T.L., Ph. TH., Ph.L., Dr. THEOL
Directeur
Centre Bio-éthique
Institut de recherche clinique de Montréal
Montréal (Québec)

Louis Siminovitch, Ph.D. D.S., F.R.C.P., F.R.S.
Geneticist-in-Chief
Hospital for Sick Children
Toronto, Ontario

2. Yes. (a) Expenses 1980-81: A. Gombay—Travel $184.67, Honorarium $150; J. Collins—Travel $82.80, Honorarium $150; (b) Expenses 1981-82: Nil.

3. Expenses 1980-81: Total: $4500 (Translation costs); Expenses 1981-82: Total: $9753.33 (Printing costs).

4. Terms of Reference: To advise the Minister of National Health and Welfare in relation to the storage and utilization of human sperm, having considered: (1) the extent of storage and utilization, actual and projected, of human sperm in Canada; (2) methods of collection, preservation and reconstitution of human sperm; (3) methods of assessment of donors and recipients, the counselling of prospective parents and the effects on the child and the family; (4) the need for the control of the importation of human sperm from other countries; (5) the biological, legal, medical, philosophical, religious and social implications of the use of stored human sperm; (6) the scientific evidence concerning the effect of storage on the genetic integrity of human sperm, the course of the resulting pregnancies, and the health of the resulting offspring.

Rationale for establishment of Committee: At the Annual Conference of Provincial Ministers of Health in the autumn of 1974, concern was expressed about the potential hazards of commercial exploitation of the technique of preserving human sperm by freezing. Accordingly, the following recommendation was forwarded to the Minister of National Health and Welfare for comments by the Chairman of the group:

"Ministers of Health to request the Federal Government to prohibit the storage of human sperm on a commercial basis until further evaluation has taken place. Research and control studies to be carried out".

The Minister responded by suggesting that in view of the wide range of issues raised by the storage and use of stored sperm, consideration would be given to establishing a committee to give advice as to possible courses of action.

TELEGLOBE CANADA'S QUARTER CENTURY CLUB

Question No. 4,371—**Mr. Blenkarn:**

1. Is Teleglobe Canada's Quarter Century Club sponsored with moneys from public funds by Teleglobe Canada?

2. Is a weekend party to be held on Saturday, October 23 and Sunday, October 24 at l'Estérel and are members of the Club invited to bring an escort and, if so (a) is Teleglobe in any way paying any of the cost towards the party from public funds (b) was the President of Teleglobe Canada, Mr. Jean-Claude Delorme, given the necessary funds by Teleglobe Canada through the Department of Communications to pay for a lavish dinner, entertainment and one night's lodging for those invited together with their accommodation?

3. What is the anticipated cost of this party and what are the names and addresses of all persons who had a letter delivered to them inviting them to this party?

4. Does Mr. Delorme guarantee that those who come early can enjoy the indoor pool, whirlpool and sauna?

5. (a) What is the anticipated cost of liquor at the cocktail party at 6.30 p.m. (b) what is the cost of the dinner and the dance and what orchestra is playing at the dance?

Mr. Jack Burghardt (Parliamentary Secretary to Minister of Communications): I am informed by Teleglobe Canada as follows:

1. The Teleglobe Quarter Century Club is composed entirely of persons having 25 years of service or more with Teleglobe or its predecessor companies and independently organizes and funds its own activities. Each year for the past 15 years or so, Teleglobe has supported the cost of a dinner for these employees and their spouses.

2. For its forthcoming annual dinner, the Quarter Century Club has sought an expression of interest from its members as to whether they wished to hold their dinner this year at l'Estérel, instead of Montreal.

(a) If and when Teleglobe management is approached for support towards this annual event for 1982, it intends to provide the club with support similar to that which it has given it in the past, namely the cost of the dinner (including cocktails); (b) No.

3. The anticipated cost of the dinner has not as yet been communicated to the Corporation by the club and as the Corporation takes no part in the invitations or arrangements for the dinner, it is not in a position to answer this question.

4. See 1 above.

5. (a) See 3 above. (b) See 3 above.

SALE OF ARGUS AIRCRAFT

Question No. 4,373—**Mr. Dinsdale:**

1. How many Argus aircraft has the Government sold thus far and, in each case, to whom was the aircraft sold and at what price?

2. How many such aircraft remain to be sold?

3. Did the Crown Assets Disposal Corporation ever receive a letter from the Commonwealth Air Training Plan Museum Inc. of Brandon, Manitoba requesting that the Museum be notified of all retired aircraft which the department had for sale?

4. Did the Corporation ever notify the Museum of any aircraft which they had for sale?

5. Was the Museum ever notified about the sale of the Argus aircraft and, if not, for what reason?

Hon. J.-J. Blais (Minister of Supply and Services): 1. No Argus aircraft were sold in their whole state. Twenty-three aircraft were classified as scrap metal, declared surplus by DND and sold to Bristol Metals, Toronto for $71,936 on December 3, 1981. For other information, please refer to question No. 3,893 answered April 1, 1982.

2. None.

3. CADC has no record of ever receiving a letter addressed directly to them from the Commonwealth Air Training Plan Museum, however carbon copies of correspondence between the Museum and the office of the Minister, Employment and Immigration was received by CADC on April 21, 1982. The Museum had already been placed on the aircraft mailing list on May 7, 1981. This mailing list is used by CADC to solicit bids from interested parties when aircraft, in their whole state, are declared surplus by the Crown.

4. It is presumed that the Museum was notified of any aircraft sold in their whole state after May 7, 1981.

5. The Museum was not notified about the sale of the Argus. The Argus was sold as scrap metal and not in their whole state because of DND policy prohibiting the sale of combatant type aircraft, including the Argus, to private individuals or organizations.

VIA RAIL PASSENGER SERVICE

Question No. 4,378—**Mr. Blenkarn:**

Is the cost of running passenger service by VIA Quebec four times as expensive per passenger carried as the cost of carrying passengers in that area of the VIA service run by VIA Ontario and, if so, for what reason?

Mr. Jesse P. Flis (Parliamentary Secretary to Minister of Transport): The management of VIA Rail Canada Inc., advises as follows: No.

MORTGAGE PORTFOLIO MANAGEMENT SYSTEM PROJECT

Question No. 4,380—**Mr. MacKay:**

1. Was Bailey and Rose, a computer consulting firm, given public funds to hire computer consultants on the Mortgage Portfolio Management System project and, if so (a) for what reason (b) for what reason did the Canada Mortgage and Housing Corporation not manage the project and do the hiring?

2. What amount has been spent on this project to date and over what period of time was it spent?

3. Is the project about to be started up once more and, if so (a) what amount is going to be committed this time (b) who will be responsible for managing the project?

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

1. No. (a) and (b) N/A

2. Over the past four years $18 million has been expended on this initiative.

3. CMHC's systems development initiatives are under review in order to ensure that the Corporation's systems objectives are attained in the most cost-effective manner. Decisions on 3 (a) and (b) will be taken subsequent to this review.

MR. DONALD MARSHALL

Question No. 4,383—**Mr. Crosby:**

1. Did the Minister of Justice advise the Attorney General of Nova Scotia by telex and confirmed by letter respecting the course of conduct he intended to follow in the case of Mr. Donald Marshall on June 8, 9 or 10, 1982 or thereabouts as reported in the Halifax *Chronicle-Herald* and, if so, what was the content of the telex and letter?

2. Was there correspondence or other communications between the Minister and the Attorney General concerning the case of Mr. Marshall between June 1 and June 16, 1982 and, if so, what was the purpose of that correspondence?

3. Did the Minister at any time in 1982 meet with and discuss with the Attorney General the case of Mr. Marshall and, if so, what was the result of the discussion?

4. Did the Minister telephone or otherwise contact the Attorney General between 3.00 p.m. EDT on June 15, 1982 and 2.00 p.m. EDT on June 16, 1982, concerning the case of Mr. Marshall and, if so, what was the result of the contact?

5. (a) At what exact time was the document dated June 16, 1982 referring the case of Mr. Marshall to the Appeal Division of the Supreme Court of Nova Scotia (i) prepared (ii) signed by the Minister (b) who witnessed the signing and who prepared the document?

6. (a) At what exact time was the letter dated June 16, 1982 to the Chief Justice of Nova Scotia respecting the case of Mr. Marshall (i) prepared (ii) signed (b) who witnessed the signing and who prepared the letter?

7. Did the Minister know on June 15, 1982 at approximately 2.30 p.m. that he was referring the case of Mr. Marshall to the Supreme Court of Nova Scotia and, if not, for what reason did he take this action immediately thereafter?

8. Did the Minister inform the Member of Parliament for Cape Breton-The Sydneys that he was referring the case of Mr. Marshall to the Supreme Court of Nova Scotia and, if so, exactly when did he inform him?

Hon. Jean Chrétien (Minister of Energy, Mines and Resources): 1. No.

2. Yes. The purpose of this correspondence was to determine the best means of dealing with Mr. Marshall's petition for the exercise of Executive Clemency or the Mercy of the Crown.

3. No.

4. Late in the afternoon of June 15, 1982, D. Rutherford, Q.C., Assistant Deputy Attorney General (Criminal Law), of the Department of Justice attempted without success to reach Gordon Gale, Q.C., Director of Criminal Law in the Department of the Attorney General of Nova Scotia. He communicated with Mr. Gale's office the next morning, leaving a detailed message outlining a proposal to be put before the Minister of Justice later that morning, for a reference of the Marshall case to the Appeal Division of the Supreme Court of Nova Scotia.

5. (*a*) The document dated June 16, 1982, referring the case of Mr. Marshall to the Appeal Division of the Supreme Court of Nova Scotia, was prepared in the late afternoon of June 15, 1982 and presented to the Minister for signature on the morning of June 16, 1982.

(*b*) Mr. Rutherford prepared the document which was submitted to the Minister on June 16, 1982 by Mr. Jacques Demers, a special adviser to the Minister. The Minister's signature was not witnessed.

6. (*a*) The letter dated June 16, 1982 to the Chief Justice of Nova Scotia, respecting the case of Mr. Marshall, was prepared and signed during the morning of June 16, 1982.

(*b*) Mr. Rutherford prepared the letter which was submitted to the Minister by Mr. Demers. The Minister's signature was not witnessed.

7. At approximately 2.30 p.m. on June 15, 1982, the Minister was still considering the matter and was awaiting further advice from his officials. The Minister explained these reasons in the House on June 22, 1982.

8. The Minister discussed the Marshall case in a very general fashion with the Member of Parliament for Cape Breton-The Sydneys on June 15, 1982 but did not inform him of the decision to refer the case to the Supreme Court of Nova Scotia prior to announcing this decision in the House of Commons on June 16, 1982.

FORESTRY EMPLOYMENT PROGRAM

Question No. 4,389—**Mr. Scott (Victoria-Haliburton):**

1. Did the Department of the Environment consult existing forest sector employers to see how they could best provide more jobs before announcing the Forestry Employment Program?

2. Did the Department consult the wood processors to see whether there is a market for additional wood?

3. Did the Department do an analysis on the market to see how additional wood will affect the present prices paid to producers by processors?

4. How does the Department estimate this Program will affect existing forest sector employers?

Hon. John Roberts (Minister of the Environment): 1. Yes, the Department of the Environment did consult with several industry groups prior to announcing the Federal Employment Stimulation Program Forestry Component.

2. No, the Department did not consult the wood processors because the Program expressly avoids creating additional wood except as a limited by-product of stand improvement work.

3. No; since additional wood would be minimal and in no case would the volume of wood produced through stand improvement work be sufficient to affect market prices, no analysis was necessary.

4. The program will benefit existing forest sector employers by keeping laid-off woodworkers in the local community so that they will be available when economic conditions return to normal. In addition, the work done on the forests will help to ensure a long-term supply of wood, securing a future for these employers.

CMHC—REFUSAL OF FUNDING TO INTER FAITH HOUSING

Question No. 4,391—**Mr. Hawkes:**

1. Did the Calgary branch of the Canada Mortgage and Housing Corporation refuse funding for the Inter Faith Housing, a group who requested that senior citizens apartments be built, and, if so, for what reason was the funding refused?

2. Were other groups refused such funding and, if so (a) how many (b) what were the names of all such groups?

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

1. CMHC has been unable to approve an application from Inter Faith Housing for assistance under the Non-Profit and Co-operative Housing Program due to lack of budget funds.

2. Yes, (a) Three other non-profit groups developing senior citizens housing were advised that 1982 budget funds were not available for their projects; (b) Chinese United Church, Calvin Hungarian Church and Orthodox Brotherhood of Calgary.

CMHC—FUNDING FOR SENIOR CITIZENS APARTMENTS

Question No. 4,392—**Mr. Hawkes:**

1. Did the Canada Mortgage and Housing Corporation finance costs last year for senior citizens apartments in Calgary and, if so (a) how many units were built (b) what was the cost of the project?

2. Is the Minister responsible for the Corporation aware that a request was made for further funding for senior citizens apartments to be built this year and, if so (a) how many units were requested (b) what was the cost of such a project and how many persons would it have accommodated?

3. Can the Minister advise why such funding was refused when there is a great need for subsidized housing in Calgary for elderly senior citizens over 65?

4. Is it government policy to deny funding of this sort in order to finance other projects which they feel are more worthwhile?

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

1. Yes. (a) Senior citizens housing—142 units; Private non-profit and co-operative housing projects (some units would likely be occupied by senior citizens)—261 units. In addition in 1981 CMHC committed to share in the operating losses of 421 senior citizens housing units under Section 44.1(a) of the National Housing Act in the Calgary region. (b) Senior citizens housing—$8,916,000; Private non-profit and co-operative housing projects—$18,401,000.

2. Yes. (a) Two projects totalling 142 units. (b) The costs of the projects have not been established and it is not known how many persons would be accommodated.

3. Budgetary constraints do not permit the funding of all social housing projects requesting subsidy assistance under the Non-Profit and Co-operative Housing Programs.

4. No.

CMHC—APPEAL OF CUTBACKS

Question No. 4,393—**Mr. Hawkes:**

1. Did the Minister of Public Works, who is responsible for the Canada Mortgage and Housing Corporation, receive a letter from the Inter Faith Housing appealing a cutback in funding?

2. Did the Minister respond to the letter and, if not (a) for what reason (b) can the Minister advise how long it will be before a response is prepared?

Hon. Roméo LeBlanc (Minister of Public Works): I am informed by Canada Mortgage and Housing Corporation as follows: 1. Yes. 2. Yes. (a) and (b) N/A.

GOVERNMENT BILLBOARD ADVERTISING

Question No. 4,395—**Mr. Gamble:**

1. On April 1, 1982 or thereabouts, did the Department of Employment and Immigration erect or cause to be erected a number of unilingual French-language billboards in Metropolitan Toronto and, if so, how many such billboards were erected by or on behalf of the Department in the Province of Ontario during and after April 1, 1982?

2. For the same period, how many unilingual English-language billboards were erected in the Province of Quebec?

3. Did officers of the Department responsible for the erection of the billboards in the Province of Ontario state that no unilingual English-language billboards were erected in the Province of Quebec and, if so, how does the Department justify the preferential treatment accorded to French-speaking Canadians in the Province of Ontario, while denying similar treatment to English-speaking Canadians in the Province of Quebec?

Hon. Lloyd Axworthy (Minister of Employment and Immigration): 1. (a) Yes, unilingual French billboards were erected in Metropolitan Toronto starting March 17 and ending May 4. (Due to the fact that billboard postings do not all take place on the same day, some were erected later than March 17 and

some were removed earlier than May 4, but all were displayed for the standard 28-day period.) (b) A total of 18 unilingual French boards were posted in Ontario.

2. Neither unilingual-English nor unilingual-French nor bilingual boards were posted in Quebec due to insufficient billboard space availability at the intended time of posting.

3. (a) Yes, Department officials so stated. (b) There was no preferential treatment in as much as English (and French) radio was utilized in Quebec (and in no other province) to offset the lack of billboard advertising availability as outlined in No. 2 above.

PROJECTED DND CAPITAL REQUIREMENTS

Question No. 4,398—**Mr. McKinnon:**

1. What are the Department of National Defence's projected capital requirements for 1982 to 1997 broken down into (a) major equipment (b) other equipment (c) recurring replacement (d) construction (e) research and development?

2. What is the Department's actual capital budget expected to be for the fiscal years 1983-84 to 1985-86?

3. What has been the increase in real terms in the Department's annual capital budget for the fiscal years 1980-81 through 1982-83?

4. What is the projected real growth in the Department's annual capital budget for the fiscal years 1983-84 to 1985-86?

Hon. J. Gilles Lamontagne (Minister of National Defence): 1. Projected capital requirements are subject to Cabinet decisions on the over-all defence envelope. Figures shown below are totals for the 15-year period expressed in 1982-83 dollars.

	Item	Dollar Requirements (millions of dollars)
(a)	Major equipment	$ 20,300
(b)	Other equipment	2,100
(c)	Recurring replacement	3,800
(d)	Construction	1,600
(e)	Research and development	1,400

2. Capital budget estimates for fiscal years 1983-84 to 1985-86 are not finalized, however, based on the envelope levels announced in the November 12, 1981 budget and departmental plans for the period, the capital budget levels are expected to be as follows: (expressed in budget year dollars)

Fiscal Year	Forecast Capital Budget (millions of dollars)
1983-84	$ 1,900
1984-85	2,200
1985-86	2,500

3. 1980-81 to 1981-82, 9.3 per cent actual; 1981-82 to 1982-83, 12.2 per cent forecast.

The envelope levels announced in the November 12, 1981 federal budget should provide for 15 per cent growth in 1983-84. At this point there is no provision for real growth from 1983-84 to 1985-86. Real growth may be achieved through internal budget adjustments during each fiscal year but specific amounts could not be forecast at this time.

PHOTOGRAPH AND MAP PACKAGE

Question No. 4,400—**Mr. Greenaway:**

1. Was a package containing a photograph of the Minister of State (Mines) and the Governor General of Canada, maps of Canada 1867 and a news release from the Minister's office for use in conjunction with Dominion Day distributed by Prestige Mailing Systems Ltd., 2249 Gladwin Street, Ottawa and sent by courier service and, if so, how many of the packages were sent by courier?

2. Were any packages mailed through the Canada Post Corporation and, if not, for what reason?

3. Did all the newspapers throughout Canada receive the package?

4. What was the cost of producing the package and what was the total cost of delivery (a) by courier (b) by the Canada Post Corporation?

5. Was a package sent by courier to the *Bridge-River Lillooet News* marked June 30, 1982 and, if so, for what reason, when there was virtually no chance of it arriving on July 1, 1982?

Hon. Judy Erola (Minister of State (Mines)): The Minister of State (Mines) reports as follows:

1. Yes, a package containing a photograph of the Minister of State (Mines) and the Governor General of Canada, a Canada Then and Now map package, and a news release from the Minister's office for use in conjunction with Dominion Day was distributed by Prestige Mailing Systems Ltd. and sent by courier service to 576 members of the Canadian Community Newspapers Association.

2. No. Technical problems with printing and packing the maps resulted in an unforeseen delay of the availability date for mailing the package. Therefore, courier service was utilized in order for the package to reach recipients as close to Dominion Day as possible.

3. No. (See part 1 above).

4. Production cost—$1,783.08. (a) Delivery cost by courier—$5,935. (b) Nil. See reply to part 2.

5. Yes. The reason is given in Part 2.

HALIFAX GOVERNMENT TELEPHONE SERVICE

Question No. 4,408—**Mr. Crosby:**

1. Who operates the Government telephone service in the city of Halifax for metropolitan Halifax?

2. Was the operator changed within the last three months and, if so, for what reason?

3. What are the terms of the contract under which the operator is employed?

4. What is the level of service required to be provided in terms of (a) numbers of persons employed (b) facilities?

Mr. Jack Burghardt (Parliamentary Secretary to Minister of Communications): In so far as the Department of Communications is concerned, the reply to the above question is as follows:

1. The Government switchboards are now operated by Air Page Communications Ltd. of 2760 Robie Street, Halifax, under contract to the Government Telecommunications Agency for a 12-month period.

2. The changeover to the new contractor, selected through a tender process, commenced on June 21, 1982 and was completed on July 14, 1982. The purpose of the tender was to contain costs while ensuring that the services provided meet the requirements of the federal Government.

3. The contractor is required to provide competent bilingual attendants to operate the Government switchboards in accordance with standard service objectives from 8.00 a.m. to 5.00 p.m. Monday through Friday except for federal statutory holidays.

4. There are five switchboards available for service. At any given time, the contractor is required to maintain attendant service to ensure that 90 per cent of calls are answered within 20 seconds which is the standard service objective.

GIFT FROM CANADIAN GOVERNMENT TO PRINCE AND PRINCESS OF WALES

Question No. 4,409—**Mr. Crosby:**

1. Did the Government or any official of the government, purchase a porcelain sculpture called "Sacajawea", created by Cybis Studio of Trenton, New Jersey and, if so (a) from whom (b) at what cost?

2. Was the sculpture given to the Prince and Princess of Wales as Canada's official gift commemorating the birth of their child?

3. What is the connection between the sculpture and Canada or any person or place within Canada?

4. Did the Government not provide a gift that had some real connection with Canada and that would benefit Canadian artists or craftsmen and the Canadian arts and crafts industry and, if not, for what reason?

Hon. Serge Joyal (Secretary of State): 1. No.

2. No.

3. The sculpture in question was given to Their Royal Highnesses the Prince and Princess of Wales by the Province of Manitoba to commemorate the birth of their son.

4. The Government of Canada did not provide an official gift on behalf of the Canadian people to commorate the birth of the son of the Prince and Princess of Wales because it is Canadian custom that official gifts are not given on behalf of the Canadian people to mark such events.

NATIONAL HARBOURS BOARD LAWSUITS

Question No. 4,412—**Mr. Crouse:**

1. In the past three years, was the National Harbours Board involved in any lawsuits with respect to its operations in Nova Scotia and, if so, what were the names of the litigants?

2. Were any outside lawyers employed by the Board and, if so, what were their names and what was the total amount paid to them to date?

Mr. Jesse P. Flis (Parliamentary Secretary to Minister of Transport): The National Harbours Board advises as follows:

1. Yes. (a) Halterm Limited; (b) George E. Richards.

2. The Board has not engaged the services of lawyers from outside of the Department of Justice to represent the Board in these cases.

Question No. 4,418—**Mr. Howie:**

With reference to the answer to question No. 4,342, what were the names of the New Brunswick lawyers to whom the National Harbours Board paid $143,541.92 for legal fees over the past three years and what amount was paid to each lawyer?

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

National Harbours Board advises as follows:

Clark Drummie; re Brunswick Petroleum Transport;	$ 266.00
Mockler, Allen and Dixon, formerly Hoyt, Mockler, Allen and Dixon; re Peter Kiewit Sons Co. Ltd., Maritime Testing Ltd. and Jos. A. Likely Limited;	$ 135,950.57
Teed and Teed; re Furcan Marine and Empire Stevedoring Co. Ltd;	$ 1,874.20
Gilbert McGloan; re Vessel Astra; and	$ 635.94
Purnell & Brien; re Salt Sales Co.	$ 4,815.21

CANADA COUNCIL GRANTS TO MR. BILL BISSETT

Question No. 4,420—**Mr. Ellis:**

1. Were grants given by the Canada Council to a Mr. Bill Bissett and, if so, what were such grants?

2. For what amount and for what purpose was each grant given?

3. Were any publications or items printed and, if so, in each case, how many copies?

Hon. Jack Burghardt (Parliamentary Secretary to Minister of Communications): I am informed bu the Canada Council as follows:

1. Yes. Grants to work on creative projects.

2.	1981-82	Short term grant	$ 3,400	3 months—to write poetry
	1979-80	Arts grant "A"	17,000	12 months—to write poetry
	1979	Short term grant	2,300	3 months—to write poetry
	1977-78	Travel grant	934	to accept invitation of the Glasgow Sound Poetry Festival
	1977-78	Short term grant	2,050	3 months—to write poetry
	1976-77	Short term grant	2,140	3 months—to write poetry
	1975-76	Arts grant "A"	10,000	12 months—to write poetry
	1974	Short term grant	1,350	3 months—to write poetry
	1972-73	Arts grant "B"	4,000	12 months—to write poetry
	1971	Short term grant	750	3 months—to write poetry
	1970	Short term grant	750	3 months—to write poetry
	1969-70	Renewal of arts grant	3,500	12 months—to write poetry
	1968-69	Renewal of arts grant	3,500	12 months—to write poetry
	1967-68	Arts grant "B"	2,500	12 months—to write poetry

3. Mr. Bissett has reported to the Canada Council that with the grants he received, he produced the following books. The Canada Council has no information on the number of copies printed. Beyond Even Faithful Legends (published by Talonbooks); Northern Birds in Color (published by Talonbooks); Sa and the Monkey (published by Talonbooks); Soul Arrow (published by blewointment press); The First Snow (published

by blewointment press); Nobody Owns the Earth (published by House of Anansi); Poems for Yoshi (published by blewointment press); Sailor (published by Talonbooks); The Windup Tongue (published by blewointment press); Plutonium Missing (published by Intermedia); Lebanon Voices (published by Weed/Flower Press); Killer Whale (published by Talonbooks); Awake in the Red Desert (published by Talonbooks); Gossamer Bed Pan (published by blewointment press); Planet Wheel (published by Bob Cobbing, England).

GOVERNMENT FUNDING FOR TEXTBOOK, "UNDERSTANDING CANADA"

Question No. 4,424—**Mr. Gurbin:**

Did the Government, through the Academic Relations Division of the Department of External Affairs, give financial support (a) to the Association for Canadian Studies in the United States (b) for the production of a textbook entitled "Understanding Canada" and, if so, in each case, what was the amount?

Hon. Allan J. MacEachen (Deputy Prime Minister and Secretary of State for External Affairs): The Academic Relations Division has given financial support to the Association for Canadian Studies in the United States within the conduct of its mandate to develop an informed, well disposed and sustained interest in Canada as a whole among members of foreign leadership groups in support of foreign policy objectives. No grant was given to the Association as such for the production of the textbook entitled "Understanding Canada". Over the last twelve years the Department has granted $100,000 (U.S.A.) and $100,000 (Canadian) to the Association to enable it to promote teaching and research about Canada in a widening circle of institutions of higher learning in the United States.

See also the replies to question No. 4,318 answered June 17, 1982 and 4,390 answered July 30, 1982.

CANADA PENSION PLAN

Question No. 4,427—**Mr. Malone:**

1. Did the Government receive a request from Mr. Leo J. Vos of Strome, Alberta for a record of his earnings and future entitlement to a Canada Pension Plan retirement pension and, if so, was this confidential information mailed to Mr. Richard C. Perrott of Granville Ferry, Nova Scotia?

2. Did the Government receive a request from Mr. Richard C. Perrott of Granville Ferry, Nova Scotia for a record of his earnings and future entitlement to a Canada Pension Plan retirement pension and, if so, was this confidential information mailed to Mr. Leo J. Vos of Strome, Alberta?

3. Are precautions taken to ensure that the confidential record of earnings and retirement benefit information of one Canadian citizen is not mistakenly disclosed to another Canadian and, if so, what are such precautions?

4. Were any such precautions followed in the cases of Messrs. Vos and Perrott and, if not, for what reason?

5. On how many occasions have errors occurred and how frequently do errors occur with respect to such confidential information, such that one or more Canadians are being informed of another citizen's record of earnings and retirement benefit status?

6. Is any recourse available to a citizen who has had confidential information shared with others by intention or in error and, if so, what is such recourse?

Hon. Monique Bégin (Minister of National Health and Welfare): 1. The Canada Pension Plan Administration received a request from Mr. Leo J. Vos of Strome, Alberta for a record of his earnings and information concerning future entitlement to a Canada Pension Plan retirement pension. A reply was prepared May 28, 1982 and apparently mailed in error to Mr. Richard C. Perrott of Granville Ferry, Nova Scotia.

2. The Canada Pension Plan Administration received a request from Mr. Richard C. Perrott of Granville Ferry, Nova Scotia for a record of his earnings and information concerning future entitlement to a Canada Pension Plan retirement pension. This reply was also prepared May 28, 1982 and apparently mailed in error to Mr. Leo J. Vos of Strome, Alberta.

3. Precautions are taken to ensure that the confidential record of earnings and retirement benefit information of one Canadian citizen is not mistakenly disclosed to another Canadian. In cases where a record of earnings only is requested it is automatically sent in a window type envelope which ensures that it is mailed to the intended recipients. Where additional information is required the request must be processed manually. All of the staff involved in this process are aware of the confidentiality of the information and the need for extra care in handling such information.

4. In the cases of Messrs. Vos and Perrott the precautions were followed in processing the information however, in the enveloping of the information the material for Mr. Vos was placed in the typed envelope addressed to Mr. Perrott and the information to Mr. Perrott was placed in the typed envelope addressed to Mr. Vos. Our procedures stipulate that a check is to be made to ensure the correct letter is enveloped but in this case an error was made.

5. The Canada Pension Plan Administration is aware of only two other incidents in mailing information to contributors and as a matter of record some one million records have been mailed since the beginning of 1982 alone. In addition, the procedure of sending all requests for information in window type envelopes has recently been adopted. This will provide a further measure of safety against errors in mailing information to contributors.

6. Section 107 of the Canada Pension Plan Act provides that any employee who "knowingly" contravenes the confidentiality of information on the record of earnings of a contributor is guilty of an offense punishable on summary conviction. There is of course no such recourse for human error.

CANADA POST CORPORATION ADVERTISING BUDGET

Question No. 4,434—**Mr. Gass:**

1. What is the advertising budget for the Canada Post Corporation for the fiscal year 1982-83?

2. What was the advertising budget for the Post Office Department for the fiscal year 1971-72?

Hon. David Berger (Parliamentary Secretary to Minister of Consumer and Corporate Affairs): The Canada Post Corporation has informed me as follows: 1. $2,435,000; 2. $362,600.

INDIAN BAND FUNDING BY DIAND

Question No. 4,437—**Mr. Oberle**

1. With respect to arrangements entered into with the Nuchatlaht Indian Band by the British Columbia Region of the Department of Indian Affairs and Northern Development in the fiscal year 1981-82, as described in the Department's budgetary control system, Commitment Number 74985, Certification Date June 5, 1981 in the amount of $2,000 (a) for what specific program, project or purpose was the money allocated (b) through what instrument was the request for funding made?

2. Were any of the funds, once disbursed by the Department, reassigned for uses beyond the direct authority or control of the Nuchatlaht Indian Band and, if so (a) for what purpose were they reassigned (b) to whom were they reassigned (c) were they reassigned with the approval or at the direction of the Department?

Hon. John C. Munro (Minister of Indian Affairs and Northern Development): 1. (a) carpentry skills training course; (b) contribution arrangement.

2. (a), (b) and (c) This information is not available as the Department of Indian Affairs and Northern Development has not yet received the March 31, 1982, audited statements of the Nuchatlaht Band.

Question No. 4,438—**Mr. Oberle:**

1. With respect to arrangements entered into with the Nuuchahnulth Tribal Council by the British Columbia Region of the Department of Indian Affairs and Northern Development in the fiscal year 1981-82, as described in the Department's budgetary control system, Commitment Number 74988, Certification Date August 12, 1981 in the amount of $6,556 (a) for what specific program, project or purpose was the money allocated (b) through what instrument was the request for funding made?

2. Were any of the funds, once disbursed by the Department, reassigned for uses beyond the direct authority or control of the Nuuchahnulth Tribal Council and, if so (a) for what purpose were they reassigned (b) to whom were they reassigned (c) were they reassigned with the approval or at the direction of the Department?

Hon. John C. Munro (Minister of Indian Affairs and Northern Development): 1. (a) on-the-job training; (b) contribution arrangement.

2. No; (a) N/A; (b) N/A; (c) N/A.

Question No. 4,439—**Mr. Oberle:**

1. With respect to arrangements entered into with the Nuuchahnulth Tribal Council by the British Columbia Region of the Department of Indian Affairs and Northern Development in the fiscal year 1981-82, as described in the Department's budgetary control system, Commitment Number 76001, Certification Date May 6, 1981 in the amount of $24,572 (a) for what specific program, project or purpose was the money allocated (b) through what instrument was the request for funding made?

2. Were any of the funds, once disbursed by the Department, reassigned for uses beyond the direct authority or control of the Nuuchahnulth Tribal Council and, if so (a) for what purpose were they reassigned (b) to whom were they reassigned (c) were they reassigned with the approval or at the direction of the Department?

Hon. John C. Munro (Minister of Indian Affairs and Northern Development): 1. (a) consultation; (b) contribution arrangement.

2. No; (a) N/A; (b) N/A; (c) N/A.

Question No. 4,440—**Mr. Oberle:**

1. With respect to arrangements entered into with the Nuuchahnulth Tribal Council by the British Columbia Region of the Department of Indian Affairs and Northern Development in the fiscal year 1981-82, as described in the Department's budgetary control system, Commitment Number 78005, Certification Date May 6, 1981 in the amount of $25,000 (a) for what specific program, project or purpose was the money allocated (b) through what instrument was the request for funding made?

2. Were any of the funds, once disbursed by the Department, reassigned for uses beyond the direct authority or control of the Nuuchahnulth Tribal Council and, if so (a) for what purpose were they reassigned (b) to whom were they reassigned (c) were they reassigned with the approval or at the direction of the Department?

Hon. John C. Munro (Minister of Indian Affairs and Northern Development): 1. (a) community planner; (b) contribution arrangement.

2. No; (a) N/A; (b) N/A; (c) N/A.

Question No. 4,441—**Mr. Oberle:**

1. With respect to arrangements entered into with the Nuuchahnulth Tribal Council by the British Columbia Region of the Department of Indian Affairs and Northern Development in the fiscal year 1981-82, as described in the Department's budgetary control system, Commitment Number 78006, Certification Date May 6, 1981 in the amount of $30,000 (a) for what specific program, project or purpose was the money allocated (b) through what instrument was the request for funding made?

2. Were any of the funds, once disbursed by the Department, reassigned for uses beyond the direct authority or control of the Nuuchahnulth Tribal Council and, if so (a) for what purpose were they reassigned (b) to whom were they reassigned (c) were they reassigned with the approval or at the direction of the Department?

Hon. John C. Munro (Minister of Indian Affairs and Northern Development): 1. (a) education employment office; (b) contribution arrangement.

2. No; (a) N/A; (b) N/A; (c) N/A.

Question No. 4,442—**Mr. Oberle:**

1. With respect to arrangements entered into with the Nuuchahnulth Tribal Council by the British Columbia Region of the Department of Indian Affairs and Northern Development in the fiscal year 1981-82, as described in the Department's budgetary control system, Commitment Number 78007, Certification Date May 6, 1981 in the amount of $31,000 (a) for what specific program, project or purpose was the money allocated (b) through what instrument was the request for funding made?

2. Were any of the funds, once disbursed by the Department, reassigned for uses beyond the direct authority or control of the Nuuchahnulth Tribal Council and, if so (a) for what purpose were they reassigned (b) to whom were they reassigned (c) were they reassigned with the approval or at the direction of the Department?

Hon. John C. Munro (Minister of Indian Affairs and Northern Development): 1. (a) local Government advisor; (b) contribution arrangement.

2. No; (a) N/A; (b) N/A; (c) N/A.

Question No. 4,443—**Mr. Oberle:**

1. With respect to arrangements entered into with the Nuuchahnulth Tribal Council by the British Columbia Region of the Department of Indian Affairs and Northern Development in the fiscal year 1981-82, as described in the Department's budgetary control system, Commitment Number 78008, Certification Date May 6, 1981 in the amount of $5,000 (a) for what specific program,

project or purpose was the money allocated (b) through what instrument was the request for funding made?

2. Were any of the funds, once disbursed by the Department, reassigned for uses beyond the direct authority or control of the Nuuchahnulth Tribal Council and, if so (a) for what purpose were they reassigned (b) to whom were they reassigned (c) were they reassigned with the approval or at the direction of the Department?

Hon. John C. Munro (Minister of Indian Affairs and Northern Development): 1. (a) administration; (b) contribution arrangement.

2. No; (a) N/A; (b) N/A; (c) N/A.

Question No. 4,444—**Mr. Oberle:**

1. With respect to arrangements entered into with the Nuuchahnulth Tribal Council by the British Columbia Region of the Department of Indian Affairs and Northern Development in the fiscal year 1981-82, as described in the Department's budgetary control system, Commitment Number 78009, Certification Date May 6, 1981 in the amount of $30,000 (a) for what specific program, project or purpose was the money allocated (b) through what instrument was the request for funding made?

2. Were any of the funds, once disbursed by the Department, reassigned for uses beyond the direct authority or control of the Nuuchahnulth Tribal Council and, if so (a) for what purpose were they reassigned (b) to whom were they reassigned (c) were they reassigned with the approval or at the direction of the Department?

Hon. John C. Munro (Minister of Indian Affairs and Northern Development): 1. (a) Band financial advisor; (b) contribution arrangement.

2. No; (a) N/A; (b) N/A; (c) N/A.

Question No. 4,445—**Mr. Oberle:**

1. With respect to arrangements entered into with the Nuuchahnulth Tribal Council by the British Columbia Region of the Department of Indian Affairs and Northern Development in the fiscal year 1981-82, as described in the Department's budgetary control system, Commitment Number 78010, Certification Date May 6, 1981 in the amount of $37,000 (a) for what specific program, project or purpose was the money allocated (b) through what instrument was the request for funding made?

2. Were any of the funds, once disbursed by the Department, reassigned for uses beyond the direct authority or control of the Nuuchahnulth Tribal Council and, if so (a) for what purpose were they reassigned (b) to whom were they reassigned (c) were they reassigned with the approval or at the direction of the Department?

Hon. John C. Munro (Minister of Indian Affairs and Northern Development): 1. (a) forester; (b) contribution arrangement.

2. No; (a) N/A; (b) N/A; (c) N/A.

Question No. 4,446—**Mr. Oberle:**

1. With respect to arrangements entered into with the Nuuchahnulth Tribal Council by the British Columbia Region of the Department of Indian Affairs and Northern Development in the fiscal year 1981-82, as described in the Department's budgetary control system, Commitment Number 78011, Certification Date May 6, 1981 in the amount of $36,500 (a) for what specific program, project or purpose was the money allocated (b) through what instrument was the request for funding made?

2. Were any of the funds, once disbursed by the Department, reassigned for uses beyond the direct authority or control of the Nuuchahnulth Tribal Council and, if so (a) for what purpose were they reassigned (b) to whom were they reassigned (c) were they reassigned with the approval or at the direction of the Department?

Hon. John C. Munro (Minister of Indian Affairs and Northern Development): 1. (a) economic development officer; (b) contribution arrangement.

2. No; (a) N/A; (b) N/A; (c) N/A.

Question No. 4,447—**Mr. Oberle:**

1. With respect to arrangements entered into with the Nuuchahnulth Tribal Council by the British Columbia Region of the Department of Indian Affairs and Northern Development in the fiscal year 1981-82, as described in the Department's budgetary control system, Commitment Number 78012, Certification Date May 6, 1981 in the amount of $37,650 (a) for what specific program, project or purpose was the money allocated (b) through what instrument was the request for funding made?

2. Were any of the funds, once disbursed by the Department, reassigned for uses beyond the direct authority or control of the Nuuchahnulth Tribal Council and, if so (a) for what purpose were they reassigned (b) to whom were they reassigned (c) were they reassigned with the approval or at the direction of the Department?

Hon. John C. Munro (Minister of Indian Affairs and Northern Development): 1. (a) engineer; (b) contribution arrangement.

2. No; (a) N/A; (b) N/A; (c) N/A.

Question No. 4,448—**Mr. Oberle:**

1. With respect to arrangements entered into with the Nuuchahnulth Tribal Council by the British Columbia Region of the Department of Indian Affairs and Northern Development in the fiscal year 1981-82, as described in the Department's budgetary control system, Commitment Number 78013, Certification Date May 6, 1981 in the amount of $30,000 (a) for what specific program, project or purpose was the money allocated (b) through what instrument was the request for funding made?

2. Were any of the funds, once disbursed by the Department, reassigned for uses beyond the direct authority or control of the Nuuchahnulth Tribal Council and, if so (a) for what purpose were they reassigned (b) to whom were they reassigned (c) were they reassigned with the approval or at the direction of the Department?

Hon. John C. Munro (Minister of Indian Affairs and Northern Development): 1. (a) social worker; (b) contribution arrangement.

2. No; (a) N/A; (b) N/A; (c) N/A.

Question No. 4,449—**Mr. Oberle:**

1. With respect to arrangements entered into with the Nuuchahnulth Tribal Council by the British Columbia Region of the Department of Indian Affairs and Northern Development in the fiscal year 1981-82, as described in the Department's budgetary control system, Commitment Number 78015, Certification Date August 26, 1981 in the amount of $52,809 (a) for what specific program, project or purpose was the money allocated (b) through what instrument was the request for funding made?

2. Were any of the funds, once disbursed by the Department, reassigned for uses beyond the direct authority or control of the Nuuchahnulth Tribal Council and, if so (a) for what purpose were they reassigned (b) to whom were they reassigned (c) were they reassigned with the approval or at the direction of the Department?

Hon. John C. Munro (Minister of Indian Affairs and Northern Development): 1. (a) Band operations; (b) contribution arrangements.

2. No; (a) N/A; (b) N/A; (c) N/A.

Question No. 4,450—**Mr. Oberle:**

1. With respect to arrangements entered into with the Nuuchahnulth Tribal Council by the British Columbia Region of the Department of Indian Affairs and Northern Development in the fiscal year 1981-82, as described in the Department's budgetary control system, Commitment Number 79700, Certification Date June 24, 1981 in the amount of $20,000 (a) for what specific program, project or purpose was the money allocated (b) through what instrument was the request for funding made?

2. Were any of the funds, once disbursed by the Department, reassigned for uses beyond the direct authority or control of the Nuuchahnulth Tribal Council and, if so (a) for what purpose were they reassigned (b) to whom were they reassigned (c) were they reassigned with the approval or at the direction of the Department?

Hon. John C. Munro (Minister of Indian Affairs and Northern Development): 1. (a) forest management; (b) contribution arrangement.

2. No; (a) N/A; (b) N/A; (c) N/A.

Question No. 4,451—**Mr. Oberle:**

1. With respect to arrangements entered into with the South Island District Council by the British Columbia Region of the Department of Indian Affairs and Northern Development in the fiscal year 1981-82, as described in the Department's budgetary control system, Commitment Number 78001, Certification Date May 6, 1981 in the amount of $19,836.48 (a) for what specific program, project or purpose was the money allocated (b) through what instrument was the request for funding made?

2. Were any of the funds, once disbursed by the Department, reassigned for uses beyond the direct authority or control of the South Island District Council and, if so (a) for what purpose were they reassigned (b) to whom were they reassigned (c) were they reassigned with the approval or at the direction of the Department?

Hon. John C. Munro (Minister of Indian Affairs and Northern Development): 1. (a) Executive Director; (b) contribution arrangement.

2. (a), (b) and (c) This information is not available as the Department of Indian Affairs and Northern Development has not yet received the March 31, 1982, audited statements of the South Island District Council.

Question No. 4,452—**Mr. Oberle:**

1. With respect to arrangements entered into with the South Island District Council by the British Columbia Region of the Department of Indian Affairs and Northern Development in the fiscal year 1981-82, as described in the Department's budgetary control system, Commitment Number 78002, Certification Date May 6, 1981 in the amount of $28,487.84 (a) for what specific program, project or purpose was the money allocated (b) through what instrument was the request for funding made?

2. Were any of the funds, once disbursed by the Department, reassigned for uses beyond the direct authority or control of the South Island District Council and, if so (a) for what purpose were they reassigned (b) to whom were they reassigned (c) were they reassigned with the approval or at the direction of the Department?

Hon. John C. Munro (Minister of Indian Affairs and Northern Development): 1. (a) local Government adivsor: (b) contribution arrangement.

2. (a), (b) and (c) This information is not available as the Department of Indian Affairs and Northern Development has not yet received the March 31, 1982, audited statements of the South Island District Council.

Question No. 4,453—**Mr. Oberle:**

1. With respect to arrangements entered into with the South Island District Council by the British Columbia Region of the Department of Indian Affairs and Northern Development in the fiscal year 1981-82, as described in the Department's budgetary control system, Commitment Number 78003, Certification Date May 6, 1981 in the amount of $28,487.84 (a) for what specific program, project or purpose was the money allocated (b) through what instrument was the request for funding made?

2. Were any of the funds, once disbursed by the Department, reassigned for uses beyond the direct authority or control of the South Island District Council and, if so (a) for what purpose were they reassigned (b) to whom were they reassigned (c) were they reassigned with the approval or at the direction of the Department?

Hon. John C. Munro (Minister of Indian Affairs and Northern Development): 1. (a) Economic Development Officer; (b) contribution arrangement.

2. (a), (b) and (c) This information is not available as the Department of Indian Affairs and Northern Development has not yet received the March 31, 1982, audited statements of the South Island District Council.

Question No. 4,454—**Mr. Oberle:**

1. With respect to arrangements entered into with the South Island District Council by the British Columbia Region of the Department of Indian Affairs and Northern Development in the fiscal year 1981-82, as described in the Department's budgetary control system, Commitment Number 78004, Certification Date May 6, 1981 in the amount of $28,487.84 (a) for what specific program, project or purpose was the money allocated (b) through what instrument was the request for funding made?

2. Were any of the funds, once disbursed by the Department, reassigned for uses beyond the direct authority or control of the South Island District Council and, if so (a) for what purpose were they reassigned (b) to whom were they reassigned (c) were they reassigned with the approval or at the direction of the Department?

Hon. John C. Munro (Minister of Indian Affairs and Northern Development): 1. (a) Construction Supervisor; (b) contribution arrangement.

2. (a), (b) and (c) This information is not available as the Department of Indian Affairs and Northern Development has not yet received the March 31, 1982, audited statements of the South Island District Council.

STUDY OF CANADIAN RESPONSE TO NATIONAL ENERGY ISSUES

Question No. 4,459—**Mr. Mazankowski:**

Did the Department of Energy, Mines and Resources authorize a "study of Canadian response to national energy issues" and, if so (a) who will be conducting the study and at what cost (b) what are the terms of reference for the study (c) on what date will it be completed?

Hon. Jean Chrétien (Minister of Energy, Mines and Resources): The Department of Energy, Mines and Resources reports as follows:

EM&R, in consultation with Statistics Canada, initiated a research program in late 1980 to assess public knowledge, attitudes and behaviour patterns, over time, towards the energy situation in Canada. The "study of Canadian response to national energy issues" was part of this ongoing research.

Order Paper Questions

(a) International Surveys Ltd., 20 Eglinton Avenue E., Toronto, Ontario; Cost—$36,000.

(b) A national telephone tracking study to monitor Canadian attitudes, knowledge and opinion with respect to general energy issues and the National Energy Program.

(c) August 1982. Final analysis of the studies is expected to be completed by Statistics Canada by mid-October.

CANADIAN ENVIRONMENTAL ADVISORY COUNCIL

Question No. 4,460—**Mr. Mazankowski:**

Is there a Canadian Environmental Advisory Council and, if so (a) what are its terms of reference (b) who are the members of the Council (c) what, if any, funding is provided by the Government (d) what matters did the Council consider in the fiscal year 1981-82 (e) what was the total cost to the Government of the Council in the fiscal year 1981-82?

Hon. John Roberts (Minister of the Environment): Yes, there is a Canadian Environmental Advisory Council.

(a) Its terms of reference are:

1. To offer advice to the Minister on environmental problems referred to it by him.

2. To review the Programs and Projects of the Department of the Environment in the field of environmental protection and to criticize them to the Minister where he feels this is necessary; and

3. After consultation with the Minister, to conduct investigations and/or public hearings and to release factual reports of its findings on environmental matters of great public concern, in order to inform the public of the issues at stake.

(b) The membership of Council is as follows:

Chairman	Mr. T. Beck
Vice-Chairman	Dr. R. Bergeron
Members	
Ms. S. Holtz	Ms. N. MacPherson
Mr. M. Hummel	Mr. H. D. McRorie
Mr. T. G. Jeanes	Dr. P. F. M. McLoughlin
Professor A. R. Lucas	Dr. P. Meincke

(c) The Government provides an annual budget to cover operating costs of the Council.

(d) Matters which the Council considered during the fiscal year 1981-82 included: environmental toxicology, pesticides and the environment, environmental issues in northern Canada, environmental assessment and review process, public participation in environmental issues and management and protection of ecological sites.

(e) $240,000.

DEPARTMENT OF COMMUNICATIONS CAPITAL COST ALLOWANCES

Question No. 4,466—**Mr. Wilson**

1. Was Econalysis Consulting Services of Toronto given a contract for $47,500 by the Department of Communications in May 1982 "to conduct a study analysing refinements and possible alternatives to the capital cost allowances" and, if so (a) for what reason (b) was the proposal for the study initiated by the Department or by the company?

2. Does the Department have responsibility for changes in capital cost allowances or is this matter under the jurisdiction of the Department of Finance?

3. Could the study have been undertaken by the Tax Policy Branch of the Department of Finance and (a) if not, for what reason (b) if so, for what reason was it necessary to engage outside advice?

4. Does the Department of Communications intend to make the study public?

Mr. Jack Burghardt (Parliamentary Secretary to Minister of Communications): In so far as the Department of Communications is concerned, the reply to the above question is as follows:

1. Econalysis Consulting Services was given a contract for $47,500 (later amended to $62,325) by the Department of Communications.

(a) The study was commissioned in order to describe the current impediments to the operation of a successful Canadian film industry and to develop and analyse a package or proposals to deal with these problems. The film industry is in the midst of a very difficult period since traditional sources of financing have dried up and the level of production of films has decreased. A study was necessary in order to evaluate alternative policy strategies, so that aid to the industry can be directed most efficiently.

(b) The proposal for the study was initiated by the Department.

2. The Minister of Communications is responsible for the development of initiatives to stimulate Canada's cultural industries. However, changes to the Capital Cost Allowance must be approved by the Minister of Finance and the Policy Committee of Cabinet. The Minister of Finance has paramount responsibility for the management of the tax system and for short-term stabilization policy. However, as part of the Minister of Communications' over-all cultural responsibilities, he can put forward tax and tariff changes (including remission of tax under the Financial Administration Act).

3. The study could not have been undertaken by the Tax Policy Branch of the Department of Finance because the scope of the study goes beyond tax policy, dealing with other possible incentives to the production of films and videotape in Canada.

4. The Department will be making the study public.

* * *

[*English*]

QUESTIONS PASSED AS ORDERS FOR RETURNS

Mr. David Smith (Parliamentary Secretary to President of the Privy Council): Madam Speaker, if Questions Nos. 2,725, 3,518, 3,797, 3,809, 4,058 and 4,399 could be made orders for

returns, these returns would be tabled immediately. We might need two people to carry them as they weigh about ten pounds.

[*Translation*]

Madam Speaker: The questions enumerated by the Parliamentary Secretary have been answered. Is it the pleasure of the House that Questions Nos. 2,725, 3,518, 3,797, 3,809, 4,058 and 4,399 be made orders for returns?

Some Hon. Members: Agreed.

[*Text*]

LAWYERS HIRED BY GOVERNMENT IN ONTARIO

Question No. 2,725—**Mr. Beatty:**

1. Since March 1, 1980, were any lawyers in Ontario given work by the (a) Canada Mortgage and Housing Corporation (b) Department of Justice (c) Farm Credit Corporation and, if so, in each case, what was (i) the name and address (ii) the total amount paid (iii) the number of cases handled on behalf of the Department and each Corporation?

2. What are the names of the federal drug prosecutors for (a) Guelph (b) London (c) Windsor and, in each case (i) how many cases were prosecuted on behalf of the government and at what cost to the taxpayer (ii) which groups or individuals were asked to submit lists of recommended lawyers prior to the appointment being made and, for each individual or group consulted, what were the names of the other lawyers recommended?

3. What criteria were employed in selecting lawyers to prosecute drug cases on behalf of the government?

Return tabled.

GUARDS AT FEDERAL PENAL INSTITUTIONS

Question No. 3,518—**Mr. Hnatyshyn:**

1. For the years 1976 to 1980, what was the number of guards, excluding living unit officers, in the (a) British Columbia Region at the (i) Regional Psychiatric Centre, Abbotsford (ii) Kent Institution, Agassiz (iii) Matsqui Institution, Abbotsford (iv) Mountain Institution, Agassiz (v) William Head Institution, Victoria (vi) Mission Institution, Mission (vii) Matsqui Trailer Unit (viii) Ferndale Institution, Mission (ix) Elbow Lake, Harrison Mills (x) Pandora Centre, Victoria (xi) Robson Centre, Vancouver (b) Alberta Region at the (i) Edmonton Institution, Edmonton (ii) Drumheller Institution, Drumheller (iii) Bowden Institution, Innisfail (iv) Drumheller Trailer Unit (v) Grierson Centre, Edmonton (vi) Portal House, Calgary (vii) Altadore Centre, Calgary (c) Saskatchewan Region at the (i) Regional Psychiatric Centre, Saskatoon (ii) Saskatchewan Penitentiary, Prince Albert (iii) Saskatchewan Institution, Prince Albert (iv) Oskana Centre, Regina (d) Manitoba Region at the (i) Stony Mountain Institution, Stony Mountain (ii) Rockwood Institution, Stony Mountain (iii) Osborne Centre, Winnipeg (e) Ontario Region at the (i) Regional Reception Centre, Kingston (ii) Regional Psychiatric Centre, Kingston (iii) Prison for Women, Kingston (iv) Millhaven Institution, Bath (v) Collins Bay Institution, Kingston (vi) Joyceville Institution, Joyceville (vii) Warkworth Institution, Campbellford (viii) Frontenac Institution, Kingston (ix) Pittsburgh Institution, Joyceville (x) Bath Institution, Bath (xi) Beaver Creek, Gravenhurst (xii) Montgomery Centre, Toronto (xiii) Keele Street Centre, Toronto (xiv) Portsmouth Centre, Kingston (f) Quebec region at the (i) Regional Reception Centre, Ste-Anne-des-Plaines (ii) Correctional Development Centre, Laval (iii) Laval Institution, Laval (iv) Archambault Institution, Ste-Anne-des-Plaines (v) Leclerc Institution, Laval (vi) Federal Training Centre, Laval (vii) Cowansville Institution, Cowansville (viii) La Macaza Institution, L'Annonciation (ix) Montée St-François Institution, Laval (x) Ste-Anne-des-Plaines Institution, Ste-Anne-des-Plaines (xi) Ogilvie Centre, Montreal (xii) Martineau Centre, Montreal (xiii) Sherbrooke Centre, Montreal (xiv) Benoit XV Centre, Quebec City (xv) Pie IX Centre, Montreal (g) New Brunswick Region at the (i) Dorchester Penitentiary, Dorchester (ii) Westmorland Institution, Dorchester (iii) Parrtown Centre, Saint John (h) Nova Scotia Region at the (i) Springhill Institution, Springhill (ii) Shulie Lake, Parrsboro (iii) Carlton Centre, Halifax?

2. How many of the guards had a formal education of (a) less than grade 10 (b) grade 10 to 12 (c) some post-secondary training (d) a university degree?

3. For the same years, for each institution in Part I (a) what was the number of living unit officers and how many had a formal education of (i) less than grade 10 (ii) grade 10 to 12 (iii) some post-secondary training (iv) a university degree (b) what was the number of inmates (c) what was the total number of staff and (i) how many staff were in each job classification (ii) what were the salaries by classification level?

4. For the same years, for each institution in Part I, how many individuals admitted were (a) discharged to another institution (b) discharged to a residential centre (c) released on parole?

5. For the same years, which federal penal institutions (a) provided protective custody facilities and, in each case, how many inmates were held in protective custody (b) had Special Handling Units and, in each case, how many inmates were held in such Units?

Return tabled.

Question No. 3,797—**Mr. Lawrence:**

For the years 1976 to 1980, what was the number of (a) full-time (b) part-time psychiatrists at the Regional Psychiatric Centre, Kingston and, in each case, what was his/her (i) educational qualification (ii) previous work experience (iii) salary?

Return tabled.

Question No. 3,809—**Mr. Lawrence:**

For the years 1976 to 1980, what was the number of (a) full-time (b) part-time psychiatrists at the Regional Psychiatric Centre, Abbotsford and, in each case, what was his/her (i) educational qualification (ii) previous work experience (iii) salary?

Return tabled.

PRIVATE AND PUBLIC SECTOR SUPERANNUATION PLANS

Question No. 4,058—**Mr. Baker (Nepean-Carleton):**

What is the complete list of all private and public sector superannuation plans under federal jurisdiction?

Return tabled.

DREE—CLOSURE OF OFFICE AT SASKATOON

Question No. 4,399—**Mr. Hnatyshyn:**

Is the government contemplating the closure of the regional office of the Department of Regional Economic Expansion in Saskatoon, Saskatchewan and, if so, on what date?

Return tabled.

* * *

[*English*]

STARRED QUESTION

Mr. David Smith (Parliamentary Secretary to President of the Privy Council): Madam Speaker, would you be so kind as to call starred question No. 4,102.

[*Text*]

*ACT STUDIES ON CHANGES IN CROWSNEST PASS RATES

Question No. 4,102—**Mr. Nystrom:**

Did the Government undertake studies on the impact of the contemplated changes to the Crowsnest Pass rates on trade, on the balance of payments and on the value of the Canadian dollar and, if so (a) what were the studies and on what date were they completed (b) are there studies or proposed studies now under way (c) does the government intend to make the studies public?

[*Translation*]

Mr. Marcel Dionne (Parliamentary Secretary to Minister of Agriculture): Mr. Speaker, the answer to question 4,102 is as follows:

A consultant's study, recently completed for the Department of Agriculture, included an assessment of Canada's agricultural trade balance as part of its analysis of the impact of a change in the Crowsnest Pass freight rates.

(a) This study, "An Economic Analysis of the Crow Rates", by Dr. D. R. Harvey was completed on January 18, 1982. It shows that revising the Crow could improve Canada's agricultural trade balance by as much as $220 million in 1990, measured in 1981 dollars.

(b) No further studies are proposed or underway at this time. Export grain prices are established on the basis of world markets, and are not affected by changes in the cost of transportation within Canada. Canada's ability to export grain, however, is dependent on an adequate transportation system. It is this issue that the government's proposals to change the Crow rates are meant to address.

(c) Dr. Harvey's study is now available to the public.

[*English*]

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

[*Translation*]

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

Some Hon. Members: Agreed.

GOVERNMENT ORDERS

[*English*]

SUPPLEMENTARY BORROWING AUTHORITY ACT, 1982-83 (NO. 2)

MEASURE TO ESTABLISH

Hon. Paul J. Cosgrove (for the Minister of Finance) moved that Bill C-128, an Act to provide supplementary borrowing authority (No. 2), be read the second time and referred to a Committee of the Whole.

• (1630)

He said: Madam Speaker, the Financial Administration Act stipulates that statutory borrowing authority must be obtained from Parliament in order for the Government to increase its outstanding debt. Consequently, in order for the Government to borrow money to meet its financial requirements, statutory borrowing authority must be obtained from Parliament. Bill C-128 currently before the House seeks additional borrowing authority of $4 billion for the current 1982-83 fiscal year.

As Hon. Members will recall, so far this fiscal year the Government has obtained parliamentary approval for a total of $17.1 billion of borrowing authority. This amount is equal to the financial requirements forecast for 1982-83 in the budget presented by the Government in June. It is made up of $3.5 billion of unused borrowing authority carried forward from earlier years, $6.6 billion of authority for 1982-83 provided by Bill C-111, and $7 billion supplementary authority provided by Bill C-125.

Hon. Members will recall that the original Bill seeking supplementary borrowing authority for 1982-83 included a non-lapsing contingency reserve of $4 billion over and above the $7 billion needed to meet the financial requirements of the Government. However, during its passage through the House earlier this year the Bill was amended, the contingency reserve was dropped, and in lieu of the reserve the House moved that the Standing Orders be amended so that, if at any time prior to March 31, 1983 the Government introduced a Bill requesting new borrowing authority of not more than $4 billion, debate on all stages of that Bill in the House would be limited to a period not exceeding three days. Bill C-128 to obtain this amount is the one before the House today.

I mentioned earlier that the $17.1 billion of borrowing authority already granted was equivalent to the financial requirements for 1982-83 projected in the June budget. As Members of the House are aware, the financial requirements for 1982-83 have increased to $22.2 billion. These developments were explained to the House yesterday by the Minister of Finance (Mr. Lalonde). The Minister pointed out that the major share of the increase in the financial requirements was due to the increase in the budgetary deficit resulting from the weakness of the economy which had become more severe since the earlier forecasts were presented in the June budget.

As a result of this unanticipated weakness, revenue estimates have fallen almost $3 billion since June while outlays have increased by slightly more than $1 billion. Most of the remainder of the increase in financial requirements is due to the increase in the deficit in the unemployment insurance fund.

In view of the $5 billion increase in the financial requirements for 1982-83 since last June, the Government is required to enter into a larger debt program. This is the reason we are seeking additional borrowing authority at this time. However, the additional $4 billion sought in the present Bill will provide

the Government with total borrowing authority for this fiscal year of $21.1 billion, less than the $22.2 billion which I referred to. Furthermore, foreign borrowing, excluding the use of the standby lines of credit, has, on balance, used some $0.9 billion of the borrowing authority provided for this fiscal year.

In his statement to the House the Minister of Finance made it clear that, from the estimates he had presented, further borrowing authority would be required before the end of the fiscal year. The Minister stated that he intended to present a budget to the House early in 1983 and at that time would review the fiscal situation and seek additional borrowing authority as required.

I would like to draw the attention of Hon. Members to the fact that projections of financial requirements are made exclusive of future foreign exchange transactions. Recently the dollar has been firm; the Canadian dollar cash balances have been used to accumulate foreign exchange reserves. Foreign exchange markets can be extremely volatile and can have a major impact on the Government's operations. If the Canadian dollar were to continue firm, foreign exchange operations would result in further acquisitions of foreign exchange and cash balances would be depleted. This would necessitate a larger debt program to replenish the cash balances and would speed up the use of available borrowing authority. On the other hand, if the Canadian dollar is weak, exchange operations would run down official holdings. This would create the possible need to draw on standby credit. This too would accelerate the use of borrowing authority.

As a matter of interest to Hon. Members, I would like to set out the Government's debt program so far in the current fiscal year and the amount of borrowing authority that has been used to date. Before doing so I would like to reiterate and remind Hon. Members of the view the Minister expressed Wednesday, that he did not anticipate any problem for the Government in carrying out its debt program or that it would create difficulties for other borrowers. In fact, private borrowing has been very weak through the first half of the year while savings rates have been at very high levels by traditional standards. As a consequence, there is clearly no shortage of funds to satisfy the borrowing requirements of both the private sector and the various levels of Government. Indeed, given the current circumstances, it is appropriate that the Government provide the support to economic activity through its deficit, and the Minister in his speech dealt with that at length.

Up to November 1 the Government will have used a total of around $8 billion in borrowing authority, leaving $9.1 billion of the original $17.1 billion unused. The use of the borrowing authority is made up of $0.9 billion as a result of foreign borrowing and $7.1 billion as a result of the domestic debt program. The foreign borrowing represents U.S. $750 million borrowed in the Eurobond market last June and a partial redemption of a Deutschemark maturity earlier in the year. The domestic debt program comprises approximately $5.2 billion raised through the issue of treasury bills, $3 billion through the issue of marketable bonds, while Canada Savings Bond redemptions have reduced the amount borrowed by an approximate $1 billion.

The 1982-83 Canada Savings Bonds campaign is now underway and we expect that this will use up a major proportion of the remaining unused borrowing authority. However, even though we expect that the amount of unused borrowing authority now available will cover expected net sales of Canada Savings Bonds, it is nonetheless exceptionally difficult to fine-tune Canada Savings Bonds sales results. There are about 13,000 branches of financial institutions across the country acting as CSB sales and issuing agents and it is not possible to determine the exact aggregate amount of bonds they have sold at any point during the two-week campaign period. Up-to-date sales results have to be projected using sampling techniques which contain an element of error. In view of this uncertainty, Mr. Speaker, Section 3 of the Bill states that the new borrowing powers will be enforced on November 1, 1982. This provision has been used in the past to ensure that all Canada Savings Bonds sales are covered by unused borrowing authority.

• (1640)

Putting the request, Mr. Speaker, in the context of the present economic situation and the comments of the Prime Minister (Mr. Trudeau) and the Minister of Finance, the economic situation that our country is facing has been outlined recently by the Prime Minister in his remarks on national television. He outlined how Canadians are facing this problem together, as witnessed by the support for the six and five program contained in the budget in June. This program, as we know, is designed to achieve recovery and reintroduce strength into the economy.

The choices that the Federal Government faces are clear. We could, as the Prime Minister said, wring out inflation by brute force, cut billions from Government spending. We believe, of course, that such a course would be disastrous. We reject it immediately. We do not believe that it would improve the economy and certainly, Mr. Speaker, such a course of action, as has been indicated, would deprive Canadians of the help that they need desperately at this time.

[*Translation*]

We will not let down the unemployed, the aged nor the young people who are desperately looking for their first job. These people need unemployment insurance benefits, old age security pensions as well as training programs.

The industry needs grants for research and development as well as financial incentives. Farmers need loans at reduced interest rates. The building contractor will be tremendously helped by grants provided to home buyers.

[*English*]

The Minister of Finance's announcement will bolster business confidence. The many changes the statement made concerning the tax aspects of the other Bills before the House will bolster that confidence. That will result in improved investor confidence and, of course, Mr. Speaker, all of that is

directed towards the creation of jobs, a singularly high priority for the Government.

In summary and in conclusion, Mr. Speaker, approval of the borrowing authority in Bill No. C-128 is sought to support the needs of Canadians and to support Government programs at this time, all of which, as has been indicated, are directed toward the objective of economic recovery.

Miss Pat Carney (Vancouver Centre): Mr. Speaker, we have heard a lot of numbers from the Minister of State for Finance (Mr. Cosgrove), and I would like to give him two numbers. The first is that the average family income in this country is $29,900. The second is that in my home province of British Columbia the average family's share of the federal public debt, thanks to the Finance Minister's new budget, is $20,800. If you add in the provincial debt of around $9,900 per family, the fact is that the debt load faced by my constituents amounts to about $30,700 which exceeds the average annual family income in this country. That is the reality behind Bill No. C-128. That is the appalling and unpleasant truth which Canadians face today, and it is the shameful result of this Government's mismanagement of a rich and vibrant Canadian economy over the last decade. That is Bill C-128.

I would like to give the House some more numbers. In the economic statement last night the Government projected spending of $79.2 billion this year and a deficit of $23.6 billion. The gross national debt last March was $134 billion. Interest on the debt will cost Canadian taxpayers $16.7 billion this year.

These numbers are so large, Mr. Speaker, that they do not make a lot of sense to Canadians so we have broken them down in a more personal way. Government spending this year will be equal to $8,400 per taxpayer. This compares to only $1,700 per taxpayer in the year before the Prime Minister (Mr. Trudeau) took office. On a per capita basis Government spending this year will amount to $3,200 per man, woman and child in Canada, compared to only $500 per capita in the year before the Prime Minister first took office. Government spending is now more than six times greater than it was when the Prime Minister first took office and 15 times greater than any spending in any of the war years. One result is that one tax dollar in three is used to service the debt, compared to one tax dollar in nine only nine years ago.

We are now in a position, Mr. Speaker, where the increase in federal spending between the return of the Liberals in 1980 and the end of the current fiscal year will be 65 per cent, which is nearly double the increase in the nominal GNP of 35 per cent. Our party, of course, is pledged to keeping expenditure growth equal to, or less than, growth in GNP.

We need to review the reasons for this in order to understand the significance of this bill. One reason that the deficit has grown so rapidly is that the Government's financial forecasts contained in the infamous November 12, 1981 budget were wildly inaccurate. In order to correct its errors the Government asked Parliament last June to grant it authority to borrow another $6.6 billion, and in July the Government came back to us for another $11 billion. This, of course, was in addition to the carry-over of $3.6 billion in borrowing authority from the previous year.

My colleagues in the Official Opposition realized that this had to stop, that we could not keep writing a blank cheque for the Government to spend as it saw fit. We therefore forced the Government to reduce its last request for borrowing authority to $7 billion. The Government requested the additional $4 billion as an emergency fund, a slush fund, but we forced it to agree to return to Parliament if it needed to spend this additional money. We call that accountability, making the Government recognize that it is accountable to Parliament and to the Canadian people for the money it spends. We do not think that accountability is an unreasonable request. We expect the Government to explain to taxpayers what is being done with their money. We are not suggesting that the Government stop spending on important social programs. We do seek to force the Government to explain why it needs the money.

When the $4 billion we are currently debating is added to other requests for borrowing authority, as the Minister has explained, the total amount which the Government is requesting in this fiscal year is $21.2 billion, and the Government's financial requirements as set out in the Minister's statement last night now exceed $22 billion. In that statement the Minister of Finance made it clear he will be forced to seek even further borrowing authority before the end of the fiscal year, and in fact he intends to do so in his spring budget.

It is important to examine the reasons for this huge increase in borrowing authority. In his "fire side chats" the Prime Minister led us to believe the huge deficit we are accumulating is all due to the recession, and both he and the Minister of Finance have pointed out with some justification that revenue has dropped and expenditures on some safety net social programs have soared since the economy was allowed to free-fall. This is a seductive argument but it ignores an important point. Parliament will recall that the deficit for this fiscal year alone of $10 billion was projected in the November 12 budget on the premise of a third quarter recovery. In fact, when I asked the former Minister of Finance to explain why he expected the recovery since there was clear evidence that we had not bottomed out, he was unable to answer. The Minister in his own mini-budget now admits he expects the deficit to exceed $23.5 billion.

This huge and indefensible error in forecasting meant that Government spending was well out of control even before the economy began its drastic slide. Our current deficit is not so much the product of spending public money in bad times to protect the public interest; it is a direct result of spending too much money in good times and thus undermining the public interest.

• (1650)

The Minister maintains that the deficit will be reduced when the economy recovers. He is optimistic about gradual recovery in 1983, he says, when he expects real growth of

about 3 per cent next year. However, other independent observers do not paint such a rosy picture. The Conference Board of Canada cites consumer spending and business investment as major factors in determining the timing of the recovery, seeing some recovery of consumer spending but no reversal of the decline in the rate of business investment in Canada. I think we can understand that, considering the losses that business has incurred during this recession.

Regardless of the hoped for recovery and its timing, today Canadians live in a besieged economy. It is an economy hammered by two destructive budgets and a punitive National Energy Program, at a time when the key international markets have collapsed.

Many people in my home Province of B.C. are struggling simply to survive. I meet them on the streets and in my constituency office. There was the fisherman whose bank called his loan at the height of the salmon fishing season. There was the importer who told me in a state of near hysteria that the proposed retail sales tax changes would quite simply put him out of business. I am glad to see that the Minister of Finance (Mr. Lalonde) is reviewing that provision. There was the young businessman in a state of hysteria who slammed a government form down on my desk and said: "It will take me two weeks to fill out this form and I am already losing money." There was the man in desperate need of his income tax refund who was calmly told by the government clerk that because there was a change of address his refund would be another twelve weeks in arriving. There was the single woman who had been unemployed for more than a year and who was alarmingly suicidal. There was a former employee of mine, an extremely competent secretary, who told me that in the absence of work she was having to apply for welfare. In some communities people are bartering deer, which they hunt, for such staple foods as potatoes.

On a Province-wide basis the statistics define the body count. In B.C. total bankruptcies soared 90 per cent in the first seven months of 1982. That is triple the Canadian increase. In the forest industry, which accounts for 50 per cent of our provincial output, at mid-summer the IWA, our largest forestry union, estimated that 50 per cent of union members were off work and in the logging sector the number of workers laid off rose to nearly 65 per cent.

In our second biggest industry, mining, the Mining Association of B.C. estimates that 54 per cent of B.C. mine workers are laid off or unemployed. Some of the mine closures are permanent. About 3,500 mining jobs have been lost in the last year alone, some permanently; others are lost for a year or more. There are mining towns in B.C. which are in danger of becoming ghost towns. In Yukon, where the work force is laid off through the closure of Cyprus-Anvil Mining Corporation, people are staying in Faro because they have no place else to go. They will go through a cold winter with cold comfort from this Government. The construction industry, which has suffered through a strike, is reflecting the 49 per cent drop in building permits in the first six months of this year compared to the same period last year and the 80 per cent drop in housing starts since August, 1981.

This summer the B.C. unemployment rate was more than 13 per cent, which is more than double the unemployment rate of the previous year. To put that in terms of people, it means that there were 80,000 unemployed workers in August last year and that number rose to 180,000 unemployed people in August this year.

B.C. employers have projected a net hiring decrease of 25 per cent this fall. The rate at which people are applying for UIC has jumped by 80 per cent from September, 1981, to June, 1982, over the same period the year before. That is an 80 per cent increase for claims in unemployment insurance in the summer months, which are high employment months. In September this year 7,600 B.C. residents had exhausted their UIC benefits and will have to turn to welfare. That is almost double the rate for September, 1981.

The people of Canada do not need fireside chats by the Prime Minister to tell them to help each other or to work together. In Port Alberni, B.C., where, as I told the House this afternoon, 4,500 people were out of work at one point this summer—nearly one-quarter of the entire population—the unemployed have organized to form a volunteer organization which distributes food and clothing to the needy. Similarly, in the Cowichan Valley on Vancouver Island, out of work people have organized themselves into a group which gives counselling to those who are losing their jobs. Indeed, one of my constituents, a student who cannot find work, is employing his skills and earning money by designing and producing anti-Government buttons and stickers. He tells me there is a good demand for his product and that he anticipates an expanding market.

This economic climate is inflicting special injuries on two groups. The first group includes the people who may never return to their jobs. It is a fact that many companies are forecasting reduced payrolls and a reduced work force when the recovery does resume in the future. Some of these people have worked at their jobs for 20 years. They are finding the outlook for the rest of their working lives to be very grim. They are obsolete in their forties.

The second group which is being especially hard hit is young people. In terms of jobs, they are in danger of becoming the lost generation. Almost one-half of the 1.3 million unemployed in this country are between the ages of 15 and 24. These Canadians are the first to be fired usually, and the last to be rehired—if, in fact, they have ever worked at all. Many of them are seeking their first jobs. In B.C. unemployment among this age group has tripled over the last year to 22.1 per cent. The national average is still around 21 per cent.

In B.C. 25 per cent of young men are out of work and two-thirds of this age group will probably be laid off over the next year. As one frustrated young man said, describing his quest to find a job, "I have as much chance of finding a job as of becoming a Girl Guide."

In addition to cold statistics, there are thousands of other young people who have simply given up seeking a job. They are among the hidden unemployed. The Canada Employment and Immigration Commission has estimated that one out of every six Canadians gives up looking for work after a month of job search, after they have run out of unemployment benefits. Many young Canadians who have invested years of effort in seeking a professional education are finding that their hard won knowledge and hard won skills are not wanted.

In B.C. at my university, UBC, of the 60 foresters in the graduating class, only 26 found work and all but three of those jobs were in the public sector. Almost 40 per cent of UBC civil engineering graduates failed to find jobs since their most likely prospects were in the resource and construction fields, both of them in a severe recession.

Only one in three teachers graduated from Simon Fraser University have found jobs. These young Canadians are being denied the opportunity to explore and to achieve their potential and to provide for themselves and their families. They are the unwilling and unhappy victims of this Government's economic policies and they are the Canadians who are expected to pay off the enormous debt load which has been accumulating in the name of the public good.

What has been the Government's response to these difficulties? The Prime Minister has asked us to have faith in him, to trust him and to believe him. We are asked to accept the word of a man who implemented wage and price controls one year after promising not to and who campaigned in the last election on a promise of keeping oil prices low.

Yesterday the Minister of Finance rose in the House to present a budget masquerading as a financial statement. He also told us of his Government's new principles of economic management.

Mr. Speaker, do you want to end this debate at five o'clock, in which case I could resume at eight o'clock?

The Acting Speaker (Mr. Corbin): We shall now see the clock as reading five o'clock and the Hon. Member can continue at 8.00 p.m. tonight.

PROCEEDINGS ON ADJOURNMENT MOTION

[*English*]

SUBJECT MATTER OF QUESTIONS TO BE DEBATED

The Acting Speaker (Mr. Corbin): It being five o'clock, it is my duty, pursuant to Standing Order 40, to inform the House that the questions to be raised tonight at the time of adjournment are as follows: the Hon. Member for Portage-Marquette (Mr. Mayer)—Labour Conditions—West Coast work stoppage—Minister's position. (b) Request that Minister order resumption of work; the Hon. Member for Ottawa-Vanier (Mr. Gauthier)—the Constitution—Government help for minorities involved in court actions; the Hon. Member for Comox-Powell River (Mr. Skelly)—Foreign Investment Review Agency—Request for investigation on sale of Crown Zellerbach Company.

It being five o'clock, the House will now proceed to the consideration of Private Members' business as listed on today's Order Paper, namely, private bills, notices of motions (papers) and public bills.

There being no items on the Order Paper under the heading of private bills, the House will proceed to notices of motions (papers).

• (1700)

PRIVATE MEMBERS' MOTIONS FOR PAPERS

[*Translation*]

All items preceding No. 75 are allowed to stand by unanimous consent.

CANADA ASSISTANCE PLAN

Mr. Hal Herbert (Vaudreuil) moved:

That an humble Address be presented to His Excellency praying that he will cause to be laid before this House a copy of the latest signed agreement between the government and the Province of New Brunswick under the Canada Assistance Plan.

[*English*]

He said: Mr. Speaker, before I get directly into the subject matter of today's motion, I should like to make a couple of remarks concerning the use of Private Members' hour. I am a Member of the committee which is looking at the regulations of the House, and obviously the subject of the use of the time devoted to Members is one of our points of discussion. I hope we will be able to have a system in the future which will be a little more constructive, constructive in the sense that we know this afternoon we will be discussing an interesting subject and will talk through to six o'clock, at which time the debate will end. That is all that will happen.

The proposal I made as an individual Member of the committee—and of course I have no way of telling what the eventual recommendation will be—was that all representations made by Members in the form of bills, motions and motions for papers should be referred to a special committee established for the purpose of studying Private Members' business. That committee would then report as it saw fit on such items back to the House, at which point the House would debate the report of the committee and the House would have an opportunity to express an opinion via a vote. Since the vote would be on the report of the committee—and the report might be quite

different from the representation originally made by the Member—there could be a fairly free expression of opinion on the part of Members. It would not have the effect of law, but nevertheless it would be a clear expression of opinion and would be about the nearest thing we will ever come to in a free expression of the opinions of Members of the House.

The reason I want that procedure or something similar to it to be put into effect in the House is that at the present time we have no way, as far as papers are concerned, of obtaining, except by request, the documents we desire. This motion calls for the document which was signed between the Government of Canada and the Government of the Province of New Brunswick. Because of the moneys that were spent I believe that it should be made public.

The argument against making some of these documents public is that there would be comparisons made between Provinces which could lead to pressure on the part of the public for better services or more assistance. In other words, it would become more costly for individual Provinces. I consider this a specious argument. I believe it should be possible for individuals in various Provinces to make comparisons to see whether in their particular case their own Government was spending more or less than another Province on one particular service.

Another matter which I have tried to promote is that in the case of the Canada Assistance Plan, where the Federal Government contributes 50 per cent of the costs that are decided by the Provinces, the two distinct parts of the Plan—moneys which are paid for social assistance and moneys which are paid for social services—be separated. At the present time right across the country the proportion is approximately $2 for social assistance for $1 for social services. In my latest mailer to my constituents I showed, for example, that in the Province of Quebec for the last fiscal year, 1981-82, just under $1 billion was transferred by the federal Government under the Canada Assistance Plan to the Government of that Province. Approximately two-thirds or some $652 million was for social assistance and approximately one-third or some $346 million was for social services.

Just to put on the record the totals for the whole of Canada last year, the amount sent to all Provinces was $2,664 million. Again the proportion between social assistance and social services was approximately two to one—social assistance, $1.8 billion and social services, $864 million. The breakdown in the Province of Quebec for the last year, of course, I do not have, but the proportion has remained fairly constant from year to year. It might be just as well if I indicated that in 1977-78, for example, when the amount transferred to the Provinces was only $1.5 billion—and I have just read that it went up last year to almost $2.7 billion—the social services side of the payments was split, most of it going to homes for special care; the next largest sum for various welfare services; and smaller amounts for child welfare and health care.

The point I made in previous remarks in the House was that it was entirely the decision of the Province as to which social services they will support and the extent to which they will support them. Therefore I suggested that we change our system of support. Since the Federal Government has a tremendous impact on the amount of moneys paid out by the Provinces for social assistance—and of course that impact comes in the form of all its social programs such as unemployment insurance, pension plans, child tax credits, family allowances, and so on—I believe the Federal Government should pick up a bigger proportion of the cost. Initially I propose that we increase the contribution from the federal treasury for social assistance from its present 50 per cent to two-thirds of the amount spent by the Provinces. I suggested, on the other hand, that the federal contribution to social services be reduced and, just for the sake of argument, I suggested that they be reduced from 50 per cent to one-third.

Because the social assistance payment is approximately twice the size of that for social services, the effect would be to increase the federal contribution. Why do I want to do this? There are two reasons. First, it should be abundantly apparent that social assistance payments are much greater in Provinces where there is greater need. This is why I chose this afternoon to use New Brunswick as an example. Where there is increased unemployment or where a Province, because of its lower taxes, does not have the same revenue as wealthier provinces, then obviously there is a much greater cost to the taxpayer and possibly lesser benefit for those in need.

• (1710)

If we were to increase our contribution to social assistance we would be directly assisting those Provinces with the greatest need. Specifically, that would be the Maritimes, the Atlantic Provinces, the Province of Quebec, and to some lesser extent the Province of Manitoba. I have discussed this before, but this federal Government is going to have to consider some basis of payment across the board, some standard, some minimum income plan. This will be the first step toward federal intervention in the field of social assistance. In other words, by increasing the amount from 50 per cent to say, two-thirds, it can go on increasing until it picks up the lion's share. Ultimately, I would hope this might be as much as 85 per cent or even 90 per cent. The plan would continue to be administered, as it is at the present time, by the Provinces, but obviously as the contribution from the federal treasury to social assistance increases, so too will the Provinces be in a better position to give roughly equivalent service or assistance across the country. Because the amount spent on social services is somewhat smaller, there would not be the same financing difficulty for the Provinces.

I said at the beginning of my remarks that I hoped there would be some revision of the method in which we use these Private Members' hours. In the past, as we know, Mr. Speaker, we have been allowed to speak for 20 minutes. However, if I use my allotted 20 minutes, the spokesperson for the Official Opposition uses his or her 20 minutes and the spokesperson for the New Democratic Party does likewise, then there is no time for Government response. I would like to hear from the Government today if possible before this hour expires at six o'clock whether the Government has any ideas at all regarding a change to the format of the Canada Assistance Plan. With

the increased social assistance payments this year, I have no doubt that last year's total of $2.7 billion will be considerably exceeded. I imagine that in the current year we are probably looking at a figure considerably in excess of $3 billion, $3 billion being the federal contribution, which means that the total money spent must be in the order of some $6 billion or more.

I would like to hear from the Parliamentary Secretary who will be speaking on behalf of the Government whether the Government is giving any serious consideration to revising the Canada Assistance Plan so as to make it somewhat easier for the less wealthy Provinces to provide the social assistance payments necessary in these difficult times in those areas of the country where there is increased unemployment and where, as a result, more people are having to turn to welfare to put bread on the table.

I find it unfortunate that we have to go through a motion to request documents which, I believe, should already be in the public domain. I hope that with this continuing pressure one of these days the Provinces will agree that, in instances where the public purse is spending such large sums of money, all the material necessary for scrutiny will be available to the public.

I must put this on the record. I understand that it is not a refusal on the part of the federal Government to produce but that the federal Government must have the approval of the Provinces before it can produce the document I am requesting today. I would be happy if the Parliamentary Secretary would also comment on that point.

Mr. Bob Corbett (Fundy-Royal): Mr. Speaker, I am pleased to have the opportunity this afternoon to speak on the motion of the Hon. Member for Vaudreuil (Mr. Herbert). His Notice of Motion No. 75 requests a copy of the latest agreement between the federal Government and the Province of New Brunswick under the Canada Assistance Plan.

As I know you are well aware, Mr. Speaker, New Brunswick relies quite considerably on its co-operation with the federal Government, particularly in its dealings with the federal Government in assisting it to meet its obligations to those citizens of New Brunswick who are perhaps not as fortunate as their colleagues and who do require assistance from time to time either through the Department of Social Services or in a more universal way through the health care programs which the Province of New Brunswick has instituted. I am pleased to say that these are second to none in the nation.

I would also like to say a portion of these funds are channelled through to our educational requirements in the Province of New Brunswick which also are second to none in the Dominion of Canada.

As the Hon. Member has pointed out, New Brunswick does perhaps suffer more from a climate of difficult and poor economic times than the more industrialized parts of the nation, despite the efforts of the provincial government to attract new and exciting venture capital, which it has done quite successfully. The fact is that New Brunswick, along with Atlantic Canada, has suffered depressing times because of extenuating circumstances beyond its control over the last number of years.

I think it is also appropriate to point out that most likely New Brunswick, as well as its sister Provinces of Nova Scotia and Prince Edward Island, the maritime Provinces, provides a greater proportion per capita of its provincial income to these social programs, areas of social assistance, education and health programs than a number of its counterparts throughout the rest of the nation. So it is extremely important that New Brunswick continue to maintain a level of compensation from the federal Government that will ensure New Brunswickers are given as fair an opportunity as the rest of the citizens of this nation who live in other Provinces.

In that regard New Brunswick, I think, has probably experienced, over the last several months in particular, some devastating blows to its economy, blows which will, over the next few weeks or months, create a tremendous economic burden on the provincial government, the treasury and ultimately on its citizens. We have some very obvious examples, examples that unfortunately would not have had to come about if it were not for some of the policies that were instigated and undertaken by the present Government.

I would like to point out in particular the Federal Government's decision to close down CFB Chatham and to move the facility of that air base to Quebec. This move will put approximately 3,500 jobs out of existence in the Chatham-Newcastle area. Despite the assurances of the Minister of National Defence (Mr. Lamontagne) during the recent election campaign, which was successfully contested by the New Brunswick Conservative Government for an unprecedented fourth consecutive term, that the Government would relocate a department of its pay division to the Chatham area which would create 350 jobs—apparently 250 new ones since I understand that pay division only has 100 paying jobs in its department at the present time—this is a long way from replacing jobs which will be sorely missed by the Chatham and Newcastle region as a result of the Government's decision to move that air base from Chatham to the Province of Quebec. Those 350 jobs will barely represent 10 per cent of the total jobs which will be lost by the movement of that air base.

• (1720)

I would like to point out as well that the Province of New Brunswick has done much to alleviate the unemployment situation at a time when the Federal Government should perhaps have been taking a more active role in living up to its responsibilities and commitments to Provinces such as New Brunswick by ensuring that the citizens of that Province could live in an atmosphere and climate where they would be able to continue working and provide a decent living for their families.

During recent months we have seen negotiations successfully completed between Heath-Steele Mines, again in the northern region of New Brunswick, and the provincial government. Due to poor markets and a poor economic climate it was about to close down and throw a number of other people out of work. However, the provincial government succesfully concluded

negotiations with that company to have those jobs reinstated during a time when the picture might have been much more bleak than it currently is. I think these successful negotiations are to the detriment of the federal Government because it did not take its responsibility seriously.

We have also seen the Government of New Brunswick take the responsibility upon itself to ensure that the plywood mill in the Newcastle region was able to keep its doors open for another few weeks or months so that the workers in the industry in that region—at a time when Christmas is just around the corner—would have the opportunity to put at least a few dollars aside so their families may have a somewhat more pleasant Christmas than might have otherwise been the case.

Last year we were treated to the spectacle of the Government proposing to decrease equalization payments to the Provinces over a period of three or five years. Eastern Canada was to receive approximately $5 billion less in equalization payments. Obviously, this will make it much more difficult for Provinces like New Brunswick since it will adversely affect its health care program, increase the financial burden on the shoulders of the taxpayers in the Provinces, particularly the poorer provinces such as New Brunswick, Prince Edward Island, Newfoundland, Nova Scotia and Quebec. It will affect the educational programs which we are so rightly proud of in New Brunswick. It will mean less funding to the universities and as a result will cost the students more money if, indeed, they are able to obtain the money to continue their education. I dare say that some students will now be denied the opportunity to acquire an education because the Government has determined that it will decrease equalization payments substantially in the next few years to those provinces which so desperately require the additional assistance.

We have seen various programs introduced. We have seen the new Minister of Finance (Mr. Lalonde) tell the nation and the House of Commons yesterday that a job creation program will be set in place that will create untold numbers of jobs. This will be done with $1.2 billion which will be saved and gathered from other Departments which would have spent the money in other areas. We were told that there will in fact be a tax increase which will be paid by the employers and the workers of this nation which will amount to something in the vicinity of $3 billion plus.

There are more logical, reasonable and responsible ways that this Government could carry out its responsibilities. Let me give one or two examples of how this could be accomplished particularly in New Brunswick, since the Hon. Member's motion deals with that Province. In recent days the Minister responsible for the Wheat Board has been asked by a committee of concerned workers in the Port of Saint John to arrange for a few additional shipments of wheat and flour through the Port of Saint John during the off season. This is not something that the Minister has not heard before because I raised this matter in the House last May. I know that the Minister has been contacted previously by various officials of the Port Development Authority, the City of Saint John, other unions and officials from the city as well. All they were asking was that a few additional shipments of wheat and flour be shipped through the port facilities, which are fine facilities that have been developed over a number of years. The port has a good reputation and its workers are hard working and industrious people who have a good work history. They were only asking that a few additional shipments of wheat be sent through during the slack season so that the port may be utilized on a year-round basis. This would assist the workers in that area substantially. It is not an unrealistic request. Indeed, it is very acceptable. It is certainly within the Government's purview to arrange it.

For some reason the Government has determined that it will not treat the Port of Saint John as it treats other ports in eastern Canada. The Minister informed me that this would be inconsistent with present policy. It would not be in the best interests of the wheat and flour suppliers of the country. I question that reason because it is a fact that it is apparently acceptable for other ports in eastern Canada. If it is good for other ports, why can it not be done in the Port of Saint John?

I suspect that rather than a problem of economics it is a political problem. I believe if one were to examine the shipments going to the other ports it would be determined that with a proper attitude in the Government benches shipments of wheat and flour could indeed be diverted to some extent to the Port of Saint John during the off season instead of only during the winter months when that port, along with other ports in eastern Canada, are already busy. Of course, the Port of Montreal is an exception since it is frozen during winter. But no, we are told that that cannot happen.

• (1730)

The workers of that port city are not taking that as an answer. The workers have banded together and have formed a committee called the Port of St. John Committee of Concern. Indeed, they have a great deal to be concerned about when they see the utter rejection and lack of response from the Government with regard to their plight. In the City of St. John we have a shipbuilding industry which works out of a shipyard which is an excellent facility. If the Government were to take an attitude that is a little more objective toward the re-establishment of a merchant marine in this country, that shipbuilding facility in St. John and the shipbuilding facilities in Quebec and Halifax would find that currently they are providing very few jobs in comparison with those which would be created as a spin-off of a positive attitude toward the re-establishment of a merchant marine in Canada.

Daily I receive letters and petitions from workers facing lay-offs in the shipbuilding industry in my region and others throughout New Brunswick. Those who have been laid off or who are facing lay-offs are saying, "Where do we turn? For whom do we look?"

The Canada Development Community Projects will certainly not assist to any degree those people who have skills in the shipbuilding industry. However, their needs must be addressed. The Government should take a positive attitude, one which

would ultimately result in the creation of thousands of jobs across this nation in port cities such as St. John, Halifax, Vancouver and Quebec. It would mean a tremendous boost to the economy of the more depressed areas of this nation, such as those in New Brunswick and others in Atlantic Canada. It would mean a great deal to the citizens of those areas. It would mean that they could walk the streets with their heads held up high, knowing that they had jobs and did not have to go to the welfare or social assistance office, knowing that they did not have to come to Ottawa to petition their Members of Parliament to go to the Government and encourage an increase in welfare payments to the provinces.

We could be substantially more self-sufficient if the Government were to take a positive approach to encourage investment in this country, but it seems to take just the opposite point of view. What a pity, what a shame, that rather than standing up here today and discussing how we will make this country more vibrant through the establishment of a new shipbuilding facility, a new steel facility or a new ancillary facility for some industry which could be meaningful in terms of creation of jobs, we must speak about providing more social assistance so that people can go to the welfare offices and perhaps not be turned down as often as they are today.

Mr. Cyril Keeper (Winnipeg-St. James): Mr. Speaker, I have some brief remarks to make with regard to this motion. We will obviously allow time for the Government to respond, so we will not take up all the time that is available for this motion. First, I would just say that I think it is a good motion because it calls for the production of papers, papers which should be public. They should be readily available to people. I understand that one of the problems under this Canada Assistance Plan is that ordinary citizens, people interested in these programs falling under the Plan, have difficulty in finding out the full information with regard to the programs.

The Canada Assistance Plan is really a cost-sharing arrangment between the Provinces and the federal Government on a 50 per cent basis in order to provide social assistance across this country so that people can have their basic needs of food, clothing and shelter met. There are some good arguments why certain Provinces, such as New Brunswick, which are mentioned in this motion should have a more generous cost-sharing relationship than richer Provinces. For example, the Federal Task Force on Fiscal Federalism in Canada, a task force which was manned by a number of Members of this Parliament and which made recommendations in this area, recommended that in the case of have-not provinces, there should be a cost-sharing relationship which would require the Federal Government to pay 75 per cent of the cost and the have-not Provinces to pay 25 per cent. I think that is a good idea and would improve the Canada Assistance Plan.

However, I want to refer to the sort of central notion behind the Plan, which is that every citizen in Canada, every human being, has a right to have his basic human needs met, needs of food, clothing, shelter and recreation. These needs are normally met by the economy, by employment. In other words, if one has a job, not only does one receive the pleasure and satisfaction of doing one' work and the fulfillment that comes from being active, but one also receives a paycheque and can therefore meet the basic needs of one's family. The problem today, of course, is that a great number of Canadians, well over 2 million in real terms, do not have employment.

We hear many predictions from respected agencies, such as the Economic Council of Canada, that very high levels of unemployment will continue for a long period of time to come, perhaps four or five years, and that even after the so-called recovery arrives, we will have 10-plus per cent unemployment. That was really quite unheard of in Canada. We will have to do some very hard thinking should these predictions actually come to pass. Obviously, the first thing we should do is to take a look at how we manage the economy in this country. How do we create wealth? How do we create employment? It is evident today that we are not doing a very good job of that.

The fundamental change in policy and direction that we must make is not to rely upon monetary and fiscal policies alone as instruments of managing the economy because that is no longer sufficient. We must move beyond that point. We must adopt an approach today which allows the Federal Government, in consultation with provincial governments, labour, business and the financial community, to set some national economic goals for this country. Other countries have done this, countries such as Japan, Sweden and Germany, countries which have a lower level of unemployment than we have today. Our unemployment rate is at 12.2 per cent. Their rates are at much more modest levels. It is important to take note of the unemployment rate in the context of the Canada Assistance Plan because, as I said earlier, it is normally through employment and the income derived from employment that our basic human needs are met. It is only because some people cannot have employment that we must create something like the Canada Assistance Plan. I would therefore hope that in the not too distant future this country would make a very clear decision to move beyond treating the economy through the use of the traditional instruments of economic management which I have mentioned, fiscal and monetary policies, and begin to set some national economic goals, to take economic management, direction and development seriously.

• (1740)

I must again refer to the predictions I referred to earlier. The prediction is that even after the recovery, we will have unemployment in this country in the 10 per cent range. There will be many more people in this country without income to meet their human needs. They will not receive it through the normal accepted way of distributing income in our society.

In order to face up to that question, we will have to do some serious thinking as to how income is distributed in this country, for example, whether the Canada Assistance Plan is adequate. When we have the recovery and begin to face the real question of long-term unemployment, it will be time for us to look at an idea which is perhaps considered passé today, that is, guaranteed annual income.

A number of experiments respecting the guaranteed annual income have been carried out in this country. One was in Manitoba. The advantage of a guaranteed annual income over social welfare programs is that it provides incentives for those on welfare and our working poor to seek employment because the level of assistance received is graduated. If someone earns money, he does not necessarily lose the financial assistance being provided by the community as a whole.

The guaranteed annual income program has that advantage. It has other economic advantages in the sense that it will continue to ensure that people have money in their hands in order to purchase the necessities of life. That provides a demand for goods and keeps other people working.

It is very clear that we have to come to grips with the notion of providing sufficient employment so that there will be sufficient wealth to meet the needs of all of us. I suggest we again examine the idea of a guaranteed annual income in terms of its impact on demand and, in turn, keeping the economic engines of this country moving.

The Canada Assistance Plan has served this country well. If the Government moves to the point where it is going to re-examine this, I hope it does not make the mistake it has made in other social areas it has touched on to date, that is, withdraw its commitment, withdraw its money and retard advances we have made in terms of human need in the past.

Even though we are in an economic crisis, we must first consider the needs of the individual in this country. It is only on the basis of considering the basic human needs of all Canadians that we can ever hope to build a sane and rational economy, one that can function and provide employment and income for all and allow us to provide assistance to those who cannot provide for themselves.

Mr. Jim Schroder (Parliamentary Secretary to Minister of National Health and Welfare): Mr. Speaker, it gives me great pleasure to rise to speak on this motion concerning the Canada Assistance Plan. The Canada Assistance Plan Agreement between Canada and all Provinces and Territories as well as the amendments to schedules under the Agreement are public documents and, further to his request, the Hon. Member for Vaudreuil (Mr. Herbert) has received a copy of all agreements.

The Canada Assistance Plan, which was established in 1966, is still one of the Government's major vehicles for responding to the need of Canadians for income and social services in times of difficulty. These programs, which are of such importance to a great number of Canadians, are cost-shared by the federal Government through the provisions of the Canada Assistance Plan.

In an effort to help Canadians increase their understanding of an important social welfare program, an information pamphlet describing the Plan has been distributed to all recipients of federal pensions and family allowances. The pamphlet is available upon request from the Department of National Health and Welfare.

The social service area of the Plan is perhaps the lesser known provision of the Plan, and I would like to make some remarks on this from a Canadian social context. This will enlarge somewhat on the remarks made by the Hon. Member for Vaudreuil.

Generally we may say that personal social services are those professional and voluntary services which complement, supplement or are in place of services and care rendered by families or friends on an individual basis to relatives, friends or other individuals, but it may also be recognized that many of the ills that beset us in life are unsought. We do not voluntarily lose families and friends, become old or handicapped. The personal social services have been created to meet and mitigate some of these personal needs we may all experience.

As soon as we begin to think holistically about this set of services, we may also begin to recognize that these services are far from comprehensive and far from meeting all recognized needs, let alone those unrecognized or likely to emerge as our society changes.

It is one of life's ironies that personal social services have come to be recognized as a definite sector of services at the very moment when economic prosperity has itself come under challenge in North America.

Modern personal social services have evolved from institutional forms for care provided in the past for the more indigent, elderly and handicapped of the general public. It is perhaps because there was really no satisfactory place for children in Poor Law institutions that a variety of special institutions were created for young people who were beyond or without the care and control of their families or were delinquent. But industrial schools and reformatories did not stem the tide of children and young people who were needing some form of care. The creation of juvenile courts and the child welfare services was a response to the perceived needs of these children.

Personal social services still consist in large measure of institutional, that is residential, provisions and provisions which seek either to provide a substitute family or to support people in their own home.

It may be appropriate at this stage to recognize the interrelationship between the early child welfare services and the first measures of financial support, which was mother's allowances, given to families, especially widows who have children. What was recognized in the early years of this century is that children in single parent families are likely to be economically, if not socially, disadvantaged.

In the early days of the child welfare services, it was recognized that in the absence of some financial support being provided to vulnerable families, many more children were likely to be brought into care. Viewed in this way, mother's allowances were thus seen to be a preventive measure and they were the ancestor of most of our modern income assistance programs.

Notwithstanding this financial provision, the child welfare services have been called on to care for many thousands of

children, and it is not always obvious that the care thus provided has necessarily been beneficial, and that without the provision of more generous financial assistance, especially childrens' or family allowance, many children might not have been able to stay with their families.

I believe too that we must be aware that Canada has been much influenced by the American war on poverty. In the first place, this external influence was important in the mid-1960s when the federal Government sought to consolidate and expand the few existing cost-shared categorical income programs. The Canada Assistance Plan provided fifty-fifty cost-sharing of income assistance programs provided by the provinces to people in financial need. It also incorporated the new element of sharing the cost of personal social services provided to people in need or likely to be so.

• (1750)

So far as the social services are concerned, the Canada Assistance Plan has led to a grouping or re-grouping of services usually under the provincial departments of social services. While not exactly like the British model of free-standing social service departments, there are many similarities. This model has proved attractive in both Canada and the United States. Separation of income assistance and personal social service programs in the United States, imitated to some extent in Canada, has made it more possible to see the personal social services as a distinct sector. In both countries there has been a substantial growth in public expenditures on the personal social services since the early 1960s. In fact, so much was this the case that by the early 1970s in the United States the official view was these expenditures were uncontrollable. As a consequence, in October 1972, the United States Congress placed a ceiling on the total amount of such expenditures to be shared with the states.

One of the problems of two or more levels of government in the federal system of government is the equitable and predictable provision and distribution of public goods and services throughout the country. Personal social services have traditionally been provided by a heterogeneous set of public and private agencies in both the United States and Canada. As I indicated, the Canada Assistance Plan brought about some greater semblance of order. In the United States the 1974 Social Service Amendments, Title XX of the Social Securities Act also sought to bring greater order and equity by requiring all states to engage in a public planning process for the personal social services and, on the basis of such planning, to submit claims for revenue sharing to the federal government.

There was indeed a growth of expenditures in the social services under the CAP. Part of the growth simply represented the program maturing and being implemented. Until the early 1970s there were more children in care, and the child welfare service was growing, both in terms of staff and facilities. As in the United States the growth of expenditures did not all represent new services. It represented, rather, existing services becoming eligible for cost sharing.

There was also creation of some new sectors of provision. Child care services expanded until the mid-1970s, but the rate of growth then decreased. The growing number of old people in the general population, especially the proportion requiring institutional care brought about something of a crisis in the early 1970s. Most provinces recognized that they could not continue building and supporting more and more residential institutions. A number of comparative studies revealed that European countries in particular give much greater emphasis to community support services for the elderly and the handicapped. There was some hope that community care might be cheaper than institutional care. Not for the first time in the personal social services area, cheaper services may also be preferable from the point of view of the consumer. Many provincial governments are now providing quite extensive home care services.

The Canada Assistance Plan has itself operated with a somewhat restricted mandate. The test of financial, or potential financial, need has meant that the federal Government has not been able to encourage and assist the establishment in providing services for all income groups. Yet, what has become obvious is that child care services, home care services, homes for the aged, and so on, are needed by Canadians from all walks of life. In the early 1970s concerns about the terms of reference of the Canada Assistance Plan and public interest in the problem of poverty led the federal and provincial Governments to review their existing programs.

I think it is fair to say, Mr. Speaker, that personal social services in Canada, in both the public and private sectors, have grown significantly in the past 15 years. Their funding base is still linked in the main, however, to the financial mechanism for providing income assistance to poor people. There have not, to date, been sufficient funds available in the non-government sector to provide a wholly viable voluntary system of services. These are some of the problems.

Personally, what I believe needs to happen is a movement of personal social services from residential to a more respected and institutionalized role in our country. It is important that we, as representatives of all people in this country, ensure that social services become available to persons at all levels. I recognize that we are in a time of restraint and that scarce resources must be distributed in such a way that those who have the greatest need are cared for. At the same time, we must look to the future and recognize that each one of us, at some time in his or her life, will have a need for a social service for ourselves or for a member of our family. Who can tell when a difficult birth may result in a child being born with a handicap? Who has not had an emergency, financial, emotional or physical, when their marriage was threatened? Who will not grow older? Do we know how healthy we will be? What kind of support will we need to continue living the kind of satisfying, useful and independent life we all want to lead? We are all vulnerable. We all need social services. I believe it is imperative that our legislation and programs support these needs.

Mr. Benno Friesen (Surrey-White Rock-North Delta): Mr. Speaker, I want to follow, just for a minute, the sterling comments made by my friend and just point out to my colleague from Vaudreuil (Mr. Herbert) that if he would take note of the number of private members' bills that have been tabled in the House and talked out by the Government, rather than the Opposition, then he would not be so concerned about the issue. And if, as he suggests, it will be talked out by the Government, then maybe there is a signal going out across the country today that Government backbenchers find even greater barriers in talking to their colleagues on the Liberal side, and if the Government has difficulty talking to people across the country, that same phenomenon is happening within the Liberal caucus. If he wants to get the bill passed, all he has to do is talk to his Minister and get it negotiated before it is tabled in the House.

Mr. Norman Kelly (Scarborough Centre): Thank you, Mr. Speaker. I am delighted to participate in this debate this afternoon. As you well know, when the Canada Assistance Plan was passed in 1966, it replaced four federal-provincial programs which had been directed toward special target groups, the elderly, the blind, the disabled and the unemployed. At the time of its introduction, CAP was progressive legislation because it was based on the premise of providing assistance to all persons in financial need, regardless of the cause of that need.

Under CAP, a federal government shares in the cost of provincial and municipal social assistance payments as well as certain social service programs which are referred to in the act as welfare services. To be eligible for cost sharing, social assistance programs must meet, as you all know, three conditions. They must utilize needs testing, they must have an appeal system, and they must not impose residence requirements. The beneficiaries of the social assistance programs funded under CAP are those who have insufficient income to meet their basic needs. A large proportion of beneficiaries are disabled.

[*Translation*]

The Acting Speaker (Mr. Corbin): The hour provided for consideration of private members' business having expired, I do now leave the Chair until eight o'clock this evening.

At 6 p.m. the House took recess.

AFTER RECESS

The House resumed at 8.00 p.m.

GOVERNMENT ORDERS

[*English*]

SUPPLEMENTARY BORROWING AUTHORITY ACT, 1982-83 (NO. 2)

MEASURE TO ESTABLISH

The House resumed consideration of the motion of Mr. Cosgrove (for the Minister of Finance) that Bill C-128, to provide supplementary borrowing authority (No. 2) be read the second time and be referred to Committee of the Whole.

The Acting Speaker (Mr. Corbin): When the debate was interrupted at five o'clock the Hon. Member for Vancouver Centre (Miss Carney) had the floor.

Miss Pat Carney (Vancouver Centre): Mr. Speaker, when I began this speech this afternoon I discussed the shocking rise in government expenditures and in the deficit which has more than doubled in the last 11 months to $23.6 billion, according to the estimates of the Minister of Finance (Mr. Lalonde). I spoke about the size of the public debt which, at $134 billion in my province, exceeds the average family income on an annual basis.

I discussed how we had forced the Government to reduce its original borrowing bill from $11 billion to $7 billion and why we are having this debate on the additional $4 billion, in order to establish accountability to the taxpayers who put up the money. At five o'clock, Mr. Speaker, I was discussing the Prime Minister's reaction.

Yesterday the Minister of Finance rose in the House to present a budget masquerading as a financial statement. He told us of his Government's new principles of economic management. His Government has discovered the benefits of fiscal responsibility on the eve of asking Parliament for an additional $4 billion borrowing authority. His Government has also concluded, he says, that our economic dynamism stems from the health of the private sector. To encourage growth in the private sector, the Ministre intends to consult with business and labour and to provide an atmosphere of certainty and stability. This comment, Mr. Speaker, comes from the Minister who was responsible for the National Energy Program which was so destructive of trust, so destructive of the private sector, and certainly was destructive of stability.

Last night in his statement, the Minister made it clear that he could find no ways of financing his job-creation programs other than by increasing unemployment insurance premiums and in some re-allocation of existing funds. He has repeatedly rejected our Party's suggestion of an all-party committee which would review programs and suggest possible reductions in expenditures.

Let me identify some areas of spending in the past. These are drawn from the annual reports of the Auditor General, Order Paper Questions and estimates.

One is the area of cost over-runs. Shortly after becoming President of the Treasury Board in the Clark Government in

1979, the Hon. Member for York-Peel (Mr. Stevens) requested a list of current capital projects that were experiencing cost overruns. Treasury Board compiled a list of overruns of $1.1 billion. All of the overruns had occurred under the Liberals. In addition, he identified a further $920 million in overruns before the year was out.

Another area is employee efficiency. A study conducted by the Auditor General found that work performed by 50,000 clerical and regulatory employees could have been done by 38,000 employees.

Then there are the expensive, inefficient white elephants such as Mirabel Airport. This unnecessary and unwanted airport cost the taxpayers of Canada $500 million to build and has lost over $200 million since operations began in 1975. In the last fiscal year, 1981-82, Mirabel lost $30 million. In contrast, Malton Airport in Toronto had a profit of $39 million.

Then there is the wasteful expenditure on administrative expenses, including the $150,000 sabbatical being enjoyed by Dr. W. Edmund Clark in Paris. Dr. Clark was the head of the energy sector at the Department of Energy, Mines and Resources and was the bureaucrat responsible for developing the National Energy Program, which resulted in the loss of billions of dollars of drilling activity in Alberta and the loss of thousands of jobs. Documents leaked in September show that Dr. Clark is being paid an overseas adjustment of more than $6,000, relocation expenses of $25,000, education allowances of $5,000, living allowances of $33,000, and $2,000 for travel and research. All this is in addition to his salary, which is in excess of $80,000 per year.

In my own city, just down the block from me, resides a government official who is in charge of Transpo 86, the World Fair on Transportation and Communications. The rent on his apartment is $4,000 per month for five years. His neighbour in the same building pays $1,500 per month. When this was brought to the attention of the then secretary of state for External Affairs, an aide described this wasteful expenditure of $3,500 per month for five years as chickenfeed.

I sense among my own constituents a resolution that in a country of such enormous wealth as Canada, in terms of both its resources and its people, there must be better ways to reach our potential.

• (2010)

Our Party has developed a ten-point program which was described last night by our finance critic. It is our contribution to a national recovery program. In brief summary, because it was well described last night by the Hon. Member for Etobicoke Centre (Mr. Wilson), we suggest a control of the deficit and that the Government spending policy be contained. We would simplify the Income Tax Act and encourage risk taking. We would create a positive investment climate by reforming FIRA in order to support the dollar. We would amend the National Energy Program to reduce red tape and remove the retroactive confiscation feature which is considered such an unpleasant part of it. We would reduce red tape and unnecessary regulations. We would develop new technology through more aggressive research and development policies. We would emphasize training and upgrading of the labour force so that Canadians could take advantage of our new job opportunities and technology.

This may mean that employers would have to train people who would leave them in the future and that unions would have to be more realistic about retraining programs, but I think that is a responsibility which they are now prepared to share.

We would implement mini-projects as well as megaprojects and identify small business opportunities. We would continue to reduce interest rates and, in particular, moderate increases in regulated prices. Finally, we would expand Canada's trade potential, particularly in the Pacific Rim which is our front door on the fastest growing economic region of the world. This is what we would consider to be a constructive program which in time would, hopefully, eliminate the need for debates such as this one on excessive Government borrowing.

Some Hon. Members: Hear, hear!

Mr. Nelson A. Riis (Kamloops-Shuswap): Mr. Speaker, I have the dubious distinction tonight of rising to speak on Bill C-128, an Act to provide supplementary borrowing authority for $4 billion. It is not unrealistic to ask in what context this request is before us this evening. Of course, the most obvious statistic which jumps to one's attention is the fact that unemployment in the country is now in the 12.2 per cent range, meaning that approximately two million people are out of work in Canada.

Mr. Blenkarn: It is really 17.5 per cent.

Mr. Riis: In real terms it is 17.5 per cent, as my hon. friend suggests. Yesterday the Minister of Finance (Mr. Lalonde) said that we should not worry too much about this figure because he has a job-creation program which he is introducing. He is saying, "So what if two million people are out of work; we will create jobs in the next year and a half for 60,000 people." That still leaves approximately two million people out of work. The Government seems to think that this is an economic statement of which it can feel proud. It is beyond me, it escapes logic.

Also the Minister of Finance had the courage—and I give him credit where credit is due—to suggest that unemployment will continue in 1982 at the 12 per cent rate. His Department suggested that for the next five years it will be in the double-digit range, at least. I read with interest the suggestion of the Conference Board that in 1983-84 it will be about 13 per cent. Another prediction agency suggested as high as 14 per cent for the next year or two. Can we listen to the facts and figures which come out of the Department of Finance? Can we have any faith in the figures which come out of Government departments?

I remember very distinctly about a year ago when the then minister of finance rose and said that he was very disappointed

in the size of the deficit that year. He suggested that the deficit for the fiscal year 1982-83 would be $10.6 billion. People shuddered at that figure; it was an incredible figure. Not many months later there was an upward revision, a slight upward revision from $10.6 billion to $19.6 billion!

Mr. Anguish: A small miscalculation.

Mr. Riis: It was a sharp shock, a small miscalculation as my hon. colleague says. Then 15 weeks later it was revised upward again to $23.6 billion.

Mr. Blenkarn: They are raising the deficit like they do the gas prices.

Mr. Riis: We are still not at the end of the year. What will the final figure be? It seems as if the game of roulette is being played—spin the marble and see where it comes up, and it goes up higher every time.

The Government asks us to have faith in its ability to manage the finances of the country and to have a sensible fiscal and monetary policy. It must be dreaming.

I should like to refer to one small point which was made by my hon. colleague to the right. She drew attention to the fact that some months ago the Progressive Conservatives took some credit for the fact that they had encouraged the Government to manage its fiscal responsibilities better, that they had stopped the request for a huge borrowing amount and that they had made a deal so that the Government would have to return and explain once again how it would spend $4 billion. Mark my words, those fellows across the aisle will not be explaining how they will spend that $4 billion. They will whistle and waffle and pull figures out of the air. They will try to explain all the jobs they are creating—60,000 out of a need for two million. I ask Progressive Conservative colleagues to my right whether they were successful in encouraging fiscal management across the way. Was their tactic an appropriate one?

Mr. Blenkarn: We got them back in the House for another shot at it.

Mr. Riis: Indeed. There is no question that the Government of Canada has misread the economy of Canada.

I listened with interest a few nights ago when the Prime Minister (Mr. Trudeau) sat down to his three-act play to explain to Canadians the difficulties which they were facing, as if all of us lived in some mystical world, some never-never land, and were unaware of the problems. He laid them out in his very philosophical and articulate way so that everyone would understand how difficult things were today in Canada.

Then the Minister of Finance rose in the House yesterday, backtracked on the two previous budgets and changed a number of taxation policies which the previous minister of Finance had brought in. The previous minister had changed his budget 36 times. The new Minister of Finance changed it another eight times. They do not know what they are doing. They do not know if they are coming or going, it is obvious. What kind of leadership are these people providing for Canadians? The Minister of Finance rose in the House and said that resources needed to be developed—a profound statement—that forests needed to be replenished, that fisheries needed careful husbandry, that we needed new production techniques established in Canada, that we must develop a new technological basis in the country, and that we needed increased investment. The people across the way have been living in a fairyland. There is no question that Canadians were not aware of all of these needs many, many years ago. It was not a revelation to hear that we need to manage our forests more adequately and to seek more investment in Canada's growth. Why has it taken these people so long to realize what Canadians have known for a long time?

The New Democratic Party had a task force which toured the country last December. We visited every part of the country. We held open hearings and asked everyone who was interested to come forward.

Mr. Blenkarn: We had 63 Members out. How many did you have out?

Mr. Riis: When this man to my right has nothing else to say, he bleats and yells out. I will listen very carefully to his profound words in a moment.

An Hon. Member: Profound!

Mr. Riis: Did I say, "profound"? I meant preposterous.

In our task force hearings last December the people of Canada made it very clear that they understood the seriousness of the economic situation facing Canada. They understood where the unemployment figures in the country were going, the problems in the fisheries, in the agriculture, mining, service and quaternary sectors. They understood that we were facing unprecedented levels of personal, business and farm bankruptcies. They recognized that the tax proposals of the previous minister of Finance were inappropriate, were thought through in a rather casual and lackadaisical way, and that they were ill-conceived. As a result, week after week we have seen those same tax proposals gutted from the Government's position. For the Government to take a year from last November to come before this House to make a very profound statement on the difficulties facing Canadians is not only disappointing but it is rather irritating as well. The Minister of Finance stood up and said to those in western Canada, "We have good news for you. We are going to set aside $400 million for the western Canadians." Do you not remember, Mr. Speaker, that not long ago we were promised $4 billion in the Western Development Fund?

• (2020)

Mr. Blaikie: It shrank.

Mr. Riis: It shrank. As the previous speaker indicated, I think the Government put the zero in the wrong place. It was not $4 billion because we now find out it is only $400 million.

The Prime Minister and the Minister of Finance had a great deal to say about the survival of the fittest in these times. The Prime Minister said that the weak must be assisted and helped. What he meant, of course, was that the 2 million people unemployed today are weak. I find that a very painful statement. I find it to be a very thoughtless statement coming from the Prime Minister of this country. To think that 2 million people who are presently out of work because they are weak is wrong. Nothing could be further from the truth. It is a result of the ill-conceived economic policies of this Government over the last 14 years. That has resulted in the economic environment which has led to these 2 million people being unemployed. I realize that there are other circumstances that must be brought to bear on that explanation as well. There are external factors that influence the picture. However, we would have to admit that to a large extent the Government of Canada brought us into this mess and it is up to the Government of Canada to get us out of it. Work, not welfare, is what the unemployed in this country want.

What did the Minister of Finance say about assistance to the forest industry, an industry which cuts across every province and territory in this country? He said nothing to assist the forest industry. He said nothing to assist the mining industry. He said nothing to ease the energy costs of farmers and fishermen. He said nothing to assist the various service groups in this country and nothing to assist the small business sector. Sorry, that is not true. The Minister did say that he had something to assist the small business sector. He was referring to the small business bond. But try to get a small business bond, Mr. Speaker. Small business bonds are provided through the banks of Canada. The banks of Canada do not issue small business bonds because the banks have already used up that capacity. But the Government takes out full page ads in the newspapers and magazines of Canada stating, "Here we are, we are helping small business. Take out a small business bond." But small business bonds do not exist in this country. There are no small business bonds. Then the Government says, "We have another program as well to assist small business but we have not introduced it into the Commons yet. We will, however, approach the banks of Canada asking them to have faith in us."

Would you have faith in that group over there? Would you have faith in the Government of Canada considering where it has taken this country? The bankers do not have faith. Canadians do not have faith. There is no way on this earth that the banks of Canada will introduce a program until it is signed, sealed and delivered in this House of Commons and the Senate.

Again, where is the assistance to small business, other than in the myths and in the rhetoric that we have become used to in this country? There is nothing for the steel industry. There is nothing for the auto industry? There is nothing for the home owners of this country, except for a couple of minor programs. We have seen how successful they have been in stimulating the construction industry. I look across the way at a person who understands the housing crisis only too well. Today he must admit that the stimulation we were promised for the housing industry of Canada is yet to come. We are still waiting for it.

There are nearly 2 million people in this country who are unemployed. Canada is known as the basket case of the western industrialized nations. We are the losers. We are the laughing stock of the western industrialized nations. It is with a great deal of concern that I say that. I have just had the good fortune of returning from attending an international congress of small business. There was talk about small business around the world. People from Sweden, West Germany or Britain ask which country you come from. When you say Canada, they have a funny look on their face. People thought that Canada was one of the richest countries in the world. People thought that Canada had more advantages than virtually any other country in the entire world. Why then are we the basket case of the western industrialized nations? Why is Canada falling behind?

Mr. Cosgrove: It is your fault.

Mr. Deans: You could not build a house.

Mr. Riis: This man across the way could not build a house. He is responsible himself for the housing situation in this country. It is at the lowest ebb it has ever been since the 1930s, and he is saying that it is our fault?

We should have three priorities in this country. I was hoping the Minister of Finance in his economic statement yeaterday would identify those three priorities. Those three priorities ought to be jobs, jobs and jobs. Until we start putting people to work in this country, there will be no economic recovery.

Mr. Dionne (Northumberland-Miramichi): Start spending money.

Mr. Riis: You cannot have an economic recovery in a system like ours, a capitalist system that depends upon continued expansion in terms of goods and services, if people cannot buy them. That is what we are up against today. People cannot purchase goods. People cannot purchase services. The way, presumably, to resolve this is to throw a few more people out of work.

The Minister said that he was going to set aside $500 million to create 60,000 jobs over the next year and a half, jobs essentially to get people back on UIC. What he is saying is that so many people now have been on UIC for a year who are now moving on to welfare and we have to get them back on to UIC. Therefore, we have to give them a temporary job for a few months so they will requalify and so continue on UIC benefits. That is an imaginative way to get Canadians working in a meaningful way. To accomplish this the Minister of Finance is going to take some money out of one pocket in order to put it into another. He is going to take jobs from the energy sector and he is going to take jobs from the foreign aid sector. There are a number of jobs in the foreign aid sector when you start cutting back considering the amount of tied aid that our colleagues across the way have. They are going to be losing

jobs in the defence sector, and because we will have UIC premium rates increased for the workers of Canada by 40 per cent it will mean that an average of $135 will be taken out of the pocket of every working Canadian. Those dollars will not be purchasing goods and services and creating jobs. For employers the premium will rise 50 per cent. This will take in excess of $1 billion out of small businesses in Canada. Is that the kind of encouragement, nurturing and support this Government gives small business and the workers of Canada?

I will venture a guess this evening that rather than create 60,000 additional jobs because of the programs introduced by the Minister of Finance in his statement yesterday we will lose more than 60,000 jobs. There will be a net decline in job creation in this country as a result of this imaginative proposal introduced by the Minister of Finance.

We hear a great deal about the six and five program, and yet we increase the UIC premium 40 per cent and 50 per cent. The Government calls for justice, equity, sharing and concern. Where is the justice in increasing those payments 40 per cent for the workers of Canada? Where is the justice? If we want to have a fair system in this country and if we are really trying to raise money for the unemployed, why is it we put a cap on the income you must reach after which you pay no more premiums for the UIC fund? That ceiling will be placed at about $20,200 in the next number of weeks so that those people making $40,000, $50,000 or $100,000 a year pay the same as the person making $20,000 a year. That is a regressive system. I want to emphasize that to my colleagues across the aisle who like to use the terms fairness and equity in their rhetoric. Let them describe the fairness in that approach.

This peculiar situation in which we find ourselves today is becoming a sociological phenomenon. Canadian society, in terms of its economic relationships, has changed fundamentally in the last six to ten months. There are people now numbering in the tens of thousands who find themselves needing welfare but cannot qualify for it. They made the mistake of owning a modest home or car and now they do not qualify for welfare.

• (2030)

What kind of figures are we speaking about? In the remaining part of this year, 1982, 55,000 people will run out of unemployment insurance benefits every month and will essentially be looking at welfare for support. How many jobs a month will the new program of the Minister of Finance create? It will create 1,200. That leaves a shortfall of 53,800 every single month for the rest of the year. In January it will begin to rise to the tune of 90,000 people a month who will fall off UIC. Is there any talk of extending UIC benefits? Of course not.

There is nothing in the Minister's statement regarding interest rates, which still remain unchecked and volatile. We have seen them migrating downwards for ten weeks in a row now. What will happen after the Congressional elections in the United States? Will they stay down? Just watch what happens. I remember very distinctly when Ministers across the aisle indicated not too many months ago that there would be interest rate relief for home owners. I remember the previous minister saying on television, "Mark my words, you will have interest rate relief." We have a program and we will definitely introduce it." I heard the Minister of State for Small Businesses (Mr. Rompkey) say that as well. I heard the Minister responsible for Agriculture (Mr. Whelan) promise interest rate relief. Where is it? There is no attention being paid to stabilizing those unstable interest rates.

History was made not long ago when 80 economists met in central Canada and actually agreed on something. They agreed that interest rates must be lower and the money supply must be loosened if we are to have any economic recovery in Canada. We may not need economists to understand and figure that out and make that claim; we have been claiming that for three years. However, it is encouraging to see 80 economists agreeing on anything, let alone something which ought to send a very clear message to the Government.

Was there any discussion by the Minister of Finance about research and development? There was nary a word. Whether it is a stopgap or band-aid—call it what you like—this Government is taking Canada nowhere.

We have a few programs. The ILAP Program was to be the program to save the troubled cities of Canada. It is saving one troubled city which is Windsor. It is not surprising that three Cabinet Ministers come from that city. Perhaps one must find a city where there are three Liberal Cabinet Ministers in order to receive some aid.

Mr. Deans: It is not working very well there.

Mr. Riis: As my colleague, the Hon. Member for Hamilton Mountain (Mr. Deans) says, it is not going very well there. It did not work in Uranium City either.

In British Columbia we heard a great deal about the famous bridging program that was going to put all the unemployed IWA workers back to work. Believe me, that has not occurred. The words that come to mind to describe that program are not utterable in the House.

Mr. Deans: Fraudulent.

Mr. Riis: Fraudulent is a good word. Again, the hopes of IWA workers in Canada were lifted just like the Government has been lifting the hopes of Canadians from all walks of life, peaking their interest, only to dash their hopes time and time again. We heard an economic statement the other day. Canadians were watching and listening very closely, with their hopes lifted only to be thoroughly disappointed.

The work-sharing program introduced by the Minister of Employment and Immigration (Mr. Axworthy) was a joke. Again, it was not thought through in an adequate fashion and will not serve the purpose for which it was intended. Under these catastrophic economic times we are not even able to assemble an adequate bureaucracy to process UIC claims on time. People in various parts of Canada must wait one month, two months and three months simply to have their claim processed. What are they to do in the meantime? They are out

of a job through no fault of their own and they do not qualify for welfare. They have paid into that insurance fund for many, many years and are unable to take advantage of something that ought to be there in place for them. That is the least that the Government can do, but even in that case it has faltered and failed to deliver.

One must ask why this Government does not introduce decent long-term job-creation programs which will have results for many decades into the future, such as, for example, a massive reforestation program. What part of Canada has been nurturing and husbanding its forests adequately? What part of Canada has a reasonable and sensible re-forestation silvaculture program attached to it? Virtually none. This must be done in order to continue to have a renewable resource in our forests. Again, this is not the kind of program the Government introduces.

Another example is the salmon enhancement program. We can look at mining exploration, site preparation and the placing of marginal farmlands into production. There is a great variety of programs that the Government could be introducing, but it continues with the simplistic make-work, look good programs that have resulted in the type of economic structure in this country which is inappropriate in many cases.

For too long we have looked to others to solve our problems for us. We have looked to the private sector. I frequently hear from my colleagues to the right who suggest that we should leave it to the private sector because they do everything so well. Consider what Dome Petroleum has achieved and how well Massey-Ferguson did. They have done an excellent job. We in this Party are certainly not looking to the open marketplace to solve our problems for us. It is time that we stopped looking to the American, Dutch or French corporations to solve our problems. Let us look to ourselves, let us turn inward for a while and say that we can solve our problems in this country. We can lead the way in solving our problems. We have looked to foreign corporations and others to resolve our economic difficulties for too long.

Let us examine western Europe and Japan to see what they do. Those governments have a goal, a strategy or a master plan that indicates the way their countries should be evolving. They do not do it on their own, it is not a government idea. They consult with labour, management and their various states or provinces to come to a consensus that recognizes the strategic advantages of the country to determine how they will proceed. They send out a very clear signal to the private sector, the local governments, provincial and regional governments, as to the direction in which the country should be proceeding. The western European nations have done this and Japan has done it. To this day they have not experienced the basket-case status of Canada. They have a concept of where they are going and they implement strategies to get there.

We can do the same thing. It is obvious to anyone who examines what our economic advantages are in this country. We have the existing vehicles necessary to accomplish this. We can use the tax system to encourage the strategic economic sectors of this country. In the short term, we can develop job-creation programs that will produce results later on, such as re-forestation to build a sound economic forest resource base in Canada. We do not need to expand the deficit to accomplish that. We can look at our tax system, discover its faults and ask why it is that every year hundreds of Canadians who earn incomes well over $100,000 pay not a single penny in income tax. Why is that? Should that not be changed? Of course it should. We should be plugging these loopholes so that those who ought to be paying taxes pay their fair taxes. All we ask is that there be a fair tax.

• (2040)

Mr. Blenkarn: If you don't earn a living, you don't pay taxes.

Mr. Riis: Listen to the bleating person over here who says, "If you do not make a profit, you do not pay taxes". Some things in life are self-evident. A person who makes $100,000 or $200,000 a year should be asked to pay some income tax, but this man does not think he should pay income tax. That is the Tory logic. The Tory base of argument and discussion.

During these very difficult times when we are attempting to raise funds to put people back to work in meaningful ways, is it not reasonable to expect that we would ask those in the upper income brackets to assist a bit more, to ask those folks making $40,000 or $50,000 a year in taxable income to simply add 2 percentage points on to that? If one made over $200,000 a year, we would ask that that person's income tax be increased by 9 per cent. Is that being unrealistic? Yet the hundreds of millions of dollars which would result in a simple tax adjustment like that would put many Canadians back to work under meaningful job-creation projects. Then we should consider some of the waste which could be cut from the Government departments.

An Hon. Member: Cut the Liberal caucus.

Mr. Riis: Some people would call the Canada Unity Information Office a propaganda arm of the Government for it simply promotes Government advertising. I wonder how pleased those Canadians who are unemployed, or who are being threatened with the possibility of becoming unemployed, are to see these full-page ads in all the newspapers, costing tens of thousands of dollars, which state, "We are that close to energy-self-sufficiency." How does one feel, when one cannot put food on the table for one's children, to know that the Government is spending hundreds of millions of dollars on advertising to tell how wonderful it is? I will tell Hon. Members the best way to tell the people of Canada how wonderful the Government is: do something for the people of Canada. Do something as opposed to simply talking about some of these simplistic programs. Yes, there is a great deal of waste slush material which could be cut from the Federal budget. I suspect that no one would even know if it was gone. That, again, is what the Government needs to do.

I can say without hesitation that there are answers to our problems. In a recent speech in Hamilton, my leader laid out a recovery program for the country. Unlike our friends in the

Progressive Conservative Party, he said, "This is precisely what we would do to get us out of this disastrous situation". He laid out the precise steps: one, two, three, four; he broke it down: A, B, C. The Progressive Conservatives say that we must change the national energy policies, make some airy-fairy comments about improving Government and so on. I hope that when Hon. Members stand up to speak following my speech, they will be precise as to their ideas concerning economic recovery.

We know that this country has a great deal of potential. We know that there are alternatives, choices and opportunities which have not been identified or addressed by the Government. Tonight we are being asked to approve the expenditure of $4 billion. The Prime Minister asks us to pull together. From this side we are asking, what is it that we are pulling together? Why are we pulling it together? Where are we pulling it? These are the questions. What are we doing? The Government needs $4 billion to do what? We would simply like someone to tell us what we are pulling together, why we are pulling it and where we are pulling it.

Until the Government can present an industrial strategy to this House of Commons, an economic statement which will lay out in clear, articulate fashion a program which Canadians can support and embrace, this Party will never approve the borrowing of an additional $4 billion.

[*Translation*]

Mr. Pierre Deniger (La Prairie): Mr. Speaker, I am really most anxious to start my speech. I have seldom seen the members opposite as attentive as they are now to what I am about to say to the House and to the Canadian people this evening. Everyone is here to learn something and I fully intend to give them a few lessons here tonight.

Mr. Speaker, I am especially pleased to be taking part in the debate this evening, because in recent years when we have been discussing borrowing authority bills, the bills were introduced in a context that was often a very difficult one. Mr. Speaker, yesterday we listened to a statement on the economy by the new Minister of Finance (Mr. Lalonde), a statement that according to Quebec's editorial writers, and I am thinking of Marcel Roy and Jean-Louis Roy and a host of others, was very well received. One of the editorials appeared under the heading: A glimmer of hope, while another bore the title: Direction and leadership at last. Mr. Speaker, there is no doubt that people who are complaining that our government failed to provide long-term policies in yesterday's message by the minister entirely failed to understand what the point of the exercise was, because the minister was, in fact, responding to a situation that is temporary. And as I said this morning, during a debate I had with a member from each opposition party who called it a budget, if they want to call it a budget, they are welcome to do so, but it is an economic statement.

However, Mr. Speaker, in the present situation, in this worldwide economic recession, is there any hope at all, is there a light at the end of the tunnel? The unemployment rate is absolutely devastating. In Canada, for instance, it has reached an average rate of nearly 12 per cent. However, we must not forget it is 10 per cent in the United States and 14 per cent in Great Britain, and nearly 15 per cent in Quebec, as you know, Mr. Speaker. It is a situation that is causing great hardship for those who are being affected at the present time and it also causes a general malaise among those who feel the threat of unemployment hanging over them. One thing is very important and it is something I appreciate in the current debate, namely that the government on which people used to depend for solving all their problems, meeting all their aspirations and satisfying all their claims, is no longer the only one to play a role and this, people have finally understood. For the first time since 1940, we have all had to realize, and this is something new or perhaps not so new, that ailing economies cannot be cured, cannot be treated lightly, with stimulants or tranquilizers. Inflation and unemployment are problems that cannot be treated lightly. The present recession has also taught us that remedies that proved effective in the past are not necessarily effective today. Quite often, the exact opposite may be necessary. Take, for instance, Mr. Reagan in the United States who decided to cut taxes and has now brought them back. So all our economies are now convalescing. My hon. colleague from Regina East (Mr. de Jong) is making some inane remarks. A pity I did not understand what he was saying, but I am sure it was pretty inane. It is a habit he has. So all our economies are convalescing, and although each one is a separate and distinct case, they are all suffering from the same disease: inflation. It is the main affliction of all our economies. Look at Canada. To survive, it must be able to compete on international markets. Being competitive is of primary importance if the Canadian economy is to be successful. However, if we look at wage costs in Canada, for instance, we see that wages have increased at a much faster rate than they have in the United States, Japan or Europe. Our export industries are particularly handicapped by this fact, and they are the ones that are competing with other imports. As you know, our wages are already higher than they are in the United States. In the lumber industry, for instance, we see that in Canada it is functioning at only 70 per cent of capacity, and this may go down to 50 per cent.

• (2050)

The fact is that in today's buyers' market, customers go where the lowest prices are to be had. Our costs are not necessarily the lowest if our inflation level and wages are perhaps too high and if there is no advertising. The average rate of inflation in Canada could reach 11 per cent in 1982, that is 4 to 5 per cent higher than in Germany and Japan. It is quite obvious that inflation distorts corporate balance-sheets. Capital gains will often only represent an artificial increase in the worth of assets which correspond to inflation. Corporate profits are often increased by inflation to the extent that revenues reflect such inflation, while deductions are often based on cost prices so that bookkeeping is often distorted. The

federal government does not have many means at its disposal to correct those conditions. We could surely, as it has been suggested, Mr. Speaker, take massive financial and tax measures to stimulate the economy. Some people are advocating—we heard them today and even a while ago—a drastic reduction of expenditures and tax measures meant to drastically reduce the federal deficit. Some people suggest a comprehensive price and salary control, while others would like to see some immediate steps taken to intensify inflation control.

Mr. Speaker, the Minister of Finance has repeated throughout the summer and the Prime Minister (Mr. Trudeau) said last week that we have to completely change our economic attitude and show once again a greater willingness to maintain some discipline and enforce necessary restrictions. It is to that basic change of outlook that the government has decided to devote its efforts instead of taking drastic, ill-advised and unwise measures. If voluntarism entails a risk, freedom is also jeopardized but a reduced inflation rate is a prerequisite to a constant improvement of our economic welfare and employment.

Inflation, Mr. Speaker, erodes the vital energy of our economic system. It unsettles the self-confidence we need to provide a new impetus to the economy and reduce unemployment. Inflation is the true cause, the root of high interest rates, because as long as a rise of inflation rate is expected, Mr. Speaker, pressures for higher wages will remain strong, the cost structure will continue to worsen and we will be unable to compete abroad. It is therefore imperative that people should stop thinking in terms of continuing inflation because their expectations do add fuel to the fire. Wages are trying to catch up with prices, prices in turn try to keep up with wages, in an endless spiral. We must break out of that vicious circle and governments ought therefore to set the example forthwith.

The $1.1 billion NEED Program announced yesterday is in addition to the $1.4 billion already earmarked for economic renewal since June. Canadians should be told that these are not new investments, but rather a reallocation of funds. Taking a closer look at it, we see that $500 million have been set aside for a new program to develop public utilities or infrastructures required by municipalities and the private sector. It is to be hoped that the provinces will climb aboard the band wagon, precisely in keeping with the renewed spirit of co-operative federalism advocated yesterday by the Minister of Finance, that there will be co-operation where it may have been lacking in the past. I suggest that it is appropriate to remind the people of Quebec, after God knows how many clashes through the media, and other people, that Quebec's employment minister Pierre Marois, who is one of my constituents, has just signed a draft agreement with our Minister of Employment and Immigration (Mr. Axworthy), the hon. member for Winnipeg, in a climate of full co-operation. In my opinion, Mr. Speaker, there is precious little to be gained by engaging in parochial fisticuffs in an attempt to score a few political points on the backs of the unemployed, of those who are walking the streets in seach of jobs and who are listening to us today. I have a feeling that Canadians will close ranks during the crisis and that the various levels of government will at last begin to co-operate, and that is what we must keep going. In addition to the $500 million, another $150 million in grants is available to new home owners and others who want to renovate their homes. In a riding such as mine, Laprairie, where the house building market is active, that is very important because it creates jobs and fires up the economy.

Then there are $400 million for rail expansion in western Canada.

I could make a whole speech on western transportation problems. I did make a few in the past and perhaps on another occasion I might explain at length what has to be done to revive the transportation industry. Of course, I cannot skim over the $160 annual increase in unemployment insurance premiums, and the $225 employers will pay per employee. Those revenues will account for nearly $2 billion in the fund to which the government itself will contribute additional billions of dollars. As the Minister of Finance (Mr. Lalonde) said earlier today, there are three groups contributing to the unemployment insurance fund—the federal government, employers and employees—and the federal government pays in almost 70 per cent of all contributions, employers about 18 per cent and employees 12 per cent. It is unfortunate that members opposite should argue that higher unemployment insurance premiums will create more unemployment. On the contrary, Mr. Speaker, it seems to me that in the federalist state in which I live and which I want to see, it is quite essential that those who are better off and stand a good chance of surviving in life be even more generous towards others who are not so lucky. Mr. Speaker, that is what I hope will happen in our country.

So those are the job creation programs which will be financed by way of cutbacks in other fields, namely energy, national defence and foreign aid. The Minister of Finance also announced ten changes to the November 1981 and June 1982 budgets. Members opposite are bragging and boasting that they are responsible for those changes. I would suggest that it is quite appropriate to point out that in drafting the economic statement all members of our caucus were just as severe in reminding the former minister and the new Minister of Finance that certain items in his program were hurting badly, particularly with respect to health-related programs. I thought it did not make much sense to levy such a tax, the one which members opposite wanted removed, the one which my colleagues and I wanted removed. The minister did listen to us. Because one thing must be said about the new Minister of Finance, Mr. Speaker: he is a good listener. Ever since his appointement 48 days ago, he has been holding a great many meetings and discussions, and instead of isolating himself in an ivory tower, he gave another example of his willingness to hear what people have to say, through his newly created advisory

committee which is made up of Canadian experts in fiscal and macroeconomic matters.

Well, Mr. Speaker, it is in this context that last July, just before leaving for the Summer recess, we acted to impose 6 and 5 per cent ceilings on civil servants' salaries for the next two years. That is why, as members of the House, we have agreed that our own salaries be not only frozen but cut to show the way to Civil Service employees who are well protected and enjoy benefits unknown to workers in the private sector. We had to be in the forefront. Public servants would not have accepted to be the only ones to bear the brunt and without our own involvement the 5 and 6 program would certainly have failed. In the public sector, there are two ways to fight inflation and other economic woes, one is, monetary restraints and the other tax increases. We are aware that monetary restraints have been in place for several years in Canada, and are most unpopular, although they have succeeded in bringing inflation under control, but the money supply controlled by the Bank of Canada is only one—albeit essential—lever of the government.

My objection is that for too long people seemed to believe that this was the only lever open to control our economy, while there are also monetary or fiscal policies. Fiscal policies have played a major part for quite a long time and the results are not very brilliant, in view of the rising deficit. People are saying that perhaps we are not collecting enough money, but we are currently caught in a strait-jacket and the situation is specially unacceptable. It will cost a lot of money to pay for programs to help needy Canadians who up to now had helped fill up the public coffers with their taxes; but who can no longer afford to pay taxes, and it is in this respect that we are in a straitjacket. Therefore, it is not so much our expenditures other than social expenses to help needy Canadians which are increasing, but rather our revenues that are shrinking because these people are no longer able to pay income tax.

That is why we have to come to the House once more for a few billion dollars. Obviously many will object to it, on the basis of political or economic reasons in an attempt to correct and change a few programs. I feel that a politician's duty is often a difficult one. A good politician can be compared to a good car racer. Anybody can press on the accelerator but he who wins the race is the one who knows when to apply the brakes, who knows that under this government, abundance is no longer the key word and that we shall never have as many investments as we had before. What we must ensure and what the Canadian people are entitled to demand are quality investments. This is the important thing. This is what we must be looking for and what must be emphasized—the quality of investments. Therefore, upon consideration of what the Minister of Finance did yesterday and what he intends to do in the coming months, we realize that quality is here. He could easily have spent four or five billion dollars, but this would have been sheer madness.

In this context, Mr. Speaker, I think we have developed a healthy economic policy that will be hard to criticize, even for Hon. Members opposite. They will say it is not good enough, or that it comes too late. But no one can say that it is wrong, and this is what really counts. They are a bit upset because they would like to score political points, since it is their job here to find fault with everything. But precisely, in this spirit of support and co-operation which I hope will be thriving in this House, I think we should overcome this tendency, and together attempt to find solutions.

Mr. Speaker, it is obvious that we have no reason to rejoice these days, but here and there, a few comforting lights appear at the end of the tunnel. Mention should be made that since last August, interest rates have decreased 4 or 5 points. It is a significant sign of recovery which means much lower payments for many investors, therefore giving more money, more cash flow to the people. Interest rates should keep on going down. If we look at the inflation rate, we see that it is not going down as fast as it is in the United States, but it is going down nevertheless. This has an important psychological impact on people. And we cannot help but noticing what is happening in the Stock Exchange; things were not looking too good yesterday and the day before, but the Dow Jones indicator has passed the 1,000 level in the United States, and in Toronto and Montreal, the volume of sales is incredibly high. A lot of people are making a lot of money because confidence is coming back. People are now investing in businesses. That is just what we want. Canadians must change their attitude of playing it safe, their attitude of small time investors who put their savings in a nest egg or in a bank account and leave it there forever.

If we want to lower interest rates, and if people want a good return on their money, we must encourage Canadians to invest and to have faith in this country. And in fact, in my view, that is exactly what we are doing now. Given the extent and the duration of the unemployment situation, one should not stir false hopes. The problem is too serious, it will stay with us for a while. And it is precisely for the people concerned that the minister has made an economic statement yesterday, whether you choose to call it a budget or not. In fact, it is an economic statement because the real budget will come in February or March. So, Mr. Speaker, let me say this in conclusion: as long as our labour costs remain high, and our productivity is low, we will have no other choice but to innovate. American unions have understood the important role they play in the economic structure of the United States. The crisis has made them wiser, more responsible. In Canada, it seems to me that the public is entitled to a similar readjustment, a new form of co-operation. This, Mr. Speaker, will not solve all our problems. But I do want to say in conclusion that we are in the process of solving them, and the signs of improvement are quite obvious.

• (2100)

[*English*]

Mr. Don Blenkarn (Mississauga South): Thank you, Mr. Speaker. This is the fifth Borrowing Authority Act to come before this session of Parliament. Since February 18, 1980, this Government has come to the House and asked for money, and so far in this session they have asked for $47.6 billion. This is an unbelievable sum of money.

Mr. Deans: You agreed to it before. You agreed to it in the spring.

An Hon. Member: You have the socialists going already.

Mr. Deans: But you are a bunch of hypocrites.

Mr. Blenkarn: When they took office, Mr. Speaker, this Government came into power with $5 billion unused borrowing authority. If you take a look at the unused borrowing authority they had, together with the borrowing authority they have taken up because of their—

Some Hon. Members: Oh, oh!

The Acting Speaker (Mr. Corbin): Order, please. Order please. The Hon. Member for Mississauga South (Mr. Blenkarn) has the floor.

Mr. Blenkarn: Thank you, Mr. Speaker. You cannot help these people on my left; they just do not know where they are at. They think they are in a circus. That is why they interfere in Parliament. Their heckling is not worth a damn. If it was any good I would reply to it, but it is not competent so it is not worth replying to.

Mr. Deans: A point of order.

Mr. Blenkarn: He is now trying, Mr. Speaker, to get up again, but the truth of the matter is—

The Acting Speaker (Mr. Corbin): The Hon. Member for Hamilton Mountain (Mr. Deans) rises on a point of order.

Mr. Deans: Thank you, Mr. Speaker. I wonder if the Hon. Member, in his wisdom, would be prepared to accept a question with regard to the opening comments that he has made?

The Acting Speaker (Mr. Corbin): Is the Hon. Member for Mississauga South prepared to accept a question?

Mr. Blenkarn: After I have completed my remarks. I would expect from the Member for Hamilton Mountain (Mr. Deans) some reasonable discretion in terms of the kind of heckling that is proper in this House, because proper heckling does something to bring on the quality of remarks and improve a debate; but the kind of heckling we have been getting from the New Democratic Party is a disgrace in this House. It indicates the kind of attitude they bring to this House.

Mr. Deans: Why don't you tell us how you agreed to this in the spring? Tell us how you agreed to give them this money in the spring?

Mr. Blenkarn: Mr. Speaker, I want to go over the various borrowing authority bills that have come before this House in this session of Parliament. The first one, you will recall, Mr. Speaker, was after the budget of April 21, 1980. That was supposed to be an economic statement. That, Mr. Speaker, was when the words of the Auditor General and the Lambert Commission were still fresh in our minds. You will recall that both of those statements indicated clearly to the people of Canada that the Government had lost control of its spending. Therefore, it was important that that borrowing authority be looked at closely. At that time we were spending $4 for every $3 we took in taxes. The situation is far worse than that today.

• (2110)

Sir, there is nothing wrong with borrowing money for capital goods. I think even the New Democratic Party would agree with that. But there is certainly something wrong with borrowing money to pay the grocery bill. What we have had is this Government coming to the people of Canada, to this Parliament, and saying: we want more money because we are going to spend more money, because we are going to spend and spend and spend, without any reference to productivity or building the country. Just spend. That was the beginning of the Borrowing Authority Bills we faced in this Parliament.

The second Bill was as the result of the October 28, 1980 budget. That Bill was for $14 billion. At that time all Members of this House were concerned. We made several suggestions to the Government. We said that it had better cut down some of its expenses. I myself said that it perhaps should look at the CBC. At that time the CBC, Sir, if you will recall, was spending $577 million. Now the CBC spends $737 million, and despite the rulings from the CRTC about CBC-2, it wants to carry on with another expansion program.

We said the Government had to look at its files, its archives, look at the National Capital Commission, look at the museums, look at Canada Mortgage and Housing Corporation. Look at the various projects you have. Are they still necessary? Are they still fulfilling the original requirements? But it refused to cut. At that time the Government could have cut its borrowing authority to $8 billion and could have easily cut a great deal of program activity, but it wanted to spend and spend and spend.

Mr. Fisher: What about the revenue guarantee, Don?

Mr. Blenkarn: Then we went on to the Bill which resulted from that iniquitous budget of November 12, 1981. That is the bill where the Government wanted $6.6 billion. It said that would cover the current fiscal year. One of the reasons for needing $6.6 billion was it had blown $1 billion in overpayment of interest on the 1981 Canada Savings Bond. The Government just wasted $1 billion. And it continues to waste money.

Throughout 1981 and 1982 we saw Canada geese flying across our screens, telling us how wonderful Canada is. We have had the ads telling us that energy self-sufficiency is this close. We have had the billboards saying that Canada is working. Where is Canada working? The unemployment insurance lines, that is where Canada is working. Now we have the advertising, the propaganda, the absolute and incredible propaganda where they can take our money and send me a box of goodies this long, full of pamphlets and posters and election stickers telling me all about six and five and Canada working together.

Mr. Fisher: I sent you that, Don.

Mr. Blenkarn: Sir, that stuff came under the signature of the Hon. Member for Mississauga North (Mr. Fisher).

Mr. Fisher: I am proud of it.

Mr. Blenkarn: The Hon. Member for Mississauga North says he is proud of the huge waste of taxpayers' money—

Mr. Fisher: I am proud of the program.

Mr. Blenkarn: —on pure, unadulterated propaganda.

An Hon. Member: Shame!

Mr. Blenkarn: He ought to be ashamed of himself because he should take a look at last year's Auditor General's Report which shows this Government blew at least $50 million in extra photocopying costs.

Mr. Fisher: I like the program, Don, do you?

Mr. Blenkarn: He likes extra photocopying costs, that is the kind of costs he likes.

Well then, Sir, we came to the further Borrowing Authority Bill where the Government came to the House and asked for $15 billion. We said, "You cannot show me this $15 billion. Cut your costs down to $11 billion, and with a limited debate we will let it through, but no more. You want that extra $4 billion, you have to come here." They are here tonight, 15 or 16 weeks after that Bill—

Mr. Deans: After you promised it to them.

Mr. Blenkarn: And all of a sudden the Government needs more money and there seems to be no end to its appetite, because if you look at these almost unbelievably inaccurate figures set out in what is alleged to be a financial statement given by the Minister of Finance (Mr. Lalonde) yesterday, the $4 billion is not enough and the Government is going to be back here again with another Bill and another Bill and another Bill.

When, Sir, is this overwhelming majority of sheep, which does not want to pay any attention to the realities of economics, going to say to their own leadership: enough is enough? Sir, it used to be said by the Members of the New Democratic Party, I have heard it said by them many times, that borrowing or deficit financing, or whatever you call it, is stimulative. I do not know how you can be stimulative by putting the country in debt. Nobody is ever stimulated by a great big debt hanging over their head. This country is faced with a huge debt over its head. Sir, if you have been in business, you may borrow money to buy a machine or buy a plant or something of that nature, and you buy that asset on the basis of its payback. You buy a machine, you probably want in this market a payback in two or three years. You figure the machine must earn enough for you to pay for itself and on that basis you can afford to borrow money to buy it. Where is the payback in this borrowing? Where is the infrastructure being built with this borrowed money? The answer is, Sir, that there is nothing being built. It is being spent on the groceries.

There is no effort being made to cut back on the administration, no effort to cut back on a whole host of programs. I call them alphabet soup programs. We have a couple mentioned here in the budget papers. I see we have a program called CCDP and LEAP and PED, whatever that is, and then of course we have that wonderful program of nip, dip, and ship, and a rehabilitation program of some kind, I have forgotten the initials for that one. You almost have to be a magician to figure out what programs and what new letters they will put together for another program.

Every one of these programs requires a host of administrators. They require a set of applications, usually in quadruplicate or quintuplicate, filed and submitted and read and crossread and a cheque issued, maybe, if you know the right person.

Sir, there has to be a limit to this. There has to be a re-examination by this Parliament, before this Bill is completed, of where we are going in Government expenditures. Surely to goodness this financial statement, which seems to have found $1.1 billion somewhere for further job-creation programs, could find another $2 billion or $3 billion or $5 billion in additional administration expenses.

Sir, let me point out to you one thing very quickly. The National Accounts tabled in the budget papers indicate that expenditures by the Government for current goods and services in the years 1981-82 were $16.898 billion, which have risen to $19 billion, an increase of somewhere around 18 per cent or 19 per cent. Sir, that is the kind of thing which has gone on in one fiscal year. Talk about six and five! The expenses for goods and services have gone up 19 per cent. Where are we going? I admit, Sir, that this budget does say that the President of the Treasury Board (Mr. Gray) has been instructed to make stringent restrictions in spending, and he will be reporting to this House. I say to the Hon. Members opposite that they have an obligation as Members of the Government to insist that the President of the Treasury Board make that report, and that that report be referred to a special standing committee or special committee of this House, it does not matter which. Then we as Members of Parliament could go over that report and over the other items that are available, such as the spending estimates of the Government, to determine which items of spending are essential, which are perhaps only less desirable and which items of spending are really nonessential.

• (2120)

Mr. Blaikie: What about the $6.5 billion for the oil companies that you voted for?

Mr. Blenkarn: You have been around here a long time, Mr. Speaker, and you know as well as I do that there are a host of things that are nonessential.

Mr. Fisher: Give us an idea what you are talking about.

Mr. Blenkarn: Mr. Speaker, my friend asked me to give him an idea of what we are talking about. Perhaps he would like to tell me how really essential the Canadian Broadcasting Corporation is. How really essential is that, when we have people who cannot pay the mortgage on their home, who cannot buy food for the table? How imperative is it that a government spend money to entertain people at the Grey Cup Game? Is that the kind of thing we should be spending money on when people cannot pay their bills and in many cases cannot get welfare? Is that the kind of spending we should be directing the Government of Canada to make? I say to the Parliamentary Secretary that there are a great number of things and he knows them—

Mr. Fisher: Let us have some more.

Mr. Blenkarn: Oh, you want a quick one? Do you realize, Mr. Speaker, that the other day one of the planes owned by Transport Canada was parked illegally at the Ottawa Airport. The people in the Department of Transport did not like that and they were running the airport, so they imposed a fine of $50 for illegal parking. The airport is owned by the Department of Transport and the plane is owned by the Department of Transport, so one part of the Department took another part of the Department to court and spent $2,000 on legal fees to determine which part of the Department should pay a fine!

That is the kind of thing you do. You laugh. You know where the waste is. That is the kind of thing—

Mr. Deputy Speaker: Order, please. The Hon. Member knows that his remarks should be addressed to the Chair.

Mr. Blenkarn: Thank you, Mr. Speaker. Let us get on to some things which are positive. Let us go on to consider what we can do to clean up some of the problems we have.

First of all, I think the Government must be commended for taking note yesterday of the suggestions made in the report of the Finance Committee with respect to the Income Tax Act. A number of changes were made that I think will be helpful. I refer particularly to the health plans, the change in northern benefits, cleaning up to some extent the problem of the 12.5 per cent dividend tax, cleaning up the problem with respect to taxing work in progress for professionals and, particularly, the delay with respect to the ill-thought out sales tax plan. But there are a number of other things that must be done and that were not thought out properly. These positive suggestions must be made to the Government.

First of all, we must completely examine the unemployment insurance situation. Unemployment insurance premiums represent a regressive payroll tax. They are anti-employee. What we are trying to do is to put people back to work, and one thing you do not do when you want to put people back to work is make it more expensive to hire people.

The effect of the budget change yesterday was to increase the tax on hiring people a total of $5.52 for each $100 of insurable earnings. That payroll burden is unrealistic. It is damaging to employment. It is the kind of thing that must be rethought. This Parliament must come to grips with unemployment insurance and with what we really can afford in terms of unemployment insurance. We must have a parliamentary inquiry into that problem and into the proper financing of unemployment insurance, particularly in these difficult times when tax money, or even borrowed money for that matter, from the general revenues will have to be used to make sure that people have enough earning power to pay their ordinary household bills. This matter is serious and essential. It is imperative that the Government come to grips with it and trust Parliament again as, to some extent, it trusted Parliament with respect to the study of the Income Tax Act.

Second, the Government must come to grips with the whole question of bail-out. We have seen the Government invest $125 million in Massey-Ferguson this year. We have seen the Government guarantee loans of $1.3 billion to Canadair and $4.50 billion to de Havilland. We have seen the Government decide, for some strange reason and without rationale at all, to back Maislin Transport. In the last week we have seen the Government seemingly get together—and without parliamentary approval, I might add—to do something for Dome Petroleum. There is a further $400 million in the budget which presumably is to be split between de Havilland and Canadair.

We have to look at these borrowings and seriously consider where these Crown corporations are going and where we as a country are going with this bail-out problem. Are we really saving jobs or are we costing the country jobs? When we take money out of the country, from the productive side where it could increase employment, and use it to bail out people who are obviously incapable of running a business profitably, we are probably costing the country jobs, not saving jobs. If these bail-outs are to continue, what we are really doing is saying to those who are productive and capable that they are going to pay taxes to those who are incapable. That does not improve the productivity of Canada, Mr. Speaker. That does not secure permanent and honest and good employment. That is the kind of thing that is anti-employment and anti-productive.

Before any more money is spent—and that includes the $400 million further bail-out money to Canadair and de Havilland—it is absolutely necessary that this advance of money by the Government to corporations cease, whether they be private corporations or Crown corporations. If those corporations cannot stand on their own feet they must be examined in detail by Parliament. The fact is that what we are

doing is taking from the capable, those who can create employment, and giving to those who are going to cost us employment. The cost of these bail-outs is unrealistic in terms of jobs.

Speaking of Canadair, in the Challenger Jet we now have Canada's newest Concorde. And speaking of de Havilland, why we are spending money to build an airplane, the A-320 Airbus, when there is a total lack of demand for commercial airplanes in the world, is beyond my comprehension.

The next thing we have to do, and we have already spoken of this but I will mention it again briefly, is to control seriously the propaganda efforts of the Government. There is no way that public money should be used to propagandize the political efforts of a political Party just because it is in power.

• (2130)

We must look very hard at the National Energy Program. This country has more petroleum resources than probably any country in the world. We certainly have more petroleum resources than the entire Middle East in the heavy oil deposits, the ordinary deposits, the tar sands and the like in western Canada. In addition we have deposits, perhaps not proven out enough, in the Beaufort area and on the east coast. In fact, we should be exporting petroleum. If we want to make ourselves self-sufficient in petroleum, we must allow the industry the incentive to go ahead and export if it has a surplus.

One thing which is holding back exploration right now is that there are all sorts of capped gas wells and 100,000 barrels of petroleum being held back from markets because it cannot be sold. Such an effort at self-sufficiency is wrong. We will not become self-sufficient by keeping our reserves buried in the ground and by preventing people from exploring and developing new reserves. The National Energy Program must be reversed. The whole question of employing bureaucrats to administer PIP grants, to pay one oil company because of its share of ownership more money than another, or to worry about whether a company is 50 per cent or 80 per cent Canadian-owned or foreign-owned, really does not have much to do with finding oil, making jobs and building Canada. We want to become self-sufficient. We want to create employment. If we looked at the world we could probably say to some countries such as Japan, for example, that we could give it an assured supply of petroleum; that if the Japanese wanted to invest in a tar sands plant, we would guarantee them so many barrels of oil per year as long as they put up the money. If that kind of negotiation took place, I suspect we could obtain the money and put people to work.

Also I suspect that we would create perhaps 150,000 to 250,000 new jobs in the energy field if we would just get away from the National Energy Program, reverse it 180 per cent and get on with it. Energy resources buried in the ground are not worth anything to anyone. It reminds me of the situation in a place called Belle Isle, Newfoundland. Iron ore reserves were found in that area in the 1880s. Mines were started in the 1890s and carried on until 1966. If iron ore had been found in Belle Isle today, or even ten years ago, no one would have dug it out because mining methods changed, productivity changed and the way we do things changed. That ore would have stayed bottled up forever. We could well wind up, in an effort to be self-sufficient in petroleum, leaving tar sand deposits buried forever, leaving heavy-oil deposits buried forever. It is time to look at our resources and to take advantage of them. God gave them to us. Let us do something to put our people to work.

I made some complimentary comments with respect to the Minister's efforts in his statement yesterday, but he did not address the issues of capital cost allowance, soft costs, reserves or life insurance and annuities. The changes made in our tax system on November 12, 1981 were anti-entrepreneurial, anti-growth and anti-employment. Those changes must be reversed. We must return to the tax system which we had before November 12, 1981.

The Government has already gone through 45 changes or so to that budget. The budget of November 12 is shot full of holes. No one knows where they are going. I call upon the Minister and the Government right now to get back to realism. Let us abolish the November 12 budget, write if off as a bad job. The Government has already shown that it is a bad job. It is time to get down to realism and to get rid of that budget completely.

Next we must have some tax simplicity. Last summer the chartered accountants, lawyers and specialists in income tax came before the Finance Committee. They made clear to us that there was no way that they could simply fill out their own tax returns. The Chairman of the Committee from Coopers and Lybrand told us, "When you get into that field, I am really not quite sure; I will have to have my colleague answer the problem". In other words, the Income Tax Act has become so complicated that even leading chartered accountants cannot be sure as to what are the tax implications with respect to a transaction. They go one step further and say, with respect to small business taxation, that it is far more complicated than large business taxation. People are not able to calculate their taxes or plan their businesses. The problem, when people are treated that way, is that they wind up avoiding tax, evading tax, just not paying tax or dealing in the black economy. This will cause the country untold problems. Therefore, the first thing we must do immediately is to get another committee of the House to work on the Income Tax Act and come up with solutions to simplify it.

I see the Minister is present now. He almost indicated that he will have to present a budget in January or February. He should give us a White Paper, a thought-out proposal, with respect to simplifying the Income Tax Act. I suggest to him that one of the problems with the 12.5 per cent dividend tax matter is that some people would become small businesses and get advantages which other people are not entitled to have. I say that is not hard to correct. All he has to do is to return to the way small business tax was handled prior to 1971. There could be a low rate of tax for all companies for the first $125,000 and a top rate for everything over that amount. There are only 12,000 companies or corporations in the country paying at the high rate of tax. There are 175,000 paying at the low rate of tax. If we had to give a little benefit to those 12,000 corporations, big deal. The Government could

take it out of their hides by changing the measures with respect to investment tax credit, the inventory allowance or something of that nature. It would not be very hard. The Act could be simplified enormously. If the Minister is worried about revenue, equity and so on, he could simplify the Act and do it right. It is not difficult. All it requires is a little imagination. I say to the Minister that this is the kind of thing we expect from him as a Minister of Finance. He should change that Income Tax Act and make it simpler.

• (2140)

I have taken quite a bit of time, but I do want to mention one more thing, Mr. Speaker. I think it is absolutely essential that the Foreign Investment Review Act be altered. It is ridiculous that I have a constituent who is being prosecuted. He is a Canadian. He happens to own 51 per cent of KCR Limited, a company that imports kerosene heaters. My constituent is now before the Federal Court of Canada because he happens to own 51 per cent of the company. He has $8,000 in the company, and the American head office has about $200,000 in the company. The Foreign Investment Review Agency says this is a hidden way for an American to come in and sell kerosene heaters in Canada. There are lots of ways around that problem. I do not see any reason, in the interests of protecting Canadian business and investment, that we should be worried about foreign investment when the amount is less than $10 million. After all, that is not going to change the makeup of Canada one way or the other. We want investment in the country. We want jobs and we want people doing things in the country. We want people paying income tax and doing things in the social and in the voluntary fields building our country. We really do not have to worry about whether a transaction as small as $250,000 is foreign-held or Canadian-held. It really does not matter. The thing is that we want to put people to work to get things done. Surely the Minister must realize that when things occur like those that have occurred under the terms of the Foreign Investment Review Act you turn off Canadians and you turn off people who come to Canada to invest and to create.

I say to you, Sir, that it is very important that the Foreign Investment Review Act be altered, and I say to you that a $10-million threshold limit is appropriate.

I want to say that the budget should be based on a national accounts basis. We are spending in excess of $90 billion. One dollar out of every $3 that we take in taxes goes to pay interest. The share of borrowed money represents in excess of 6 per cent of the Gross National Product of the country. We have got to the point where the amount of money expended is some 25 per cent of the GNP on a national accounts basis. The Minister may say that a national accounts basis is not a fair way of looking at it. But I want to point out to the Minister that the Auditor General, in Volume I of the Public Accounts for this year, clearly pointed out that the method by which this Government has been doing its accounting is all wrong. As well, with respect to the Oil Compensation Fund, the Government must now do its accounting to treat those accounts properly in the Public Accounts. I say that the only kind of accounts that we can ever compare are the national accounts. If we do not compare national accounts, we wind up with peculiar changes that have taken place in the way the budget is kept so budgetary accounts are not comparable from year to year.

This is a serious matter. We are now in excess of 25 per cent of the Gross National Product being handled by this Government. In addition, we have an enormous amount of the Gross National Product that is handled by provincial Governments. Also we have the handling of the accounts of the country by Crown corporations. Well over 50 per cent of the Gross National Product of this country is handled by governments. When my friend in the New Democartic Party says that the problem is that people cannot purchase the goods, I say he is right. The reason people cannot purchase the goods is because the goods are too expensive. Why are the goods too expensive? Because we use so much of our labour, energy, effort and productivity in governing ourselves, that is the reason. Therefore, the cost of everything we produce has to bear the burden of government. No wonder our goods are too expensive and no wonder we are not too productive. No wonder we have problems. What we must do is to lower, not our expectations, but our cost of production. What we must do is to become more productive in that sense. What we must do is to produce more and use less of our energies in governing ourselves and more in reducing the price of what we produce so that we can be more competitive in the world. Until we do that, we will never have enough money in the hands of the consumer to pay for the goods produced. The goods have to be produced less the tax wedge. The cost of the Government's wedge is to high. When that wedge is so high, as high as it is today, we will continue to have massive unemployment and lack of productivity. That is the challenge we face in this country. We will never solve that problem by borrowing more money and trying to borrow our way to prosperity.

Mr. Burghardt: Mr. Speaker, would the Hon. Member for Mississauga South (Mr. Blenkarn) consider a question concerning the remarks that he has just made?

Mr. Blenkarn: Yes, Mr. Speaker.

Mr. Burghardt: Mr. Speaker, earlier in his remarks the Hon. Member referred to the CBC. It seemed to me at least that he was advocating that perhaps the CBC should be done away with. Is the Hon. Member espousing official Conservative policy which advocates the abolition of the CBC? Could the Hon. Member answer yes or no to that question?

Mr. Blenkarn: Mr. Speaker, there are a number of famous questions to which you are asked to answer yes or no. The Applebaum Commission took a look at the cost of producing drama by the CBC and found that it could be produced a good deal cheaper elsewhere. There are a whole lot of things that we are doing in entertainment and broadcasting on a national basis that could be done a lot cheaper, and my hon. friend knows that.

An Hon. Member: Answer the question.

Mr. Blenkarn: My hon. friend knows it is a lot cheaper to tender and hire to get something done than to have it done with your own forces and with that organization. I say to the Hon. Member that the organization is not productive in comparison with other organizations in producing television.

Mr. Deputy Speaker: With all due regard to the Hon. Member, I must advise him that the time allotted to him expired.

Mr. Lloyd R. Crouse (South Shore): Mr. Speaker, that is a hard act to follow. I welcome the opportunity to participate in this debate, which is really the third budget debate in this House in less than a year, smuggled in under the guise of a statement on the economic and financial outlook of the Government of Canada, along with Bill C-128.

Bill C-128 as introduced by the Minister of State for Finance (Mr. Cosgrove) provides authority for the Government to borrow an additional $4 billion in new money in the current fiscal year. When combined with the $7 billion in borrowing authority granted in Bill C-125, plus the $6.6 billion granted in Bill C-111, plus $6.3 billion left over from previous years, the Government, according to my estimation, will have a total borrowing authority of something like $21.2 billion in the coming fiscal year. I am sure that you will agree with me, Mr. Speaker, that this is a tremendous amount of money. In my opinion, it represents an excessive demand upon the savings and energies of some 24 million Canadians, while placing tremendous power in the hands of a few people.

• (2150)

I listened very carefully to the Minister of finance (Mr. Lalonde) yesterday when he addressed the House. I could not help but notice at least one difference between him and his predecessor. At least he smiles while he is driving the knife directly into the pocket book of the Canadian taxpayer. He is also the master of what I call double-speak. In one sentence he says that he is announcing arrangements designed to relieve the workers and employers of this country from the full burden of mounting unemployment insurance costs. Then, on page 13, he announces an increase in workers' contributions from $1.65 per 100 to $2.30, while employers will pay $3.22. I ask him, whatever happened while he was doing these computations? Whatever happened with six and five?

This is, of course, not the total amount. On the next page we read that these increases are so low that they will require the Government to advance another billion dollars to the unemployment insurance account in the year 1983 over and above the normal contribution. Why not simply say that it is necessary to increase taxes of the workers and the industrialists of this nation, those who are left to pay the bills, that the Hon. Minister is raising the taxes by another $2 billion just to take care of the unemployed?

Another example, among many, of the doublespeak of the Minister of Finance can be found on page 3. There he states:

> First, we must continue to practice fiscal responsibility. We must persist in restraining government spending. We must strive to contain the rise of the deficit even while the recession cuts into government revenues and raises public expenditures.

It is not only the recession that has raised public expenditures. It is the foolish, extravagant expenditures and actions of this particular Government. How can the Minister say that he will persist in restraining Government spending, and then say in the same speech on page 7 that the $10 billion deficit predicted by his predecessor last November, which was upgraded in June to something like $19.6 billion, is now predicted in October to be $23.6 billion? I suppose that he realizes this is an increase of some one and one-third times more than the November estimate.

Using that yardstick, a final deficit in this budget may well be in the $26 billion or $27 billion area. We are a nation of 24 million people. A deficit of $24 billion is really $1 billion for every million Canadians. How can this government have the gall to say that it is practising fiscal responsibility? I submit that it does not have a clue as to the actual meaning of the word.

The United States is a nation of approximately 240 million people. The deficit for that nation, comparable to our own, would be $240 million. Yet their deficit is listed in yesterday's press at $110.7 billion for 1982, and they are calling it the year of the greatest red ink in that nation's history. On a percentage basis, the United States deficit is less than half of the deficit in Canada. A comparable figure for Canada's deficit would be in the $11 billion to $12 billion bracket. If the United States administration, with all the demands that are made upon it nationally and internationally, can come up with these figures, I ask you, Mr. Speaker, why can we not manage to do the same in Canada?

I have seen flip-flops in my day but never was it so apparent in the House as in the two budgets introduced by the "laird" of Cape Breton which showed his complete lack of business experience and complete lack of compassion for the people of Canada.

Yesterday's budget speech by the present Minister of Finance reminded me of an old Laurel and Hardy comedy. Stanley and Ollie were trying to build a house. Every time that Stanley would put a plank in place, Oliver, when reaching for a second plank, would knock the first one down. This operation continued for some time until Stanley noticed that no progress was being made. He then reached into his lunch bucket, brought out a plate, and the scene ended with Ollie being smashed in the face with a cream pie. Somewhat disturbed and unhappy, he left the scene of destruction, which is exactly what happened Wednesday in this House.

We have gone through almost an entire year of uncertainty, indecision and a lack of business development throughout this country simply because of the stubborn arrogance on the part of the Government which failed to realize its mistakes and take the necessary action to mend its ways. This, of course, is what always happens when one puts round pegs into square holes.

In my opinion, this third budget in less than a year will still not stimulate the economic recovery of which we are capable

because it does not address the fundamental question, which is the curtailment of extravagant and unnecessary Government expenditures. Bill C-128 simply buttresses that assertion. Obviously this Government is now aware of the problem, for the Minister of Finance stated that the world recession has cut our economy to the bone. We have lost half a million jobs during the past year, and almost a million and one-half among us are looking for work. Many others have temporarily given up the search for gainful employment. Virtually no Canadians have been untouched by the recession. In every region of the country those who have been spared the worst have relatives, friends or neighbours who are struggling to cope with hardship and insecurity, be they unemployed textile workers in Quebec, ground fishermen in the Atlantic, idle lumbermen in B.C. or laid-off miners or autoworkers in Ontario.

There will be a few more unemployed after the next election, and they all will be on that side of the House. I say to you, Mr. Speaker, that never in my 25 years in the House have I listened to such a sordid admission by a Cabinet Minister of his government's neglect and mismanagement of our economy, and little that he did will restore the confidence of Canadians in this country during this period of crisis.

I do not agree with the Minister of Finance when he says that no solution exists to resolve our special present extraordinary economic situation. This is somewhat like the poison that is being mixed in some drugs today by some crank who obviously hates humanity. It is the kiss of death. We are still a great country, the second largest land mass on this globe. We have untold natural resources in every Province of Canada as well as in the Yukon and Northwest Territories and only 24 million people to share the wealth. We have more fish than we can fry, more wheat than we can eat and vast reserves of coal, gold, silver, nickle, copper, uranium, oil and timber. You name it and we have it.

Ask yourself, "What would the Almighty have had to give us Canadians as a nation to make us all wealthy?" We as Canadians are the envy of practically every other nation on the earth. No one will ever convince me that we could not do better as a nation if we had proper leadership and started to concentrate on developing our economy and working together on those things that unite us rather than concentrating on those things that divide us.

There has been too much divisive, non-productive legislation introduced to date by this administration. The backlash from some of these policies have brought us to the brink of economic disaster. This is not Government planning, this is a Government drifting inexorably into a whirlpool of depression. Its ineptitude is bringing us all down into the depths of despair. Amid all of this gloom and doom, however, the Right Hon. Member for Mount Royal (Mr. Trudeau) did try, without success, to cheer us up a bit with his three TV spectaculars. It was Mork, in my view, without Mindy. If it was a tryout for him in the role of a newscaster after leaving office, I do not believe it was very successful. Our Prime Minister asked Canadians to trust him, but he is the man who campaigned against wage and price controls in 1974 and then imposed them in 1975. He campaigned along with his entire Party against our program to raise the gasoline tax by 18 cents in 1980. Since that time he has imposed a much higher tax, not only on gasoline but also on home-heating oil, which we believe should be accepted.

• (2200)

Mr. Speaker, my I call it ten o'clock?

PROCEEDINGS ON ADJOURNMENT MOTION

[*English*]

A motion to adjourn the House deemed to have been moved under Standing Order 40.

LABOUR CONDITIONS—WEST COAST WORK STOPPAGE—MINISTER'S POSITION. (B) REQUEST THAT MINISTER ORDER RESUMPTION OF WORK

Mr. Charles Mayer (Portage-Marquette): Mr. Speaker, yesterday afternoon in the House I had a chance to pose a very serious question to the Minister of Labour (Mr. Caccia) regarding a very unfortunate labour stoppage on the west coast. All exports of grain, potash, sulphur and lumber and almost all exports of coal have been stopped. We know that Canada is very much a trading nation and that to be a trading nation, we must export. We also know that for those of us on the Prairies, the ports on the west coast are the only ones we can use on a year-round basis. It therefore becomes very important to us that those ports function at peak capacity on a year-round basis.

The work stoppage has been in effect since a week ago Monday. It now appears from the statement yesterday, not by the Minister of Labour but, rather, by the Minister of Finance (Mr. Lalonde), that the work stoppage will continue for at least two weeks. This causes very serious concern to those of us in western Canada who are directly affected. It should be of major concern to every citizen of this country and should be taken extremely seriously by the Government. It seems absolutely ludicrous to many of us that at a time when, by all accounts, somewhere in the neighborhood of 1.5 million people are unemployed, we should allow work stoppages like this to occur.

On assuming his portfolio, the Minister of Labour made a statement which I will paraphrase. He said he thought strikes were outdated and that another form of settling disputes should be in place. I thought that was a bold statement for a new Minister and I congratulate him for it because I certainly think it has some merit. However, with the chance to act and become directly involved, putting some of his apparent beliefs into action, he has fallen much short of them.

Yesterday I first tried to find out from him whether he thought the damage to the total economy caused by this dispute between labour and management was of such magnitude that we could allow the dispute to continue. It seems to me, and to most reasonable Canadians, that the dispute between labour and management is not great enough to allow the total number of ports on the west coast to be shut down. I think most people would agree with that.

I also tried to find out what the Minister intended to do, and how long it would take before the Government assumed its responsibility, stepping in and ensuring that these ports export those commodities produced in this country to which the Hon. Member who spoke previously referred. I received no real response from him.

It was interesting to me that less than an hour later the Minister of Finance stated in his speech, which was really a budget speech, whether he wants to admit it or not, that if the parties did not resolve their differences by Monday, the Government would accept its responsibility. By that, I assume he meant that the Government is prepared to step in and consider back to work legislation.

Let me briefly refer to what is being offered to the longshoreman on the west coast. We have gone through the labour-management negotiations. The Allan Hope report recommended that on top of an hourly base-rate of $12.55, there be an additional increase in the first year of $1.60 an hour and $1.55 an hour in the second year. That seems to be extremely generous because it is more than 12 per cent or more than twice the six and five to which the Government is referring in the first year, and the same in the second year. It is in the order of 13 per cent or 14 per cent in the first year and slightly less than that in the second year. I fail to see why, if the Government is serious about its six and five program, it would have any hesitation at all about stepping in and imposing a settlement, if that were the last recourse, on the basis of the conciliation report. There should be no concern there, based on the Government's six and five program.

• (2205)

The other thing that the Government is playing with and playing with very seriously is Canada's international reputation as a reliable supplier of raw materials. We have a record grain crop on the prairies in terms of quantity. Over the past two or three years we have managed to build up a somewhat tarnished reputation as a reliable supplier of grain. We must look after our customers in terms of things we can do; solving the man-made problems. We know we cannot predict, or do very much about, bad weather, mud slides and snow slides which shut off rail passage to the west coast. We know these are going to cause problems and there is nothing we can do about them. However, we can do something about the man-made problems; and that is what we face.

I see the parliamentary secretary here this evening. He is listening. I hope he will respond in a somewhat positive fashion to the suggestions I am going to make.

The Government should, first, step in and the Minister of Labour should personally become involved and see these are meaningful negotiations. Second, when the negotiations are going on, the people should go back to work. There would be nothing wrong with that. It would indicate goodwill on both sides. We would then be earning the much needed export dollars we so desperately need. The west coast ports would be adding to employment in this country instead of causing additional unemployment at a time when we cannot afford one more Canadian out of work. It is already going to be a long cold out-of-work winter for too many Canadians.

Mr. Antonio Yanakis (Parliamentary Secretary to Minister of Labour): Mr. Speaker, I thank the Hon. Member for Portage-Marquette (Mr. Mayer) for his very interesting question. I think it would be very useful if I briefly outlined the chronology of events to date in the dispute.

The dispute concerns renewal of a collective agreement which expired on December 31, 1981 covering some 3,500 longshoremen in various ports on the west coast. The parties to the dispute, the British Columbia Maritime Employers' Association and the International Longshoremen's and Warehousemen's Union (Canadian Area) met in direct negotiations over a period of some three months without reaching agreement on a new contract.

The Minister subsequently appointed a conciliation officer to assist the parties, but his efforts were unsuccessful. On March 3, 1982 he appointed Mr. Allan Hope, Q.C. of Prince George, B.C. as conciliation commissioner in the dispute.

Mr. Hope was initially successful in bringing the parties back to the bargaining table for direct negotiations, but he too was unsuccessful in assisting the parties in resolving their differences. He subsequently filed his final report with the Minister and it was released to the parties on August 13.

The BCMEA indicated that they were prepared to accept the recommendations of the conciliation commissioner as the basis for a new collective agreement, but the ILMU rejected the total report as an unacceptable package, at the same time indicating a willingness to negotiate further on those items where it was not prepared to accept the conciliation commissioner's recommendations.

• (2210)

The parties acquired the legal right to strike or lockout on August 21, 1982. Since that time, the parties have met several times in direct negotiations with little progress being made towards a final settlement. The union held a series of one-day port closures to conduct informational sessions for their people and in addition, instituted what they termed a "work-monitoring program" which effectively slowed the unloading and loading of ships to the point where several major shipping consortia began diverting their vessels from Vancouver to the Port of Seattle. This situation culminated with the BCMEA locking out the longshoremen on October 19.

On Monday of this week, the Minister sent a telegram to the parties in which he strongly advised them to immediately

resume negotiations. He made it clear that, failing an early settlement of the dispute, the Government would accept its responsibility, repugnant though it might be, to bring about resumption of vital shipping operations.

Mr. Deputy Speaker: I am sorry to interrupt the Hon. Parliamentary Secretary but the time allotted to him has expired.

[*Translation*]

THE CONSTITUTION—GOVERNMENT HELP FOR MINORITIES INVOLVED IN COURT ACTIONS

Mr. Jean-Robert Gauthier (Ottawa-Vanier): Mr. Speaker, yesterday I directed a question to the Secretary of State (Mr. Joyal) concerning the financial assistance granted by the federal government to official language minorities in cases dealing with clauses 93 to 133 of the British North America Act. Indeed, since February 1978, the federal cabinet has authorized the Department of Justice to give assistance to the plaintiffs in such cases either by providing the services of counsels to help them prepare their legal argument or by granting some funds. I would like to ask the federal government to extend such an assistance to cover clause 23 of the Charter of Rights and Freedoms. As we know, since the Charter has come into effect, constitutional guarantees are given such as the right to education for official language minorities. Before the adoption of the Charter, those constitutional and educational rights and guarantees came under the denominational provisions of clause 93 in the Constitution and were entirely inadequate as far as language protection was concerned. To understand perfectly well that situation, Mr. Speaker, we have to consider the social and historic context in which our Fathers of Confederation lived.

As a matter of fact, in 1867, religion played an essential part. The two cultural communities were separated by the religious issue. Traditionally, Catholics were French-speaking whereas English-speakers were for the most part Protestant. Therefore, when the 1867 Constitution was drawn up, this social reality was the first to be recognized. Language rights were in some way protected through religious differences. This situation remained until 1981, when the Charter of Rights changed all the rules of the game. Education of our children on the basis of religion still remains but in addition, we have a constitutional right to have them educated in minority language educational facilities provided out of public funds. Some people might be surprised by my request, however, if you look back through history, Mr. Speaker, you will easily realize that it has always been very difficult for French-speaking Canadians outside Quebec to have their rights to be educated in their own language recognized. French schools that are now available have all been acquired after years of struggling; moreover they are continuously threatened, either by budgetary cuts, by the alarming rate of assimilation or the ever-decreasing birth rate, or simply by administrative problems created by various provincial levels. Therefore, the minority must not only struggle to get a new school, but they must fight without respite to operate that school which was given to them through some arm-twisting. We must also go back in time to fully understand the situation. The Constitution of 1867 contained some provisions regarding how majorities should treat their minority groups.

• (2215)

Whether the majorities actually complied and whether they acted responsibly in this respect is another story. In some provinces, these provisions were not observed and in others, these rights were categorically denied. For instance, it took seventy years to remedy the situation in Manitoba, where the provincial government had decided to act against the Constitution. And what about Ontario's infamous Regulation 17, which had the effect of banning the teaching of French in this province. Thus, in theory, the 1867 Constitution provided guarantees, but in practice they were not always observed. Why not? Because quite often, francophone minorities were isolated and purposely weakened by provincial governments which left them to their own resources, and so it was a very slow process to obtain the concessions and advantages they did manage to get.

That is how Franco-Ontarians managed to get a few French schools. Let us not forget that as the present government sees it, these concessions to francophones are not rights that have been granted but privileges which could be taken away at any time.

Faced with this situation and observing the reluctance of provincial governments to treat their minorities in a manner that was fair, generous and just, the federal cabinet set up a program for assistance in cases where provincial laws were challenged in relation to Section 93 and 133 of the British North America Act. That decision has already brought results. I am thinking, for instance, of the Forest case in Manitoba and, more recently, of the case heard by Judge Deschenes in which the constitutionality of Bill 101 was challenged. If we look at the court actions, our minorities have indeed made some progress. As such court proceedings are long lasting, involved and expensive, the Government of Canada should, of necessity, provide assistance to individuals and groups who are fighting for their rights. It should be emphasized that when a French-speaking resident of Ontario wishes to oppose a piece of legislation or a regulation established by the government of his own province, he has to fight against the big machine of the Department of Justice through the Attorney General. Individuals or groups find themselves in a situation where they must face high legal costs while their opponents can use public funds and a team of highly experienced legal advisors.

Mr. Speaker, I should like to conclude by saying that the new Charter of Rights and Freedoms has given new rights and hopes to Canadian minorities. Now, we must provide them

with the means to have them recognized in their daily lives, because their political representatives here have willingly agreed to transfer part of their powers to Canadian courts, so that people must now have easy and inexpensive access to these courts.

Hon. Serge Joyal (Secretary of State): Mr. Speaker, if this issue had not been raised by the Hon. Member for Ottawa-Vanier (Mr. Gauthier), I should probably have raised it myself outside the House. Not that it is not in my view one of the most important elements of linguistic minorities, rights which have been guaranteed by the Constitutional reform last spring, but because in a just and democratic society, it is only normal and legitimate that the majority should facilitate court access to the individuals and minorities whose basic rights are being jeopardized.

Mr. Speaker, I should like to remind you, if I may, that the request the Hon. Member for Ottawa-Vanier made yesterday and is making again today is not exceptional. There have been several cases in our country where the Canadian government has provided financial assistance to individuals and groups who sought to challenge provincial or even federal legislations in court. I would remind them, for instance, that the Canadian Expropriation Act reimburses a plaintiff if he wins his case. The same applies to the Canada Pension Plan. The legal department does the same for veterans' pensions. The Department of Consumer and Corporate Affairs finances individuals or groups under certain conditions when it is in the interest of the consumer. The Department of Justice and the Department of Indian and Northern Affairs financed famous cases in the past, especially within the context of the James Bay project in Quebec, where the plaintiffs were awarded high legal costs. There is therefore nothing new in the request made this evening by the Hon. Member for Ottawa-Vanier. He is right to point out that we have had since 1978 a program available to all Canadians and which was used effectively in Manitoba and Quebec to help financially those with claims under sections 93 and 133 to go before the courts.

Mr. Speaker, I can assure you that I share wholeheartedly the concerns expressed by the Hon. Member for Ottawa-Vanier, and I can tell him that I hope I will be in a position by the end of the year to inform the House that a financial backing in support of Section 23 of the constitutional Act of 1981 will be brought about.

• (2220)

[*English*]

FOREIGN INVESTMENT REVIEW AGENCY—REQUEST FOR INVESTIGATION ON SALE OF CROWN ZELLERBACH COMPANY

Mr. Ray Skelly (Comox-Powell River): Mr. Speaker, I should like to cover a rather complicated subject quickly. It relates to the question I put yesterday in the House to the Minister of Industry, Trade and Commerce (Mr. Lumley).

The Government of Canada sees itself as supporting the forest industry in this country by subsidizing or providing incentives for house building. I think the Prime Minister (Mr. Trudeau) perhaps overestimated it in his remarks when he said that two sawmills could cut sufficient lumber to provide for the housing needs of Canada. In fact, even then, the forest industry of British Columbia would still be at a complete standstill. I think the answer given by the Minister yesterday and the program put forward by the Prime Minister indicate a great depth of ignorance about the present situation in the forest industry in Canada.

I should like to point out several factors Mr. Speaker. First of all, there has been an abandonment of Canada by major U.S. forest companies which formerly had operations in this country. Rayonier of Canada has left. It sold its assets to Western Forest Products. International Paper has left. It sold its assets to Canadian Pacific Investments. Before us today is the prospect of Crown Zellerbach of Canada being sold to a New Zealand firm and, in fact, the parent company retrenching in the United States.

The interesting aspect of all those sales is that the firms left with one thing, and undoubtedly Crown Zellerbach will leave with this also; that is, a contract for the parent company, now an international competitor and no longer an operator in Canada. Those companies will have the responsibility for the international marketing of Canadian forest products. This is a disaster, Mr. Speaker, because our foreign competitors in the United States, which will no longer have an interest in Canada, will be responsible for selling Canadian forest products. This involves three major corporations, Mr. Speaker.

Another aspect of the forest industry is the fact that MacMillan Bloedel was recently the subject of a takeover by the Noranda Corporation. There is a persistent rumour that MacMillan Bloedel will be integrated, division by division, into the Noranda Corporation and that the corporate structure of that major forest producer, one of the strongest in the world with a major international marketing capability controlled by Canadians, will be broken. The integrity of that corporate structure will be broken and the efficiency lost to the Canadian international forest marketing effort. The disappearance of those four companies from the Canadian scene, taking with them their international marketing capability, would spell disaster, Mr. Speaker.

There is a question about why this is happening, Mr. Speaker. I should like to put forward three short ideas before the Parliamentary Secretary enlightens us on what the Canadian Government intends to do about this great structural problem other than the incentive.

The first question is why these companies would leave. I suggest it is because the forest industry and the forest resource in Canada has been treated like a mine and high-graded. What we are left with is the remnants in an impaired condition.

Over the years we have seen the alienation of a great deal of forest land and, I would say, the depletion of the capability, in many areas, of the forest soil as a result of poor management. In Canada the regeneration of the forest is an 80-year cycle

compared to some sub-tropical regions and the southeastern United States where there is a 40-year regeneration period. In addition, in taking their allowable annual cut the forest companies have taken it out of valley bottoms, easily accessible areas where it has been cheap to log the trees. The trees that remain are up on the mountain slopes, in inaccessible regions, so it is going to be very expensive to get them out. Canadian forest resource material will no longer be competitive, therefore, with those companies that wisely husbanded their resources.

In short, Mr. Speaker, over the years we have seen our forests depleted by fire, by insect and disease-kill and by logging. We have not undertaken reforestation programs to replace the loss. Finally, our forest reserve is no longer what it was. Perhaps the American companies see that it is time to leave this country because the forest base is no longer here.

• (2225)

There is a second very serious aspect. Four of the major corporations which managed the forest and contributed $13 billion in earnings of foreign export credit in the country have left to return to the United States in an attempt to recapture the market there, to retrench there, to invest there and to reorganize its forests. If they obtain the co-operation of the administration in the United States to pace the recovery market and to fight off the intrusion or penetration of foreign competitors through agencies such as the International Trade Commission, and through some very skillful and very tough-minded trade bargaining, we will find that we will not be allowed into that market again. At the same time they have retained the responsibility for marketing the Canadian products that exist in the international market. It is clearly a suicide mission if there ever was one.

Yesterday I asked the Minister of Industry Trade and Commerce and Minister of Regional Economic Expansion if he would be prepared to intervene in the Crown Zellerbach sale through the mechanism of FIRA and through the direct intervention of the Canadian Government to ensure that the sale of this corporation was in the interests of Canadian people and in the interests of strengthening the Canadian forest industry rather than its fragmentation and gradual weakening. He did not appear to understand the depth of the problem and the doomsday scenario which face Canadians in this very vital industry.

Of course, the second aspect is the international marketing effort. There is a desperate need for a Canadian-controlled international forest products marketing corporation. I hope the Government wakes up in time basically to save this effort for Canadians.

[*Translation*]

Mr. André Maltais (Parliamentary Secretary to Minister of Industry, Trade and Commerce and Minister of Regional Economic Expansion): Mr. Speaker, I will try to answer briefly the four questions put to me. We are dealing with the sale of the Crown Zellerbach Corporation of Canada Ltd., a subsidiary of the Crown Zellerbach Corporation of San Francisco. It is correct that this company is negotiating the sale of 84 per cent of its shares and right now, some Canadian as well as American companies have indicated their interest as possible buyers. First of all, I want to stress that an article in yesterday's *Gazette* mentioned the matter. Consequently, it is open for public discussion. In addition, I want to stress first that in the forestry sector as a whole sales have declined by more than 6 per cent in comparison with the same semester last year and second, that wood and paper shipments are down by 9.5 per cent. The fact that the industry is operating at only 80 per cent of capacity accounts for the fact that the American company wants to sell its Vancouver subsidiary. In any case, this very afternoon, the Department of Industry and Commerce received a telegram confirming that a New Zealand firm, Fletcher Challenge Ltd., is currently negotiating with Crown Zellerbach of San Francisco the take over of the assets of the Canadian subsidiary. The negotiations have not been concluded, but they are being actively pursued, and as soon as an agreement is reached—if it ever is, because negotiations being what they are, a satisfactory outcome is by no means certain—the Hon. Member will so be advised. Obviously, before Fletcher Challenge Ltd., from New Zealand, can take over that company, namely Crown Zellerbach from Vancouver, it will have to abide by all FIRA's criteria and requirements which means, as Hon. Members know, that such a transaction must be beneficial to Canadians. Assuming the take over does take place, I want to assure the Hon. Member that the provinces concerned will be consulted as well on this matter. I realize that time is running out, Mr. Speaker, but there are three other matters I would like to raise. First, about the forest industry, it is a well known fact that DREE and the provinces have come to an agreement on the modernization of pulp and paper facilities; Second, there is an agreement on reforestation between the provinces and the federal government, under which the federal government pays large amounts to insure that Canadian forests be of high quality and protected against unstructured deforestation.

[*English*]

Mr. Deputy Speaker: Order, please. The motion to adjourn the House is now deemed to have been adopted. Accordingly, this House stands adjourned until tomorrow at 11 a.m.

At 10.30 p.m. the House adjourned, without question put, pursuant to Standing Order.

HOUSE OF COMMONS

Friday, October 29, 1982

The House met at 11 a.m.

• (1105)

MOTIONS UNDER S.O. 43

[*English*]

MEDICAL CARE

PREMIUM INCREASES UNDER GROUP SURGICAL-MEDICAL INSURANCE PLAN

Mr. Thomas Siddon (Richmond-South Delta): Madam Speaker, whereas the President of the Treasury Board (Mr. Gray) has authorized large increases in the monthly premiums payable under the federal Group Surgical-Medical Insurance Plan, increases of between 30 per cent and 100 per cent, effective August 1, 1982, and whereas these increases are clearly a violation of the Government's own six and five per cent limits, and wreak an intolerable hardship on many war veterans, widows, and other pensioners, I move, seconded by the Hon. Member for Vancouver Centre (Miss Carney):

That Cabinet order the President of Treasury Board to roll back immediately GSMIP premium increases of more than 30 per cent, which were announced several weeks ago, to a maximum 6 per cent effective August 1, 1982.

Madam Speaker: Is there unanimous consent for this motion?

Some Hon. Members: Agreed.

Some Hon. Members: No.

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CANADA POST CORPORATION

PROPOSED INCREASE IN POSTAL RATES

Mr. Girve Fretz (Erie): Madam Speaker, whereas, in a memo circulated on Monday, October 25, Canada Post smugly announced its intention to follow the requirements of the six and five program by limiting its latest increase to only two cents, or 6.6 per cent, forgetting that the resentment has barely subsided over the incredible 13-cent or 76 per cent jump in rates last year, and whereas that rate increase was conveniently implemented just before the six and five program was tabled, I move, seconded by the Hon. Member for Western Arctic (Mr. Nickerson):

That, in fairness to the Canadian people, postal rates be maintained at their present level for the foreseeable future.

Madam Speaker: Is there unanimous consent for this motion?

Some Hon. Members: Agreed.

Some Hon. Members: No.

* * *

POLITICAL PARTIES

POSITION OF ALBERTA NEW DEMOCRATIC PARTY ON PROPERTY RIGHTS

Mr. Gordon Taylor (Bow River): Madam Speaker, I rise on a matter of urgent and pressing necessity under the provisions of Standing Order 43. Whereas the NDP in Alberta is promising to protect property rights, and whereas the NDP and the Liberals in Ottawa took property rights out of the Charter, after the Progressive Conservative Party put property rights into the Charter; therefore, I move, seconded by the Hon. Member for Peace River (Mr. Cooper):

That the people of Canada beware of a party that speaks with a forked tongue.

Madam Speaker: Is there unanimous consent for this motion?

Some Hon. Members: Agreed.

Some Hon. Members: No.

* * *

LABOUR CONDITIONS

SUGGESTION MINISTER ACT AS MEDIATOR IN WEST COAST PORTS DISPUTE

Mr. Lorne Nystrom (Yorkton-Melville): Madam Speaker, I rise under the provisions of Standing Order 43 to move a motion which I am sure will be supported by all members of this House. In view of the adverse economic effects of the strike/lockout on the West Coast, and the fact that agriculture is one of the only sectors that has been operating at nearly full capacity, and in view of the hardships thereby caused to farmers and railway workers, I move a motion that is based on a precedent set by the Hon. Member for Lincoln (Mr. Mackasey), when he was Minister of Labour. I move, seconded by the Hon. Member for Humboldt-Lake Centre (Mr. Althouse):

That this House urges the Minister of Labour to go to Vancouver and make himself available to act as a mediator in this dispute, and to stay in Vancouver until a satisfactory resolution is achieved.

S.O. 43

Madam Speaker: Is there unanimous consent for this motion?

Some Hon. Members: Agreed.

Some Hon. Members: No.

CALL FOR RESOLUTION OF WEST COAST PORTS DISPUTE

Mr. Len Gustafson (Assiniboia): Madam Speaker, I rise under the provisions of Standing Order 43. The shutdown of shipping at the Port of Vancouver is costing farmers $8 million per day in lost grain sales. Canada's reputation as a major exporting nation is challenged. In addition, western farmers have produced the largest grain crop on record and the economic impact is great to this country. I move, seconded by the Hon. Member for Pembina (Mr. Elzinga):

That the Government give more than lip service to solving the very serious situation that exists and take some affirmative action and order the dispute resolved.

Madam Speaker: Is there unanimous consent for this motion?

Some Hon. Members: Agreed.

Some Hon. Members: No.

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• (1110)

FISHERIES

GOVERNMENT POSITION ON PEARSE COMMISSION RECOMMENDATIONS

Mr. Benno Friesen (Surrey-White Rock-North Delta): Madam Speaker, there are serious rumours circulating on the West Coast to the effect that the West Coast Fisheries Act will be enacted by this Government in December by Order in Council which will include major recommendations of the Pearse Report, including those for ground fish species. Therefore I move, seconded by the Hon. Member for Richmond-South Delta (Mr. Siddon):

That the Minister of Fisheries make a statement on motions elaborating on the Government's intentions so that the fishermen so deeply affected by this Report will not be taken by surprise.

Madam Speaker: Is there unanimous consent for this motion?

Some Hon. Members: Agreed.

Some Hon. Members: No.

HOUSING

CALL FOR ASSISTANCE TO HOME OWNERS RENEWING MORTGAGES

Mr. Bill Wright (Calgary North): Madam Speaker, whereas the Minister of Finance, in his "this-is-not-a-budget" budget, stated that interest rates are now at levels comparable to those of two years ago, and whereas the five-year conventional mortgage rate in October, 1980, was 14.5 per cent compared to the latest figure of 16 per cent, I move, seconded by the Hon. Member for Pembina (Mr. Elzinga):

That the Minister look once again and more carefully into the differences between the mortgage market of two years ago and today's mortgage market and offer some concrete assistance to those home owners in difficulty with mortgage renewal at rates that are still far too high.

Madam Speaker: Is there unanimous consent for this motion?

Some Hon. Members: Agreed.

Some Hon. Members: No.

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DISARMAMENT

SUPPORT URGED FOR WORLD REFERENDUM

Mr. Simon de Jong (Regina East): Madam Speaker, I also rise under the provisions of Standing Order 43. Whereas 70 per cent of the voters who marked their ballots in municipal referenda this Wednesday in Saskatchewan voted "yes" for disarmament, and whereas people in the town of Meadow Lake, Saskatchewan, which is next to the bombing range where the Cruise missile will be tested, voted 70 per cent in favour of stopping the testing, I move, seconded by the Hon. Member for The Battlefords-Meadow Lake (Mr. Anguish):

That the Canadian Government introduce at the United Nations a motion calling for a world referendum on disarmament, and put into practice the Prime Minister's proposal of suffocation by cutting short negotiations on the testing of the Cruise missile, testing which will be opposed by thousands of Canadians at rallies across the country tomorrow.

Madam Speaker: Is there unanimous consent for this motion?

Some Hon. Members: Agreed.

Some Hon. Members: No.

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COMMUNICATIONS

GOVERNMENT POLICY ON USE OF SATELLITE DISH RECEIVERS

Mr. John Bosley (Don Valley West): Madam Speaker, two years ago the Governemnt said it would take no action against owners of satellite dish receivers but that their use was illegal. Six weeks ago the Minister of Communications (Mr. Fox) announced that some owners of dishes would be prosecuted,

contrary to the rule of law. Last week the Minister opened a dish manufacturing plant in southern Ontario. Therefore I move, seconded by the Hon. Member for Vancouver Centre (Miss Carney):

That the Minister of Communications be requested to clarify what Government policy in this area truly is so that Canadians, who are investing hard cash in the manufacture and purchase of these products, will know whether their investment is safe or whether and when they may expect the dish police to come calling.

Madam Speaker: Is there unanimous consent for this motion?

Some Hon. Members: Agreed.

Some Hon. Members: No.

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THE MINISTER OF EMPLOYMENT AND IMMIGRATION

Mr. Lyle S. Kristiansen (Kootenay West): Madam Speaker, over the past few months hundreds of unemployed forestry workers and others in B.C. alone have been cut off regular UIC payments as they entered into the Employment Bridging Assistance Program, and have been forced to wait without incomes for up to six to eight weeks and more while the employment bureaucracy and the Minister just fiddle around. These victims are the latest to be added to the thousands who have to go on welfare or rely on charity while waiting week upon week for the UIC benefits to which they are entitled. I therefore move, seconded by the Hon. Member for Skeena (Mr. Fulton):

That this House present the Emperor Nero Award with dead maple leaf cluster to the Minister of Employment and Immigration in recognition of his continuing foul-ups and fiddling while unemployed Canadians burn, and urge him to stop feeding unemployed Canadians to the lions.

Madam Speaker: Is there unanimous consent for this motion?

Some Hon. Members: Agreed.

Some Hon. Members: No.

* * *

• (1115)

PUBLIC WORKS

CONSTRUCTION PROJECT TENDERS

Mr. Fred King (Okanagan-Similkameen): Madam Speaker, the major theme of the Prime Minister's three messages was trust. Trust is an essential element in democracy. Recently in my area three separate instances have been brought to my attention in which contracts with the Government of Canada have been awarded in circumstances which abuse normal tendering practices. In consideration of this I move, seconded by the Hon. Member for Cariboo-Chilcotin (Mr. Greenaway):

That this House enjoin the Government of Canada to guarantee that, when inviting tenders for government construction projects, all conditions of tender be scrupulously observed to avoid the inference of political or other unworthy consideration which destroys the spirit of trust of which the Prime Minister spoke and the trust upon which the future unity of our nation is so dependent.

Madam Speaker: Is there unanimous consent for this motion?

Some Hon. Members: Agreed.

Some Hon. Members: No.

ORAL QUESTION PERIOD

[*English*]

NEW EMPLOYMENT EXPANSION AND DEVELOPMENT PROGRAM

INQUIRY RESPECTING PROVISION OF FULL-TIME JOBS

Right Hon. Joe Clark (Leader of the Opposition): Madam Speaker, my question is directed to the Prime Minister or to the Minister of Finance. The Minister of Finance has announced the New Employment Expansion and Development Program. He said in his budget speech, and I quote, "It is expected to provide jobs for 60,000 individuals over a period of 18 months". Will those 60,000 jobs be full-time jobs?

Hon. Marc Lalonde (Minister of Finance): Madam Speaker, I have indicated that this is a direct job-creation program and these jobs would be of a temporary nature, at least 20 weeks. But that will depend, obviously, also on the co-operation of industry in many instances. Many of these jobs will be of a permanent nature and will be extended; other jobs that may be created, also in co-operation with the provinces, may be of a permanent nature. That will have to be assessed as the Program develops. The 60,000 jobs I have announced are going to be directly created by that Program. I have not included the indirect job creation that results from any such activity.

Mr. Clark: Madam Speaker, the Minister missed the question but he did tell the House that what was announced by him a couple of days ago, as 60,000 full-time jobs, will in fact be 60,000 20-week jobs; or perhaps there might be something more depending on somebody else doing something. This is a "maybe" program.

REQUEST FOR PROGRAM DETAILS

Right Hon. Joe Clark (Leader of the Opposition): Madam Speaker, let me ask the Minister about the details of this Program. He said in his budget speech that his colleague, the minister on unemployment, "will announce shortly the details of the new Program". Let me ask the Minister if those details are ready. Does the Government know what it is proposing?

Hon. Marc Lalonde (Minister of Finance): Madam Speaker, we know very well what we are proposing, but the Leader of the Opposition has to make up his mind. He cannot on the one hand accuse the Government of refusing to consult and having everything ready and at the same time, while I was speaking the other day, I heard him shout that that was no consultation, because we were proceeding with the Program without really consulting with the provinces. Now he is asking that we announce all the details before we have completed the discussions. I would say to him, make up your mind if you want consultation or if you do not.

We are consulting with the Provinces at the present time. We are adopting a flexible attitude on this and we will release details once the consultations have taken place. There will then be a full opportunity for the Leader of the Opposition to make up his mind whether he likes them or not.

Mr. Clark: Madam Speaker, the translation of that answer is that the Government does not know what it is proposing. It has no details to announce.

TIMING OF IMPLEMENTATION

Right Hon. Joe Clark (Leader of the Opposition): Madam Speaker, the Minister of Employment and Immigration told the Minister of Finance for Ontario that this program would not be available at least until January—that no one would start working at least until January. It may be later; it may be April. Will the Minister of Finance tell the House of Commons how long it will be before this Program provides its first job for one Canadian?

• (1120)

Hon. Marc Lalonde (Minister of Finance): Madam Speaker, first of all I am pleased to inform the Hon. Leader of the Opposition that we have already $1.4 billion at work in terms of job creation in the country and that there is a $300 million program of community development activities starting in November. It will create jobs in November, December, January and February. The Minister of Employment and Immigration is trying to get this additional Program into effect as fast as possible, and we expect that this will be in January. If we can get it going even faster, this is what we will do. But I remind the Leader of the Opposition that we already have more than $1.4 billion of help for the workers and the unemployed of the country to fight unemployment, and that money is at work now.

Mr. Clark: The translation of that, Madam Speaker, is that the Government does not know when this Program will begin to deliver the first job to one Canadian in the country.

Some Hon. Members: Hear, hear!

PLIGHT OF PERSONS INELIGIBLE FOR UNEMPLOYMENT INSURANCE

Right Hon. Joe Clark (Leader of the Opposition): Madam Speaker, the Minister of Finance will know that his Government's own figures indicate that over the next nine months there will be a further 540,000 Canadians who will become ineligible for unemployment insurance. This means that over the next 18 months, if that trend continues, more than a million Canadians will become ineligible for unemployment insurance. He is promising as an answer for these more than a million Canadians who are going off unemployment 60,000 20-week jobs. What will he do to help the million other Canadians whom this Program does nothing at all to aid?

Hon. Marc Lalonde (Minister of Finance): Madam Speaker, since the Leader of the Opposition seems to need translation this morning, I will answer this one in French.

Some Hon. Members: Oh, oh!

Mr. Lalonde: Do you want it in English?

Mr. Crosbie: Let's have it in Japanese.

[*Translation*]

Mr. Lalonde: The program I announced will provide $500 million, while another $600 million will be provided to assist the residential construction industry in Canada and the expansion of rail capacity in the West. The program involves expenditures of $1.1 billion, in addition to, as I said earlier, the $1.4 billion already approved in the supplementary estimates. This year, the Canadian government has allocated additional funds of $2.5 billion for job creation and programs to fight unemployment. The Government of Canada is quite aware that these programs and the government's efforts alone will not be enough to wipe out unemployment in this country. Bringing down the unemployment rate will depend on how successful we are in putting a stop to the present recession and stimulating the private sector. That was the message I gave in my statement to the House earlier this week. That was the message I gave when I announced tax cuts for workers and tax cuts as well as tax exemptions for business. I am very pleased with the reception given these measures throughout Canada, and especially in business circles, and I hope that the private sector will be able to play a substantial part in achieving the economic recovery this country needs. The Government of Canada will be there to provide leadership and the necessary support in the coming months.

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[*English*]

LABOUR CONDITIONS

PORT OF VANCOUVER WORK STOPPAGE

Mr. Chuck Cook (North Vancouver-Burnaby): Madam Speaker, in the absence of the Minister of Labour my question

is directed to the Prime Minister. One in ten jobs in the Lower Mainland of British Columbia are directly dependent upon the Port of Vancouver—56,000 workers and a weekly payroll of $16 million; 3,500 longshoremen and warehousemen are out; 1,336 CN employees are out; 490 CP employees are out and there are more to come; 300 grain handlers are about to be laid off; commodity handlers have laid off 200 and there are more to come; and English Bay is filled with ships on demurrage charges of $2,500 up to $20,000 a day. This strike cannot be allowed to continue.

• (1125)

Is it the Prime Minister's intention to allow this interruption in the Canadian economy to continue as long as "meaningful bargaining takes place" or, as the Minister of Finance suggested this week, regardless of bargaining, if the Port is not opened on Monday morning, will emergency legislation be brought to this House to open the Port immediately?

Right Hon. P. E. Trudeau (Prime Minister): Madam Speaker, the Minister of Finance made it quite clear in his statement to the House on Wednesday that if the parties had not settled their dispute through the process of free collective bargaining by Monday night this Government would ensure in some way that the strike would be ended, and that is still our intention.

Mr. Cook: The Prime Minister's answer is satisfactory, Madam Speaker.

Some Hon. Members: Oh, oh!

Mr. Cook: I believe from what he has had to say that we can anticipate the Port of Vancouver being opened at the latest on Tuesday, regardless of what happens with bargaining.

CUSTOMS CLEARANCE FOR CARGO LANDED AT SEATTLE

Mr. Chuck Cook (North Vancouver-Burnaby): Madam Speaker, my supplementary question is for the Minister of National Revenue. In view of the fact that much of the commerce of the Port of Vancouver is now unloaded in Seattle which amount so far is 60,000 tonnes, an amount increasing hour by hour, what special arrangements have been made by the customs service to expedite border crossing by the new flood of trucks heading north?

Mr. Garnet M. Bloomfield (Parliamentary Secretary to Minister of National Revenue): Madam Speaker, I wish to advise the Hon. Member that I will take notice of his question and bring it to the attention of the Minister when he returns.

Mr. Clark: Which minister?

INCOME TAX

EFFECT OF PROPOSED SURTAX

Hon. Edward Broadbent (Oshawa): Madam Speaker, I have a question for the Minister of Finance. On Wednesday, in the House, the Minister said that the New Democratic Party proposal for levying a surtax on all those Canadians earning over $40,000 a year, namely, the richest 7 per cent of Canadians, would not obtain for job-creating purposes the $1.3 billion we said that it would. Will the Minister now admit that he was wrong? Further, will the Minister acknowledge that the same group of rich Canadians, as a result of the government's tax changes last fall, will get an additional $1 billion in tax benefits in the coming year?

Hon. Marc Lalonde (Minister of Finance): Madam Speaker, I would be very happy to admit I was wrong, if I were. But I invited the Hon. Member to have his research assistants come to my office or to my department to compare notes and figures. I told him, and I repeat to him, that the estimates of my Department and those made by officials who know about the fiscal system and about national revenue, are to the effect that the revenue resulting from the tax proposed by the NDP would barely come to half the amount mentioned in the speech made by the Hon. Member, if he speaks about the revenues that would be generated in one year. I do not know whether he has added a few years in order to arrive at his figures, but if the Hon. Member tells me that his figures relate to revenues that could be generated in a single year, our estimation is that the Hon. Leader of the New Democratic Party is wrong again, by about 100 per cent.

Mr. Broadbent: Madam Speaker, I will be happy to send a letter to the Minister. I want to say to him at this point, however, that the average tax increase of 5 per cent on this group that we have proposed, will obtain 15 per cent additional revenue from the same category of rich Canadians, and we in this Party believe that the rich in Canada should start to pay their fair share at least, especially in terms of job creation.

Some Hon. Members: Hear, hear!

REQUEST THAT GOVERNMENT INTRODUCE SURTAX

Hon. Edward Broadbent (Oshawa): I have another question for the Minister of Finance in that context. Since, on Wednesday, the Minister announced an increase in the UI premiums paid by the ordinary worker, which is an indirect tax of over $800 million, and since the Government continues to tax pensioners and continues to tax those living at the poverty level, why does the Government not bring in a surtax on upper-income Canadians to generate money for badly needed jobs?

• (1130)

Hon. Marc Lalonde (Minister of Finance): Madam Speaker, as I have indicated before, if we had applied the spirit of the Unemployment Insurance Act, what would have been

required would have been an increase of something like 125 per cent in the premiums under the Unemployment Insurance Program. The Unemployment Insurance Program is what it is, an insurance program to which employees and employers are contributing for their own security. Due to the current economic situation and difficulties, the Government decided that we would not apply the normal rule, but that in effect, the Government would assume 70 per cent of the deficit that was being incurred by the fund and only 30 per cent would be assumed by the employers and employees. This is the contribution of the Government of Canada in the current situation.

Our decision was made after consultations with labour and management and in the case of the Unemployment Insurance Commission, it recommended exactly what we have implemented. In our consultations with most labour unions and management, they agreed that they should be contributing a share of that increased premium.

With respect to the question raised by the Hon. Member, I have already told him, and I repeat, that I have set up a nice "budget box" in my office. I have heard his representations on this proposal and, as I prepare my budget for 1983, I will give his proposal and suggestion careful consideration.

REQUEST THAT GOVERNMENT CHANGE TAX BENEFITS FOR WEALTHY

Hon. Edward Broadbent (Oshawa): Madam Speaker, the Minister smilingly is quite prepared to increase the tax burden on every ordinary Canadian but is totally unprepared to make wealthy Canadians pay their share at this time. We in this party find that totally unacceptable.

I want to return to another part of the first question that the Minister did not answer. Will he admit that, as a result of closing a couple of loopholes that benefit upper-income Canadians which he announced on Wednesday, in addition to the tax changes brought in by his predecessor last fall, the upper 7 per cent of Canadian income earners will get over a billion dollars in tax benefits in the coming year, while we overtax the average Canadian? If he will admit that, will he bring in a change now, and not six months down the road, that will make upper-income Canadians pay their share at this time?

Hon. Marc Lalonde (Minister of Finance): Madam Speaker, in my statement earlier this week I estimated that the total tax benefits granted were $300 million over a full year. The largest single element in that tax break is going to the Canadian men and women who are working in this country, through abandoning the proposal to tax their health and dental plans. The Leader of the New Democratic Party should recognize that.

AVIATION INDUSTRY

PROVISION OF FUNDS FOR CROWN CORPORATIONS

Hon. Sinclair Stevens (York-Peel): Madam Speaker, my question is for the Minister of Industry, Trade and Commerce. As the Minister has indicated, he will be seeking parliamentary approval for a further $400 million equity injection for Canadair and de Havilland. Would the Minister indicate and assure the House that none of those funds have been advanced or borrowed to date, nor will such funds be advanced or borrowed directly or indirectly by those two companies prior to Parliament having an opportunity to take action on his request?

Hon. Ed Lumley (Minister of Industry, Trade and Commerce and Minister of Regional Economic Expansion): Madam Speaker, to my knowledge none of those funds have been advanced to Canadair and de Havilland. However, it would seem inappropriate to me not to advance those funds to Canadair and de Havilland, because one of the things that they want to do is reduce some of their high interest rate loans and then take advantage of lower interest rate loans when the money is required. To me, it would impede the progress of Canadair and de Havilland if that money were not advanced.

VIABILITY OF CANADAIR

Hon. Sinclair Stevens (York-Peel): Madam Speaker, again I question the Minister of Industry, Trade and Commerce who has just indicated that parliamentary approval will be virtually just a rubber stamp if it is given. In view of the fact that Canadair alone will have a total exposure now of $1.5 billion backed by the Government and the people of Canada, would he indicate if he can assure the House that Canadair is in fact viable, bearing in mind that that will mean that it has triple the indebtedness of its main competitor, Gulf Stream America? It will in fact have an indebteness equal to $300,000 for every employee in that company. Is it viable?

Hon. Ed Lumley (Minister of Industry, Trade and Commerce and Minister of Regional Economic Expansion): Madam Speaker, as the Hon. Member knows, many companies which rely on export markets are experiencing financial difficulty today. Canadair does not control the international marketplace. It does not make decisions as to who buys corporate aircraft. If we did not think that Canadair was viable, if we did not think that jobs were important in the aerospace industry, we would not be coming to Parliament and requesting another $200 million in equity infusion to the company.

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LABOUR CONDITIONS

DURATION OF NORDAIR STRIKE

Mr. Geoff Scott (Hamilton-Wentworth): Madam Speaker, my question is for the Minister of Transport. Many employees

of Nordair have been on strike since June 24. It has been the longest and most disruptive strike in that company's history. Will the Minister give the House a progress report on the strike, and can he explain why the Government of Canada through its Crown corporation, Air Canada, which owns about 86 per cent of the shares of Nordair, has not acted to bring an end to this strike to get Nordair's planes back in the skies to service the many communities across three provinces in this country?

Hon. Jean-Luc Pepin (Minister of Transport): Madam Speaker, I inquire regularly as to the happenings in that particular strike. I regret that the strike is being extended. Occasionally, when I do inquire, I am told that progress is being made. I hope that progress will materialize one of these days.

The reason why the Government does not take action in this strike as strongly as it does on the west coast strike, is simply that the Nordair one does not have the same national dimension as the west coast one.

DELAY IN REACHING SETTLEMENT

Mr. Geoff Scott (Hamilton-Wentworth): Madam Speaker, perhaps we can illustrate one example of why progress has not been made. Would the Minister find out from his colleague, the Minister of Labour, why he has repeatedly turned down Nordair's request and has not even acknowledged several requests from the union to appoint a mediator to resolve the clerical workers' grievances? Why does the Government, in effect, appear not to be in too great a rush to settle this strike?

Hon. Jean-Luc Pepin (Minister of Transport): Madam Speaker, I will do that this afternoon and report to the Hon. Member as soon as I can.

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FINANCE

SMALL BUSINESS ACCESS TO CREDIT

Mr. Robert Wenman (Fraser Valley West): Madam Speaker, my question is for the Minister of Finance. The Minister has claimed that 60,000 new jobs will be created with $1 billion of the taxpayers' money. How many jobs will not be created? How many jobs will be lost because the Royal Bank, other major chartered banks and the federal Government are withdrawing $1 billion in credit possibilities from the money market in order to bail out Dome Petroleum, $34 million for Maislin, $130 million for Consolidated Computers, $400 million for Canadair, and millions more for Massey-Ferguson and Chrysler?

What does the Minister intend to do to ensure that millions of individual Canadians and small businesses are guaranteed access to credit markets commensurate with their assets so that they can invest in Canada, and spend in the Canadian economy in order to create real, new and lasting permanent jobs?

Hon. Marc Lalonde (Minister of Finance): Madam Speaker, I am pleased to inform the Hon. Member that yesterday, for the eleventh week in a row, the bank rate in this country went down. There has been significant progress on the interest rate side since last June.

Second, I would like to point out to the Hon. Member that the rate of savings in this country has never been as high. At the present time it is running at about 13 per cent, and this is more than twice the savings rate in the United States. The Hon. Member also knows, or should know, that there is not a great demand from the private sector for borrowing at the present time. There are a lot of savings presently. There is a lot of money which can be borrowed and, thank God, it can be borrowed at much cheaper rates than used to be available in the past few months.

There has been significant progress on the interest rate side. I hope this progress will be maintained and continued over the next while. Frankly, I do not expect difficulties in terms of the money being available on the market for people who want to borrow for valid purposes.

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• (1140)

NUCLEAR ARMAMENTS

STATUS OF NEGOTIATIONS WITH UNITED STATES

Miss Pauline Jewett (New Westminster-Coquitlam): Madam Speaker, my question is directed to the Secretary of State for External Affairs. He may know, but then again he may not, that Canadians everywhere, including B.C. Liberals and the residents of Meadow Lake who voted yesterday, are overwhelmingly opposed to the testing of the Cruise missile in Canada and the fuelling of the nuclear arms race. They are opposed to the secrecy with which all of these negotiations have been kept. Can the Minister now tell the House the stage of the negotiations, both for the umbrella agreement and the Cruise missile testing agreement? Is it too late for the negotiations to be stopped? Have the agreements already been signed?

Hon. Allan J. MacEachen (Deputy Prime Minister and Secretary of State for External Affairs): Madam Speaker, I will be pleased to inform the Hon. Member that negotiations are still under way with respect to the umbrella agreement. It is not certain when the negotiations will be completed, but until the umbrella agreement is completed and signed, it will not be possible to enter into any particular project for the testing of any weapons system.

REQUEST THAT AGREEMENT TERMS BE REFERRED TO STANDING COMMITTEE

Miss Pauline Jewett (New Westminster-Coquitlam): Madam Speaker, in a letter to my colleague, the Hon. Member for Selkirk-Interlake, dated October 18, the Minister of National Defence indicated that the umbrella agreement would be signed within a few weeks. I would like the Minister to comment on that. Furthermore, will the Minister honour the promise made by his predecessor, sitting nearby in disguise, at the meeting of the Standing Committte on External Affairs and National Defence on March 24, 1982? As reported at page 22 of the Minutes, the Minister stated:

—there is no reason why we cannot reveal not only the fact of the agreement but all of the terms of the agreement as soon as the negotiations are completed—

Before any other agreements with regard to Cruise missile testing or anything else are entered into, will the Minister give a reference to the Standing Committee outlining all of the terms of the framework agreement, the letter from President Reagan to the Prime Minister asking for it in the first place, and the Prime Minister's reply, and all of the terms before any negotiations for Cruise testing are undertaken?

Hon. Allan J. MacEachen (Deputy Prime Minister and Secretary of State for External Affairs): The first answer, Madam Speaker, is that it may be possible that the negotiations for the umbrella agreement will be completed within a few weeks. I am not certain because new items have been raised within the last short time which must be dealt with before any agreement can be signed.

Miss Jewett: Like public opinion.

Mr. MacEachen: On the second question, I will look at the commitment made by my predecessor. If the Hon. Member has quoted him correctly, it seems to be a reasonable commitment and I would be happy to follow his wise leadership on this point.

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[*Translation*]

CANADIAN HOME INSULATION PROGRAM

ALLEGED THEFT OF SUBSIDIES

Mr. Alexandre Cyr (Gaspé): Madam Speaker, my question is directed to the Minister of Energy, Mines and Resources. In recent months, travelling salesmen have been going from door to door in the Gaspé and in a number of other areas throughout Canada, selling insulation at $20 a bag, while the same material is available from local dealers at $9. They are selling weather-stripping for $100, while the same product can be purchased for $30. The customer's bill is always for $350 and is charged to the grants provided by the Canadian Home Insulation Program. Many homeowners buy these products without really knowing what to do with them. They pass them on to their neighbours, use them to insulate cottages or garages or leave them lying around in their backyards. My question is: can the Minister inform the House whether his government is going to stand any longer for this fraudulent use of CHIP grants, especially since the money involved would be far better spent on creating jobs in the riding of Gaspé, where the unemployment rate is 50 per cent?

Hon. Jean Chrétien (Minister of Energy, Mines and Resources): Madam Speaker, yesterday when I was answering questions in the House, I said that I was going to review this program. I agree there are people who are misusing the system and taxpayers' money. I am going to try to combine some of these programs to ensure that we get the desired results; in other words, conserve energy and at the same time prevent fraud, while the people taking advantage of these programs will pay part of the cost instead of receiving the full amount from the government.

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[*English*]

RAILWAYS

USE OF ANNOUNCED FUNDS

Hon. Don Mazankowski (Vegreville): Madam Speaker, I should like to direct my question to the Minister of Transport. Could the Minister explain to the House the application of the $400 million, to which reference was made in the Finance Minister's statement this week, with respect to the expansion and modernization of rail capacity? Is this sum of $400 million to be used a grant, an advance, part of the Crow solution process or part of the Western Development Fund, or both?

Hon. Jean-Luc Pepin (Minister of Transport): Madam Speaker, unfortunately I cannot be very explicit this morning. By the way, I am grateful to the Minister of Finance for having made this amount available, on top of previously announced amounts of money in order to bring about the resolution of the Crowsnest Pass rate and to bring about tremendous expansion of western rail transportation capacity. In due course I will state where each one of these dollars will be going, but I am not in a position to do so at this moment. However, the decision certainly indicates the dedication of the Government to the resolution of the problem and to the expansion of railway service in the West.

REQUEST FOR JOB-CREATION ESTIMATE

Hon. Don Mazankowski (Vegreville): Is the Minister in a position to clarify to the House whether this sum of $400 million is part of the grant or subsidy package, or is it simply an advance to the railways to accelerate the development of rail capacity? I think that is a very important question. If so, what will it mean in terms of jobs and when will these jobs come on stream?

Hon. Jean-Luc Pepin (Minister of Transport): That is exactly what I cannot answer this morning. I just said that.

However, it is not part of the Western Development Fund. It is part of the western railway transportation project. Yesterday the Minister of Finance said that the number of jobs it will bring about amount to 400,000 person-years, if I recall well.

Some Hon. Members: Oh, oh!

An Hon. Member: Forty thousand.

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CANADA MORTGAGE AND HOUSING CORPORATION

REQUEST THAT CALGARY RENT INCREASES BE DEFERRED

Mr. John Kushner (Calgary East): Madam Speaker, I wish to direct my question to the Minister responsible for housing. I have written to the Minister and met with him last week with regard to the outrageous rent increases at Vista Courts Apartments in Calgary. Is the Minister in a position to defer this horrendous 250 per cent rent increase until the question is resolved, since no consultation took place between the management and tenants, especially in these hard times when we are preaching six and five?

Hon. Roméo LeBlanc (Minister of Public Works): Madam Speaker, in the area of housing, which is under the control of CMHC, the six and five policy is certainly very strictly adhered to, and this was announced by my predecessor some months ago. In the area of concern to the Hon. Member, I can tell him that these are units which were offered for purchase to the builders. They had received subsidized rents. However, I have considered the matter and asked CMHC to review that decision and hope to be able to give information to the Hon. Member in the next few days.

RESPONSIBILITY FOR LOW-COST HOUSING

Mr. John Kushner (Calgary East): Madam Speaker, has the Minister had any communications or carried out negotiations with regard to divesting responsibility for low-cost housing to the municipalities or the provinces? If the Minister has, will Parliament or the community have any input at all before a firm commitment is made by the Government?

Hon. Roméo LeBlanc (Minister of Public Works): Madam Speaker, I hope that the hon. member's very general question does not lead me to misinform him. The Government of Canada certainly does not intend to lessen its interest in what we call social housing, which provides assistance for those whose income is really not adequate to meet the cost of housing on a competitive basis.

● (1150)

There are some areas where discussions do take place with provinces and municipalities. If we can arrive at a solution where these organizations or jurisdictions help us in providing more housing for those on low income, that of course is very beneficial. I will try to develop these matters and consult with Parliament through committees and otherwise as Hon. Members desire.

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PUBLIC ACCOUNTS

AUDITOR GENERAL'S CERTIFICATE

Mr. Doug Anguish (The Battlefords-Meadow Lake): Madam Speaker, my question is directed to the Minister of Finance. This week the Public Accounts of Canada for the year ending March 31, 1982, were released. The Auditor General has levelled a most serious and, I believe, unprecedented qualification in his certificate on pages 2.15 and 2.16 of the Public Accounts. The Auditor General told the Minister of Finance that, in his opinion, the accumulated deficit, which makes up the national debt over the years, could be as much as $17 billion more than what in fact the Government is reporting because of its shabby and unapproved bookkeeping methods. I am sure the Minister is very concerned about this. What is the Minister willing to do to expose this understatement of the Accounts of Canada to the people of the country? Also, what is he willing to do to rectify this very serious situation?

Hon. Marc Lalonde (Minister of Finance): Madam Speaker, I realize that the Hon. Member has not been a Member of this House for many years. If he had been, he would realize that this debate has been going on for many years with the Auditor General and in the accounting profession. There has been debate on this subject in the Public Accounts Committee. There is an honest division of opinion as to the best way of presenting the accounts of the Government. Some accountants argue on one side, and some accountants argue on the other side. That debate has been published and is well known. It is on the record in the Public Accounts Committee. Indeed, it has been demonstrated in the statement to which the Hon. Member has referred. It is not new. It is a question of honest division of opinion.

Mr. Anguish: With all due respect to the Minister of Finance, I may be a young Member of Parliament, but I am certainly not stupid.

GOVERNMENT RESPONSE

Mr. Doug Anguish (The Battlefords-Meadow Lake): Madam Speaker, the Auditor General is an officer of this Parliament. He has told us that the Accounts of Canada are in shabby shape. We have not honoured his request over the years to do the proper accounting that is necessary. He has told us this many times. I am not surprised that the Deputy Minister resigned—

Madam Speaker: Order, please. The Hon. Member is now arguing. There is a time to argue and a time to ask questions. I would ask that he get to his question.

Mr. Anguish: What steps is the Minister of Finance willing to take to honour the requests of the Auditor General to, in fact, put the books of this country in good order?

Hon. Marc Lalonde (Minister of Finance): Madam Speaker, I invite the Hon. Member not to argue the point too much in the way he has done because he will raise questions as to his own statement about himself. I will just repeat what I told him, that for years there has been an honest division of opinion. We can list a number of accountants who will argue one side of this issue and a number who will argue the other side. That debate is well known. It is public. The facts are available for everyone to see. I do not personally intend to pursue the matter in this regard. I am sure this matter will again be examined. If there is a change of view in this regard, I will let the Hon. Member know without delay.

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WELFARE

INCREASE IN NUMBER OF TORONTO RECIPIENTS

Hon. David Crombie (Rosedale): Madam Speaker, my question is for the Minister of National Health and Welfare. Earlier this week the Chief Executive Officer of Metropolitan Toronto announced that he had the largest number of people on welfare in Metro's history. Mr. John Kruger said "the number is at an all-time high and will grow as more of Metro's 170,000 jobless exhaust their unemployment insurance benefits." He went on to say that we are going to have 50,000 more on welfare by Christmas alone. I would ask the Minister, since she has a responsibility under the Canada Assistance Plan, what she intends to do about this situation.

Hon. Monique Bégin (Minister of National Health and Welfare): Madam Speaker, the CAP Agreement under which we reimburse 50 per cent of all welfare costs to the Provinces is an agreement between the federal Government and the Provinces and, unfortunately or not, not with the municipalities. The Province of Ontario has its own agreement by which it redistributes our funds and theirs to the municipalities. I have no control over that nor, to my knowledge, do I have any reports and factual information. Therefore, as far as the federal Government is concerned, we will continue under this agreement to reimburse as quickly as possible all welfare bills presented by the various Provinces in order to assure Canadians of the cushion needed in these very difficult times.

REQUEST MINISTER ACT TO CHANGE COST-SHARING AGREEMENT

Hon. David Crombie (Rosedale): Madam Speaker, welfare costs in Metropolitan Toronto for next year, in response to this problem, will go up by 53 per cent. In response to that problem, Mr. David Dodge, an Assistant Deputy Minister in the Employment Department, said "the problem is that the municipalities don't have the money to pay for these people and, that, cleary is a federal responsibility". This is not a problem only for Metropolitan Toronto. It is a problem that is going to affect all municipalities right across the country. Surely the Minister can take some initiative and offer some leadership to change the CAP Agreement so that the municipalities will not be, as Ron Anderson said last week, bled dry by the fact that all of these people are now coming on to welfare rolls.

Hon. Monique Bégin (Minister of National Health and Welfare): Madam Speaker, I do not think we should enter into a constitutional debate on something that has to be provided to those on welfare. Ontario is a province which has decided to use the municipalities as agents for distributing welfare. I do not know what the Province of Ontario gives to the municipalities. Neither do I know, nor is it my responsibility under the Constitution, to check whether the Province gives proper moneys to the municipalities. This is a constitutional problem the Hon. Member wants to open that does not even exist. We pay 50 per cent of every welfare bill in this country. We pay it to the Provinces. It is their responsibility to match that by 50 per cent and no less. Past that point, I suggest the Hon. Member write a letter to the Province of Ontario and to continue to inquire about the municipal onus.

COMMITTEE RECOMMENDATION

Right Hon. Joe Clark (Leader of the Opposition): Madam Speaker, may I put a question to the Minister of National Health and Welfare which I put to the Prime Minister the other day. Will the Government accept the unanimous recommendation of the all-party task force that the federal Government's share of contributions under CAP be increased to those Provinces where unemployment is higher than the average and the number on the welfare rolls is higher than the average? Will the Government, in the spirit of leadership, move on that all-party unanimous recommendation of a committee of this House, supported by individual Liberal Members of this House of Commons?

Hon. Monique Bégin (Minister of National Health and Welfare): Madam Speaker, I do not know the text of the recommendation, but the spirit is surely met by the nature of the Program. The Program is such that the Provinces decide on their own initiative what amount they pay for the various allowances, etc., provided basic human rights are respected. We automatically reimburse 50 per cent. Therefore, any Province in a deeper situation of hardship automatically receives far more. An additional part is distributed to these provinces, and that should not be forgotten, through the general transfer payments of the Government of Canada, the equalization payments.

• (1200)

REQUEST THAT MINISTER ACCEPT RECOMMENDATION

Right Hon. Joe Clark (Leader of the Opposition): Surely the Minister knows what the all-party task force recommended. It recommended that in the case of Provinces that are

unusually hard hit by economic circumstances, and thus are not able to find money quickly, or as easily as other Provinces, there should be a federal contribution higher than 50 per cent for those provinces. That was the recommendation of Liberal Members of the House of Commons and, indeed, the unanimous recommendation of a committee of this House. In the spirit of leadership, in solving the problems this Government created, will the Minister of Health and Welfare accept that unanimous recommendation?

Hon. Monique Bégin (Minister of National Health and Welfare): I think that to play games like that is very easy for someone who is not in Government. Does the Hon. Member want me to cut into my other programs or increase the deficit? He does not tell us. There is one thing that he keeps forgetting. The Program exists and functions very well, and, of course, there is an increase in times of hardship. There is a very important part of the transfer payments to, for example, the Atlantic Provinces, which covers exactly the problem identified by the Right Hon. Leader of the Opposition, namely, that they have less front-end money to advance.

I have just completed a study of the request from these provinces for more money for medicare. I have news for the Right Hon. Leader of the Opposition. They have done better under medicare, with all our transfer payments, than the other Provinces.

* * *

[*Translation*]

PETITIONS

TABLING OF REPORTS OF CLERK OF PETITIONS

Madam Speaker: I have the honour to inform the House that the Clerk of the House has laid upon the Table reports of the Clerk of Petitions stating that he has examined the petitions presented by Hon. Members on Thursday October 28, 1982, and finds that they meet the requirements of the Standing Orders as to form.

* * *

[*English*]

PRIVILEGE

MR. YURKO—QUESTIONING OF MR. LALONDE—REQUIREMENT FOR UNANIMOUS CONSENT

Madam Speaker: I have a notice of a question of privilege from the Hon. Member for Edmonton East (Mr. Yurko).

Mr. Bill Yurko (Edmonton East): Madam Speaker, I rise on a question of privilege which I feel severely affects the rights and privileges of every Member of this House, and certainly my rights and privileges. I raise this matter as a question of privilege because I think the rules of the House have been breached in such a manner as to reflect on the reputation, character and good name of the House itself.

The incident I am referring to occurred yesterday when I rose after the question period to deny unanimous consent to allow further questioning of the Minister of Finance (Mr. Lalonde) on his Wednesday statement. The Hon. Member for Yukon (Mr. Nielsen), the House Leader for the Official Opposition, quickly jumped up and said as reported at page 20120 of *Hansard*:

—when the Government House Leader made his submission with respect to the results of the meetings between House Leaders at the opening of the House, he disclosed the fact that there was unanimous consent.

I want to repeat that last phrase, Madam Speaker, so that everyone in this House understands it very clearly. The Hon. Member for Yukon said the House Leader disclosed the fact that there was unanimous consent. He then changed his story slightly. He said:

Madam Speaker will recall that I rose afterwards and I believe the Hon. Member for Hamilton Mountain (Mr. Deans) did likewise. I submit that it was at that point that unanimous consent was sought and achieved, and it is too late now for the Hon. Member to rise in an attempt to refuse unanimous consent.

Madam Speaker: Order, please. Rather than reading these quotations, I would like the Hon. Member to tell me forthwith what his question of privilege is. I do caution him that he may not comment on my ruling of yesterday, which I maintain. I would like to know immediately what his question of privilege is, and he can elaborate on it once he has enunciated what it is.

Mr. Yurko: I do not intend to be too long, Madam Speaker, but I must take a few minutes to set the scene. The Hon. Member for Hamilton Mountain (Mr. Deans), the House Leader for the NDP, took quite a different tack in responding to my objections. He said that based on the previous consultations that had taken place, perhaps unanimous consent was not required.

Madam Speaker: I am afraid I have to be very strict with the Hon. Member because he is probably referring to a ruling, and he has to make it quite clear to me now that he is not. I therefore ask him to state what his question of privilege is and he may then remind me of the statements made in the House by other Hon. Members. I want him to tell me, please, what is the basis of his question of privilege.

Mr. Yurko: I have never seen, Madam Speaker, anyone have as much difficulty with the Chair as I have in terms of trying to put forth a matter of privilege. This is my basic point. As far as my understanding of the rules of the House are concerned, any changes in the routine daily order of business have to be sanctioned each day the Routine Proceedings are superseded, and unanimous consent of the House must be sought and obtained. In this particular case it was not.

I would like now to refer to your statement yesterday, when you said, as reported at page 20120 of *Hansard*:

Statements by Ministers. I understand that by unanimous consent we will continue for a period of 20 minutes with questioning which follows the statement of the Minister of Finance (Mr. Lalonde).

Your statement indicated that we had unanimous consent for a period of 20 minutes to question the Minister, and I find nowhere in *Hansard* that such a question was even put to the

House, much less agreed to. That was the reason I took objection, because that question was never posed to the House.

I want to say that I objected to the additional questioning of the Minister because I did not think—

Madam Speaker: Order. The House is quite aware that the Hon. Member is objecting to the additional 20-minute question period after the statement made by the Minister. He did that yesterday. Having received the guidance of the House and having confirmed that there was unanimous consent of the House at that time, I ruled that the question period would continue for a further 20 minutes. I had some discretion about allowing a 20-minute discussion after the statement from the Minister of Finance and I used that discretion.

On the particular point which the Hon. Member is now raising under a question of privilege, but which should be a point of order, I must repeat to him that that particular incident is closed and I cannot allow him to comment further on a ruling which I made yesterday.

[*Translation*]

MR. FRIESEN—PRODUCTION OF PAPERS ALLEGED INCOMPLETE

Hon. Yvon Pinard (President of the Privy Council): Madam Speaker, you will recall that yesterday I sought permission to look into the allegations made by the Hon. Member for Surrey-White Rock-North Delta (Mr. Friesen) so as to be able today to complete briefly my argument and add a few remarks. I did read the lengthy comments which you had the patience to listen to yesterday and I did not see anything in the facts—

[*English*]

Mr. Nielsen: On a point of order, I hope the Government House Leader will forgive me for interrupting, but I notice that the Hon. Member for Surrey-White Rock-North Delta (Mr. Friesen) is not in his seat.

Madam Speaker: He is here now.

[*Translation*]

Mr. Pinard: Madam Speaker, I was about to say that I have examined the Hon. Member's allegations, and realized that, to bolster his case, he based his arguments on two documents of which he was allegedly made aware subsequently, that is after the documents were tabled in the House. The first point I want to make is that the documents to which he referred have nothing to do with the order of the House. The order of the House—

Madam Speaker: Order, please. The Minister would be doing me a great service were he to give me the additional information he promised yesterday and confine his remarks to giving me that additional information; otherwise, I will again have to hear other Members for a second time on a question of privilege. Yesterday the Hon. Member asked whether he would be allowed to seek futher information and provide that information to the House a little later. That I can allow, I mean he may provide additional information because yesterday he sought permission to do just that, but I cannot let him embark upon a new argument because the practice of the House is that I can hear Hon. Members only once on a question of privilege.

Mr. Pinard: Madam Speaker, I was about to do just that. I would refer you to Beauchesne's Citation 390 and point out that the documents mentioned by the Hon. Member have nothing to do with the order of the House, that his case does not rest solidly on facts and that there are no grounds for a question of privilege. If he wants another address to be presented to Her Majesty for the tabling of documents, he ought to introduce another motion. All that is provided for by parliamentary practices, and if you do not want to hear further arguments, that sums up the facts, as far as I can see. All you need to do is to read carefully Citation 390 of Beauchesne's Fifth Edition and go by those references rather than those submitted yesterday by the Hon. Member, which relate to incidents dating back to 1820, 1834, 1835, 1841 and 1876 and which have nothing to do with the evolution of parliamentary practices. Citation 390 of Beauchesne's Fifth Edition refers to cabinet directive No. 45 since 1973. Quite obviously, we never did have an opportunity to ask for exemptions. We were waiting to see whether the Hon. Member wanted other documents in addition to those he had asked for, and that is why we are exercising our exemption right. Therefore, I am doing that now because we had no opportunity to do so and I reserved my right to that effect yesterday. Be that as it may, the documents to which he referred have nothing to do with the order of the House and, since the facts are contradictory, there simply cannot be a question of privilege.

In essence, Madam Speaker, that is the new fact I wanted to bring to light by referring you to Citation 390 of Beauchesne's Fifth Edition. It spells out the exemption which is provided for and the rules which govern the tabling of documents by the government. In light of the facts related by the Hon. Member, once again he has no justification to say that we did not abide by the order of the House. Finally, you know that the documents were tabled on July 29 and that the House sat until August 4 inclusive. The Hon. Member is definitely late in raising his question of privilege.

• (1210)

[*English*]

Hon. Erik Nielsen (Yukon): Madam Speaker, I am afraid that does not dispose of the very serious question that was raised by the Hon. Member yesterday. What is before the Chair is hard evidence, read into the record, of some documents which were not produced pursuant to the unanimous order of this House that all documents be produced. Not all relevant documents, not all documents subject to any condition or qualification, but all documents.

The production by the Government was deficient, as revealed clearly by hard evidence placed on the record yesterday by the Hon. Member for Surrey-White Rock-North Delta (Mr. Friesen). So that his suggestion to the Chair that the matter be referred to the Standing Committee on Privileges and Elections I think is the only solution—certainly in my submission it is the only solution—to determine whether or not the Government has complied with the adoption unanimously of an order of the House that all documents be produced. I submit, as I did yesterday, Madam Speaker, that if there is any doubt on that question, the House should decide it by your putting the question.

Madam Speaker: Presenting reports from Standing and Special Committees.

Mr. Nielsen: A point of order, Madam Speaker. I am sorry, but am I to assume the Chair is further reserving her decision?

Madam Speaker: Yes.

ROUTINE PROCEEDINGS

[*English*]

EXTERNAL AFFAIRS AND NATIONAL DEFENCE

CONCURRENCE IN TWELFTH REPORT OF STANDING COMMITTEE

Mr. Marcel Prud'homme (Saint-Denis): I will facilitate your work, Madam Speaker. I got unanimous consent for the motion I am going to present.

[*Translation*]

Madam Speaker, with the unanimous consent of the House, I move, seconded by the Hon. Member for St. John's West (Mr. Crosbie) and the Hon. Member for New Westminster-Coquitlam (Miss Jewett) but since the Hon. Member for St. John's West is temporarily absent—

[*English*]

I would ask my colleague, the Hon. Member for Victoria (Mr. McKinnon), to second the motion. Therefore, I move that the twelfth report of the Standing Committee on External Affairs and National Defence which I presented yesterday be now adopted.

Madam Speaker: Well, the Hon. Member is not really presenting a report. He can come back on motions for this particular one.

Mr. Prud'homme: That is exactly what I was asking.

* * *

Madam Speaker: The Hon. Member has to be recognized and I recognized him. I thought he was presenting a report. We will come back to that later.

Madam Speaker: Motions. The Hon. Member for Saint-Denis (Mr. Prud'homme).

Mr. Prud'homme (Saint-Denis): May I say, Madam Speaker, that I knew I was supposed to do this on motions, but I thought you wanted to accelerate it so I could leave for Montreal.

[*Translation*]

Madam Speaker, with the leave of the House, I move, seconded by the Hon. Member for St. John's West (Mr. Crosbie) and by the Hon. Member for New Westminster-Coquitlam (Miss Jewett) that the twelfth report of the Standing Committee on External Affairs and National Defence presented in the House on Thursday October 28, 1982 be concurred in. I have also obtained the unanimous consent of the House including that of the Hon. Member for Edmonton East (Mr. Yurko).

Motion agreed to.

* * *

[*English*]

QUESTIONS ON THE ORDER PAPER

(Questions answered orally are indicated by an asterisk.)

Mr. David Smith (Parliamentary Secretary to President of the Privy Council): Madam Speaker, the following questions will be answered today: Nos. 3,306, 3,307, 3,551, 4,105, and 4,230.

[*Text*]

MR. JAMES A. WINDSOR

Question No. 3,306—**Mr. Cossitt:**

1. Was Mr. James A. Windsor of Prescott, Ontario a term Immigration Officer at Prescott, Ontario from May 25 to August 24, 1981 and did he file for a competition to become a permanent employee?

2. Was Mr. Windsor advised that he would be interviewed on October 13, 1981 and was he telephoned on October 9, 1981 from Cornwall, Ontario to confirm whether he would still be able to make the interview?

3. Did he receive a letter dated October 2, 1981 and signed by Mr. Fern LeBrun, Manager of the Department of Employment and Immigration Centre in Cornwall, Ontario setting up an interview on October 13, 1981 at 2 p.m. and was this interview cancelled minutes before it was to take place and, if so, for what reason was Mr. Windsor treated in this fashion?

4. Was he discriminated against in any way whatsoever?

5. What were the names and job designations of all persons involved in any attempt to stop him from being interviewed?

6. Did (a) Mrs. Bonnie Trotman (b) Mr. J.R. Gaudet of the Department of Employment and Immigration in Prescott, Ontario play any part in this matter and, if so, what part?

Hon. Lloyd Axworthy (Minister of Employment and Immigration): 1. to 6. Mr. James A. Windsor was a term CR-5 employee at the Prescott Canada Immigration Centre (Immigration Examining Officer Assistant) from May 25, 1981 until August 24, 1981. All other parts of the question request information of a personal nature concerning Mr. James A. Windsor, the disclosure of which is governed by the Canadian Human Rights Act, Part IV.

Order Paper Questions

MRS. BONNIE TROTMAN

Question No. 3,307—**Mr. Cossitt:**

1. Did Mrs. Bonnie Trotman, an employee of the Department of Employment and Immigration in Prescott, Ontario, go to the home of Mr. James A. Windsor, formerly a term employee of the Department in Prescott, Ontario and did she intrude on his premises, challenge his right to apply for permanent employment and request data that she was told was none of her business?

2. Was she acting on behalf of the government and, if so (a) under whose authority (b) under what authority did she enter onto the property of another staff member?

Hon. Lloyd Axworthy (Minister of Employment and Immigration): 1 and 2. No report has been filed with the Commission/Department concerning this matter, therefore, all information would be of a personal nature to Mrs. Trotman.

Question No. 3,551—**Mr. Cossitt:**

1. With reference to question No. 3,307 which asked in part why a Department of Employment and Immigration employee, Mrs. Bonnie Trotman, entered the premises of former temporary immigration officer, Mr. James Windsor, asking questions, did Mrs. Trotman recently file a report with the Department that she entered such premises because she was a personal friend of the family?

2. Is the Government aware that Mr. and Mrs. Windsor deny that she was ever a personal friend of the family?

3. Is the Government further aware that Mr. and Mrs. Windsor are requesting a full report from the Government concerning this immigration employee entering their home and asking personal questions?

Hon. Lloyd Axworthy (Minister of Employment and Immigration): 1 and 2. See reply to question No. 3,307 answered this day.

3. No.

COMPETITION FOR IMMIGRATION EXAMINING OFFICERS

Question No. 4,105—**Mr. Cossitt:**

Did the Department of Employment and Immigration hold a competition No. 81-EIC-CC-0-499 for a CR 5 position and, if so (a) what were the names of those who applied under this competition and what were the names of those actually interviewed (b) was the position filled and, if not, will immediate consideration be given to one of the applicants, Mr. James A. Windsor of 366 James Street East, Prescott, Ontario?

Hon. Lloyd Axworthy (Minister of Employment and Immigration): Competition 81-EIC-CC-O-499 was a closed competition for PM-1 Immigration Examining Officers, not for a CR-5 position.

(a) Part IV of the Canadian Human Rights Act, Subsection 52(2) precludes release of information on these applicants.

(b) This competition was run to select persons for anticipated vacancies only as part of a pro-active approach to staffing. By doing this, the Commission/Department is prepared in advance to make appointments as vacancies occur, rather than being caught short-staffed and having to wait for three to four months to staff a vacancy on an indeterminate or acting basis.

This particular competition was also conducted at this time to enable the Commission/Department to make an acting appointment to a PM-1 position, since one of the indeterminate Immigration Examining Officers is acting at the PM-2 level in the Cornwall Canada Immigration Centre to replace an indeterminate employee who is absent on full-time language training.

All eligible applicants were considered.

LOAN GUARANTEES UNDER SBLA

Question No. 4,230—**Mr. Greenaway:**

1. In the fiscal year 1980-81 in British Columbia (a) how many loan guarantees were authorized under the Small Business Loans Act (b) how many grants and how many loan guarantees were approved under the Business Expansion Program (c) how many loans were authorized and how many risk capital ventures were underwritten under the Federal Business Development Bank (d) how many grants were authorized under the Program for Export Market Development (e) how many Department of Regional Economic Expansion grants were approved (f) what amount was loaned to British Columbia companies by the Export Development Corporation?

2. From April 1981 to January 1982, how many small and medium-size businesses received loans under the federal bond program and what was the total amount of the loans?

Mr. David Smith (Parliamentary Secretary to President of the Privy Council): I am informed by the Departments of Finance, Industry, Trade and Commerce, Regional Economic Expansion and the Export Development Corporation as follows:

1. (a) Small Business Loans Act (SBLA)

Number of insured loans	4,257
Amount authorized	$107,642,000
Amount claimed on insured loans (losses)	$ 914,000

(b) Enterprise Development Program (EDP) (Business Expansion Program)

Contributions

Number of projects approved	39
Amounts approved	$ 5,339,000
Expenditures	$ 5,523,000

Insured Loans

Number of projects approved	12
Amounts approved	$ 1,485,000
Amount claimed on insured loans (losses)	$ 124,000

(c) Federal Business Development Bank (FBDB)

Loans Undertaken

Number of projects approved	1,829
Amounts approved	$ 98,646,000

Capital Ventures Underwritten

Number of projects approved	15
Amounts approved	$ 2,528,000

(d) Program for Export Market Development (PEMD)

Number of projects approved	198
Amounts approved	$ 1,971,000
Expenditures	$ 790,000

(e)	Approved	Accepted
RDIA	12	10
IDSA (ASEP)	117	114
ARDSA Part IV	16	16
TIDSA Part III	11	11
Special ARDA		
Commercial undertakings	46	45
Primary producing	26	26
Remote rural community	1	1

(f) EDC does not lend to Canadian companies. In 1980-81, however, EDC has made disbursements amounting to Cdn. $118.134 million to Canadian exporters of record resident in British Columbia under various loan agreements between EDC and foreign buyers and/or borrowers.

2. By the end of January, 1982 over 13,000 firms had received loans under the Small Business Development Bond (SBDB) program. The total amount of these loans was approximately $2.1 billion.

[*English*]

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

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

Some Hon. Members: Agreed.

GOVERNMENT ORDERS

[*English*]

SUPPLEMENTARY BORROWING AUTHORITY ACT, 1982-83 (NO. 2)

MEASURE TO ESTABLISH

The House resumed from Thursday, October 28, consideration of the motion of Mr. Cosgrove (for the Minister of Finance) that Bill C-128, to provide supplementary borrowing authority (No. 2), be read the second time and referred to Committee of the Whole.

Mr. Lloyd R. Crouse (South Shore): Madam Speaker, in the brief period that was available to me last evening I referred to Bill C-128 presently before the House, as well as the statement of the Minister of Finance (Mr. Lalonde) on the economic outlook for Canada, and the TV spectacular of the Right Hon. Member for Mount Royal (Mr. Trudeau) in which he tried to lay the blame for our $24 billion deficit on the mistrust which exists between Canadians rather than on the inefficient management of his own Government. The fact that we are falling behind by $2 billion a month in a nation of 24 million people has to be some kind of record, of which none of us can be proud. The United States, with its 240 million people, would have to show a deficit of $240 billion to equal our record. Their deficit, at $110.7 billion, is less than half of Canada's deficit on a per capita basis, yet they are worried sick about all this red ink. However, all will be well, says the Right Hon. Member for Mount Royal, if we only trust him.

● (1220)

I ask in all seriousness, along with hundreds of thousands of Canadians, on what can we base that trust? He is the man who campaigned bitterly against wage and price controls in 1974 and then imposed them in 1975. Along with his entire party he campaigned against our program to raise the gasoline tax by 18 cents in 1980. Since that time he has imposed a much more expensive tax, not only on gasoline but also on home heating oil, which we believe should be completely exempt. Every time the administered price of gasoline goes up, the credibility of the Liberal Party and the Liberal administration erodes in the same ratio.

I wonder how much the contemplated purchase by Petro-Canada of BP assets will further increase the cost of our gasoline in Canada. Some have estimated that the BP purchase would take some $500 million more out of Canada. I believe this money could be spent more wisely if it were directed toward job creation rather than the further nationalization of existing industries.

The whole range of Canada's economic policies needs to be rigorously examined and the spending priorities need to be carefully reviewed. This is not my view alone; it was expressed on many occasions, and most forcefully, by a former Auditor General, James Macdonell, in his report to the Commons in 1975 and he repeated it again in 1976. He said, and I am quoting him:

> I am deeply concerned that Parliament and indeed the Government has lost, or is close to losing, effective control of the public purse. The present state of the financial management and control systems of departments and agencies of the Government of Canada is significantly below acceptable standards of quality and effectiveness.

This was the warning, the signal, given to this Government seven years ago—a warning to caulk the ship of state for leaks, to lighten the crew so that she would be more manageable, and to trim the sails. Obviously this simply was not done. That is why Canadians today look with suspicion and mistrust at every new move made by this administration, a Government in which Canadian people no longer have any confidence.

How can we have confidence in a Government which, of necessity, had to change its Finance Ministers? Yet the new Finance Minister is as fuzzy in his concept of FIRA and its effect on Canadians as was his predecessor. Perhaps we should look at the Foreign Investment Review Act and apply to it the same sweeping criteria its administrators apply to the proposed investments of those who come before it.

Is FIRA of significant benefit to Canada? Well, when you look at the curtailment of foreign investment in Canada, there is no positive evidence that would decide that question in FIRA's favour. We must ask ourselves how the blocking of any investment in an economy which is in deep depression, with an unemployment rate in excess of 1,343,000 Canadians, provides Canadians with a benefit? Indeed, how much higher is unemployment in Canada today than it might have been without this yoke around our necks, this throttling of possible job-producing investment?

The question of benefits to Canada should be the primary issue in the FIRA debate. When our new Minister of Finance says he will not make any changes in FIRA to please the Americans, I submit that he is missing the point. He should be revamping FIRA to benefit Canadians. Any unemployed Canadian put back to work tomorrow by American capital, by German marks, French francs, the yen, the pound or the kwacha, will have no trouble telling the Minister of Finance how to define what is of significant benefit to the Canadian economy.

The mismanagement of our economy is taking its toll, not only on our Canadian corporations but also on the individual social fabric of the nation. Our people are hurting and they are hurting badly. In its excessive demand for taxes, the Government is destroying not only our individual ambition and initiative but also the very homes of our people, the rock on which our nation has been built.

In Nova Scotia many citizens, our farmers and our fishermen, are in arrears in their payment of income taxes, many of them through no fault of their own. Despite their pleas for an extension of time in which to pay back taxes, the Government has cracked down hard on our fishermen. For example, it is demanding 20 per cent for 1982 taxes and 40 per cent for back taxes of all fishermen's shares in a year when fishing is at an economically low ebb. It is demanding immediate payment for back taxes from Nova Scotia farmers as well.

I wish to place on the record one letter out of many letters and telephone calls I have received which adequately describes the economic situation of many of my constituents. It is dated May 25, 1982 and reads as follows:

Dear Mr. Crouse,

I don't know if you can help us do anything about our situation or not but it won't hurt me to find out.

My husband and I bought a new house about three years ago, with every intention of paying for it. Starting last fall there was so much income tax taken off John's pay that we lost our car. We did without oil all last winter because we couldn't afford to buy it. Now the government is taking two years income tax off John's pay. They are taking off for the present and the past year.

On April 24 his pay was $1965.35 and he came home with $510.22 and on May 12 his pay was $1965.39 and he came home with $598.76. The scallop draggers are only making one trip a month.

Our house payments are over four hundred dollars a month. How can we make our house payments. I am looking for a job since before Christmas but there isn't much available. In fact I can't find anything. I don't know what to do or where to turn but I sure hate the thoughts of losing our home.

I know the income tax must be paid but why so much at a time. We should be able to have enough of my husband's hard earned pay to live on. I guess the lucky (people)? are the ones selling dope and living income tax free. I have no dreams left, just nightmares.

That letter is on file, of course, in the Minister's office. I will not reveal the writer's name because I do not want to cause her any embarrassment. It is typical of hundreds of letters that I have received and all of them have been forwarded to the Minister's office with a plea to review the situation.

I submit that this situation has reached epidemic proportions in Atlantic Canada, so much so that I am informed it became absolutely necessary for the Right Hon. Prime Minister to move the portfolio of National Revenue out of Newfoundland. Before leaving the portfolio, I understand that the former Minister appointed a Mr. Bill Rowe as a special investigator to look into the tax problems of the Newfoundland fishermen. As a result of this investigation, third party demand was reduced from 50 per cent to 25 per cent, except for cases in which this would result in a level of payments too small to keep up with the interest owing.

In addition, no homes, no property, boats or other assets used in the fisheries will be seized. Any future taxable income paid to the fishermen by Government will be followed up by T4 slips. This will clear up the confusion among the fishermen that resulted from the payment of a federal groundfish grant, or subsidy, during the late 1970s. Many fishermen did not realize that this grant or subsidy was taxable, since no T4 slips were issued by the Government, and then suddenly found, several years later, that they had to report how much was paid to them.

To the best of my knowledge the steps I have outlined have been applicable only to Newfoundland, even though I have written to the Minister on numerous occasions about similar problems among Nova Scotia fishermen. This leads me to ask the Government why there is a double standard and why the fishermen of Nova Scotia have been harangued, bullied and threatened when faced with income tax problems similar to those that occur in Newfoundland. These people are not trying to avoid the payment of their income tax; they know that they owe it. What they are pleading for is a little more time in which to meet the payments since the very resource industry upon which their livelihood is based has declined in this particular year.

The Government is guilty of complete insensitivity to the situation that is faced by Nova Scotia fishermen as well as by Nova Scotia farmers, whose plight I have documented in letters to the Minister as well.

We now have a new Minister of National Revenue (Mr. Bussières), who is the Hon. Member for Charlesbourg. I would enter a plea to him to give the same consideration to the farmers and fishermen in Nova Scotia who are in arrears with his Department as has been recently given to the fishermen of Newfoundland.

• (1230)

The new Minister of Finance is concerned with job creation, and for justifiable reasons. In his budget address the Minister stated that $1.4 billion was allocated this year for employment programs and to help those who are recently unemployed; a new Employment Expansion and Development Program is being put in place. This leads me to ask why the Government requires such a large and expensive bureaucracy to inform it about the proper job-creation programs it should establish. What hyprocrisy! There is not a Member of Parliament in this House who could not, if requested, provide the Government with a number of worth-while projects which, if implemented, would provide jobs and assist in providing more jobs when completed.

If the Minister wants a comprehensive list of genuine make-work projects which will really help build up the infrastructure of the nation, I would be pleased to submit it on behalf of my riding as it applies to Nova Scotia, and I am sure my colleagues would also be pleased to do likewise.

Sometimes I am asked, "What would you do if you were in Government to help solve our present economic problems?" The answer to that question can partially be found in the Minister's statement to the House wherein he pointed out that Canada's budgetary revenues stood at $54.1 billion this year, some 19.1 per cent higher than in 1980-81. This is the figure to aim at when calculating budgetary expenditures, and in times of restraint all expenditures for projects that are not urgently required should be curtailed. For example, we must all ask ourselves whether it is urgently necessary for a Crown corporation to propose the construction of two new museums in Ottawa, an area which has the lowest unemployment rate in Canada at this time.

We need sunset laws to eliminate unnecessary programs. We need strict control of the spending and activities of Crown corporations, as indicated by the Auditor General. We must re-establish parliamentary control over public spending, and I believe we should seriously consider letting private industry purchase and operate some of our Crown corporations.

There is a desperate need to eliminate some of the present duplication of Government services. We must ask ourselves whether we really need a federal Minister of Agriculture—and I am not picking on him but he is as good an example as any—and Ministers of Agriculture in each and every Province of Canada. The same question could be asked about other ministerial duplications throughout the nation for, after all, it is the individual Canadian taxpayer who pays for all governments whether they be federal, provincial or municipal. None of the recommendations I have made is a cure-all for our economic ills, but I submit that if they were implemented we would go a long way toward the goal which leads to a balanced budget in Canada.

Finally, this Government does not need to stand alone in its attempts to solve our economic problems. It has been offered much help and assistance by all of Canada's provincial Premiers—help, I might add, which unfortunately has been refused. In late August the annual Premiers' Conference was hosted in Halifax by Nova Scotia's capable Premier, the Hon. John Buchanan. At the conclusion of that Conference an invitation was extended to the Right Hon. Prime Minister to meet with all provincial Premiers in early September. The invitation was declined. They called upon Ottawa to join with the Provinces in developing the appropriate conditions and policies to restore investor and consumer confidence in Canada. They drafted an economic recovery program which called for a change in monetary policy to ensure that Canadian interest rates follow any drop in United States interest rates, for substantial changes in the National Energy Program and FIRA to restore investor confidence, and for a commitment by both the federal and provincial Governments to reduce deficits and to work toward a manageable public debt or freeze on any further federal reductions in Established Programs Financing to Provinces for education and hospital care. The latter one is causing untold misery throughout Canada, especially in Atlantic Canada where hospitals have been forced to seal off some of their wings and let beds sit idle, while the sick and needy are unable to get treatment because there is no money to finance the required nurses to look after them.

A request was also made for provincial participation in the GATT meetings on trade and tariffs, plus many other worthwhile proposals. These are all before the Prime Minister. I cannot understand for the life of me why he did not accept the offer. I understand the offer still stands. I urge the Right Hon. Prime Minister to reconsider his stand and to meet with all the Premiers of Canada in a joint effort to resolve our immediate problems.

Hon. Roméo LeBlanc (Minister of Public Works): Mr. Speaker, I am pleased to participate in this debate. This is the first time I have had occasion to address the House in my new responsibilities as Minister responsible for Canada Housing and Mortgage Corporation.

On Wednesday my colleague said that he had been Minister of Finance for some 48 days and that he would not be rushed into action simply for the sake of appearing to act. The Minister of Finance (Mr. Lalonde) stated that he intended to arrive at decisions which were sensible, constructive and durable. I have been Minister responsible for CMHC for some 30 days, and I know exactly what the Minister of Finance meant.

I should like to say that the economic statement presented by the Minister was in fact sensible, constructive and durable. It addressed in a straightforward way the problems faced by the victims of the recession. It gave the assurance that they will not be abandoned and that the social security system which the Government has put in place will not be dismantled at the very time when it is most needed.

It contained fiscally responsible measures and recognized the private sector as the engine for economic growth, and this is surely true in the field of housing. Also it reaffirmed the need for continued efforts to reduce inflation. These are the critical elements of an effective strategy for national recovery.

In particular I should like to refer to the measures relating to housing and to say that they too are sensible, constructive and durable. On taking on my new responsibilities, my first concern is with the availability of good housing. I am worried about the rate of housing starts. I am concerned about the state of the construction industry. I am also concerned about the ability of Canadians to become home owners and that rental accommodation be made available. Most importantly, I am concerned that low-income families should have good accommodation without having to pay unreasonable proportions of their income. I am deeply concerned about the housing conditions of native Canadians and of low-income families in rural areas as well as those in cities and towns.

In facing up to these challenges I will be building upon a foundation established by my predecessor, the now Minister of State for Finance (Mr. Cosgrove). He held this portfolio at a

most difficult time, and the programs he brought forward showed his deep concern for the housing problems faced by many Canadian families. During the past year the Government has put close to $1 billion into the housing sector, the direct result of my predecessor's efforts to ensure Canadians continue to be among the best housed people in the world.

The Government has acted through the Canada Mortgage Renewal Plan to assist home owners who are facing hardship in renewing their mortgages. Some $75 million has been set aside for this purpose. The Government has acted to support rental production through the Canada Rental Supply Plan under which the production of some 30,000 rental units will be supported during the remainder of this year and next. Close to 9,000 units have already been committed and an additional 5,000 are expected before the end of the year. An amount of $350 million was provided for this plan.

• (1240)

The Canadian Homeownership Stimulation Plan has now been extended. People buying newly constructed homes will be eligible to receive the $3,000 grant if their house was built before the end of April, 1983 and they purchase it before the end of December, 1983. In the case of people who have never owned a home before and are buying an existing house rather than one just newly built, they can get a grant as long as they make the purchase before the end of this year. For this program $400 million has been set aside. To date, some 65,000 householders have benefited from the program, and many of them were assisted in moving out of rented accommodation into homes of their own. This helped to relieve the scarcity of rental units.

[*Translation*]

Finally, Mr. Speaker, the Minister of Finance (Mr. Lalonde) announced that $50 million more will be allocated to the Canadian Home Renovation Plan, therby increasing total funds for this program to $115 million. It is estimated that some 34,000 households have already benefited from this program. The average cost of renovations has been about $6,700, of which $1,675 or 25 per cent was contributed by the government. Homeowners had to pay the remaining 75 per cent, so that this program has not only been an incentive for Canadians to improve their homes but has also stimulated private investment of up to $240 million in direct job creation. I should also mention that the average income of households benefiting from the program is between $24,000 and $25,000, considerably less than the national average of $30,000.

As I said before, up to now the present government has provided nearly $1 billion to improve accommodation for Canadians during the current year. It is estimated that in terms of jobs, these measures have created between 120,000 to 125,000 person-years of work. The Canadian Homeownership Stimulation Plan will help create 40,000 jobs, in other words, one job for every $10,000 invested by the government. The Home Renovation Program Renovation Program will provide 28,000 jobs a little more than $4,000 per job—and the Canada Rental Supply Plan 54,000 jobs or one job per $6,500. Since all these programs attract investment by the private sector, they have proved to be very effective as a source of job creation. In addition to this very substantial contribution by the Government of Canada in stimulating the housing industry, other factors have come into play. Mortgage rates have dropped 5 per cent since June, and following the initiative taken by the federal government, seven provinces have introduced measures to stimulate housing construction. The economic outlook is becoming more encouraging. Inflation is going down. And as the Minister of Finance said Wednesday, support for the 6 and 5 program will help bring the inflation rate down to about 7.5 per cent in 1983. This kind of development will probably help reduce interest rates even further next year. As the economy recovers and continues to do so in 1983, I expect to see a net increase in housing starts during the last month of 1982 and throughout 1983.

[*English*]

Despite these positive and encouraging signs, the potential growth in the housing industry continues to be constrained by consumer attitudes. Householders, perhaps understandably, are cautious in making the important decision to purchase a home. As the economic recovery gains momentum and inflation abates, this uncertainty should be significantly reduced. In the meantime, I will be examining the feasibility of measures which could provide purchasers, as well as investors, with some measure of protection against the hazard of very volatile mortgage interest rates.

In all of these deliberations I welcome the participation and advice of industry associations as well as consumer groups and other interested organizations. I have already had an opportunity to meet with representatives of national builders and real estate organizations. I see these meetings as very useful and I will continue the tradition of consultations set by my predecessor.

In enumerating my concerns about the housing problems of Canadians, Madam Speaker, I do not want to leave the House with a distorted view of our present circumstances. For that reason, I would like to remind Hon. Members that, by the most reasonable standard of comparison, Canadians are very well housed.

The most recent international statistics indicate that Canada stands well ahead of most countries in terms of its investment in housing and the rate of construction related to population. We outrank the United States in both our construction rate and in housing investment as a proportion of gross national product. We stand second only to the United States in the proportion of homes occupied by the owners. It is interesting to note that, despite all of our recent difficulties, well over half of all homes in Canada, some 60 per cent, are owner-occupied.

The fact that we are generally well housed, however, serves only to emphasize the problem of the relative few who are not. There is an important minority, many of them native peoples, who are still inadequately housed or who are paying a very

high proportion of their income for housing. The problems faced by these people are likely to grow in the years immediately ahead as the population becomes older and as energy costs rise.

The principal programs designed to help poorly housed people who have inadequate incomes are the co-operative and non-profit housing programs which provide federal contributions to reduce the mortgage interest paid by sponsoring groups to an effective rate as low as 2 per cent. These programs have been extremely popular and there is no lack of public-spirited organizations, such as churches, service clubs, unions and the like, who are anxious to sponsor a project.

This method of assisting people who for whatever reason cannot provide for themselves has certain obvious advantages over the conventional public housing system which tended to isolate tenants from the rest of the community. I am not satisfied, however, that the co-operative and non-profit programs over the next few years will be able to make significant inroads on the backlog of nearly three-quarters of a million Canadians whose housing is less than satisfactory.

My predecessor had begun to seek more effective and less costly ways of dealing with that problem and I intend to continue and encourage those efforts. In the same vein, I intend to pursue the work already well under way to improve the Rural and Native Housing Program, the principal instrument in our hands for alleviating the housing conditions of our native people and other people of low-income living in rural and remote parts of the country.

Another important and very successful program with a social orientation has been the Residential Rehabilitation Assistance Program, known as RRAP. This program provides forgivable loans of up to $10,000 to help with repairs and improvements designed to restore deteriorating housing to acceptable standards of health and safety and to prolong its useful life.

The maximum income of home owners eligible for RRAP assistance was recently increased from $16,500 to $23,000 a year. At the same time the forgivable part of the loan was increased from $3,750 to $5,000 for home owners and from $2,500 to $3,000 for landlords. In addition, a maximum loan of $13,000 was offered to home owners who intend to make their housing more accessible to disabled people. In that case, $5,250 of the loan is forgivable.

• (1250)

The objectives of RRAP, unlike the Canadian Home Renovation Plan, are essentially social. There are limits of income on eligibility. Nevertheless, it too has its economic side effects and it is estimated that the $170 million allocated for RRAP in 1982 will generate over 11,000 jobs.

I would like to conclude by saying that I am looking forward to my new responsibilities with a great deal of interest and enthusiasm. I am still finding my way about this new portfolio but I already have some idea of the broad direction I wish to pursue.

I am very conscious of the current and urgent economic priority. I appreciate that some of the most effective levers for employment generation lie within my hands as the Minister responsible for housing. The recent announcement by my colleague, the Minister of Finance, makes substantial new resources available to intensify and prolong these job creating efforts. I am very much aware of the difficult decisions that had to be taken to free up those funds. I can assure the House that I, and my officials at CMHC, will see they are put to the best possible use.

At the same time, I do not propose to lose sight of the fact that good housing is a basic social need and as long as there are families and individuals anywhere in Canada whose shelter is inadequate or unaffordable, the Federal Government has an obligation, in the name of equity and justice on behalf of fellow Canadians, to offer them help.

Mr. Baker (Nepean-Carleton): On a point of order, Mr. Speaker, would the Hon. Gentleman permit a question if there is time?

Mr. LeBlanc: Mr. Speaker, I will certainly permit a question. I hope I have the answer.

Mr. Baker (Nepean-Carleton): At one time I had asked his predecessor, given the difficult situation with respect to tenants and renters in terms of rents as part of the family cost, whether or not he would be prepared to convene a meeting of provincial housing Ministers and the federal housing Minister with respect to the problem of rent review generally and other problems facing tenants. Unfortunately, his predecessor said no.

So that the Minister is clear, rather than meeting with them individually, I am talking about a federal-provincial conference. He may not be able to answer me directly today, but would he undertake to consider the convening of such a conference with respect to this problem, given the final statements in the Minister's speech this morning?

Mr. LeBlanc: Mr. Speaker, obviously, I would have to assess whether that approach would be the most useful one. I certainly detect a spirit of co-operation on some of the present problems and economic issues in the country. I must confess to the House that that aspect of the portfolio is not one with which I have become completely familiar. I hope to give a fuller answer to the Hon. Member in the days and weeks to come.

The Acting Speaker (Mr. Blaker): As a courtesy to the Hon. Member for Brampton-Georgetown (Mr. McDermid), I can indicate to him that if Hon. Members find the intervention of the lunch hour discomforting to their address to the House, they sometimes seek unanimous consent of the House to call it one o'clock and begin at two o'clock. Obviously, that is the choice of the Hon. Member for Brampton-Georgetown.

Mr. McDermid: Mr. Speaker, we are lean and hungry over here. Looking over there, they look like a hungry bunch also, so may I call it one o'clock?

The Acting Speaker (Mr. Blaker): Is it agreed to call it one o'clock?

Some Hon. Members: Agreed.

The Acting Speaker (Mr. Blaker): It being one o'clock, I do now leave the chair until two o'clock this afternoon.

At 12:56 p.m. the House took recess.

AFTER RECESS

The House resumed at 2 p.m.

The Acting Speaker (Mr. Blaker): When the House rose at one o'clock for the lunch break, the Hon. Member for Brampton-Georgetown (Mr. McDermid) had been recognized.

Some Hon. Members: Hear, hear!

Mr. John McDermid (Brampton-Georgetown): Mr. Speaker, I appreciate that warm welcome.

In beginning my remarks today, I would welcome my two new colleagues to the House of Commons, the Hon. Member for Leeds-Grenville (Mrs. Cossitt) and the Hon. Member for Timiskaming (Mr. MacDougall), as well, of course, as the Hon. Member for Broadview-Greenwood (Ms. McDonald). I am sure they will enjoy their time here in the House of Commons, as I have, and I pledge them my help, support and encouragement in welcoming them here now.

Today we are taking part in a debate on Bill C-128. It is not one of the mammoth bills when it comes to voluminous paragraphs commencing with such words as "Whereas", "Wherefore" and "Thereto". It is a one-page, simple little bill asking that the Government be allowed to borrow $4 billion. If one says it fast, $4 billion does not hurt. I recall that last spring the Government wanted to borrow $11 billion on top of what it had already borrowed. The Opposition asked, "Do you need it all?" The Government said "Oh, no, we do not need it all; we want a contingency fund". The agreement was that if the Government did not need it, it would not get it. We said, "We will approve the portion of $6.6 billion; if you want to borrow more, come back". Well, the Government has come back very quickly.

It was kind of interesting to hear the Government House Leader say on "Canada AM" earlier this week that the first order of business in the House would be a major debate on the economy. He did not say one word about borrowing another $4 billion; he said it would be a major debate on the economy. When I consider the borrowing authority of $21.2 billion that this Government has already had approved by the House of Commons, I am sure it just warms the very cockles of Canadian taxpayers' hearts to hear that this Government has gone out all over the place borrowing $21.2 billion to cover its wild spending, and wild it is. This year it will be spending 17 per cent more than last year. Not many people in this country can afford to spend 17 per cent more this year than last year, because they just do not have it and they cannot afford to borrow it.

• (1410)

Canadians will be pleased to know that our total debt is about $150 billion. Before this fiscal year is finished on. March 31, 1983, I am sure this excuse for a Government will be back to borrow more money. I am positive that we will debate another borrowing bill before the end of this fiscal year; I do not think we have seen the end of it.

If the Government decided to start paying back the debt it owes—and I will leave aside the interest for a moment—paying back $1 billion a year, it would be paid off 150 years from now. Who will be paying it? Those young people in the gallery will be paying for it. They will be paying for the mistakes we make today. Their children and their children's children will be forever paying it. This Government is not serious about that, not one bit.

Where is this Government cutting expenditures? We hear that next year $245 million will be cut from defence spending. When we asked the Minister about this, he said that by limiting salaries to 5 and 6 per cent, $245 million to $250 million will not have to be spent, even though this is not now being spent. What kind of saving is that? Smokescreens and mirrors, as my leader said the other day, and he is absolutely right.

Let us talk about interest payments. The figures the Minister of Finance (Mr. Lalonde) spoke about show that interest payments on the public debt are now $16,715 million. That is more money than the transfer payments which this Government makes to the Provinces, while at the same time saying these payments are tying them down. It is almost $1.5 billion more for interest payments than transfer payments to the Provinces. It is absolutely shocking.

What is this doing to the taxpayer? Let us take a look. Interest on the debt has increased 1,058 per cent since the right hon. gentleman took over 14 or 15 years ago. It seems like a century; in fact, it seems like forever. I am sure Canadians will do something about that the next time they have an opportunity to go to the polls.

With interest having gone up 1,058 per cent, every taxpayer in this country now owes $14,116. If we take it off the taxpayer and put it on every single individual in Canada, including those bright young Canadians in the gallery today, they each owe $5,473. Every one of them now owes that amount. Is this Government really serious about cutting spending?

Over the last five months I have lost some weight, Mr. Speaker, about 30 pounds, and I will tell you how I did it. I did without some of those things it is nice to have and I would like to have—I inherited my father's sweet tooth—but didn't. I sacrificed that. I trimmed down and I slimmed down. I cut the fat off. That is what this Government should be doing. It is nice for them to have their little toys, their four Canadair jets to flit around the country and all the other little perks such as drivers to transport Ministers to the Hill. Those gas guzzlers

sit there for hours, keeping the car warm in winter or cool in summer so that the Minister will be in absolute comfort and not have a bead of sweat on his forehead when he arrives at the House of Commons. You can go chapter and verse through this Government and each Minister and trim off a lot of fat, but it is not being done. I repeat, spending is up over 17 per cent this year.

Unemployment figures in Canada are a national disgrace, especially among young people. Statistics Canada tells us that 1,458,000 people are out of work. The Parliamentary Secretary to the Minister of Finance (Mr. Fisher) sits there grinning, laughing, thinking this is a great joke. I say to him that the people of Mississauga North do not think it is a big joke. A lot of people there are out of work. He can sit and laugh if he wants, but it is not funny to the 1,458,000 people out of work. An unemployment rate of 12.2 per cent is not funny.

Let me put on the record what is happening in this country. In Newfoundland there is 18.6 per cent unemployment, 14.8 per cent in New Brunswick, 11.1 per cent in Ontario, 9 per cent in that Province that is supposed to be doing so well, 13.4 per cent in Prince Edward Island, 15 per cent in *la belle province de Québec*, 9.2 per cent in Manitoba, 13.4 per cent in British Columbia and 6.7 per cent in Saskatchewan. That was the September unemployment record in Canada and it is shocking.

What does the Minister do? The Minister of Finance introduced a mini-budget or un-budget. All kinds of nicknames have been dropped on it. The Minister said it was just a financial statement but it was a lot more than that.

The Minister talked about the great program he will introduce that is going to produce 60,000 jobs. He says there are programs now in place, which there are. Some money has been sent to the riding of Brampton-Georgetown. It will provide about 50 jobs. They will not be full-time or permanent. I hope some training will be involved.

As of September 30, in Brampton there were 8,005 registered for unemployment insurance and 1,485 in Georgetown. That means over 9,500 people are now registered for unemployment insurance. A year ago there were 3,700 people and the year before that 1,500 people. This Government with its great give-away programs is going to provide 50 jobs. The people who get those 50 jobs will be thankful. However, the other 9,500 will not be happy. The Minister tells us we should be thankful for small mercies.

I had a small company in the town of Georgetown, a publishing company by the name of Irwin Dorsey, which employed about 30 people. Actually it was a distributorship in Canada for a publishing company in the United States. When that company was sold the only Canadian asset was Irwin-Dorsey, which employed 30 people in Georgetown. When the company applied to FIRA, FIRA said no, sell that little part off to a Canadian. If anybody did buy it they would get it at a very low price because they knew they were being blackmailed. FIRA did not let that deal go through. Thirty people became unemployed. The company is still shipping books into Canada from the United States. Last week one of the senior employees from that company came to see me and asked where he could get a job. They are still unemployed. They are still on unemployment insurance, with a couple of months to go. That is the type of thing this Government is doing. It is destroying companies which want to provide jobs through some of its asinine policies.

• (1420)

Another example: the boss of a company in a neighbouring riding came to me. He naturally had to come to me because his own Member would not see him. He said he had bid on a job for the Federal Government, had answered every spec to the nth degree, but the contract was awarded to an American firm whose bid was $200,000 more. After three weeks of trying to find out what the problem was, they finally said it had something to do with the mechanical aspects, but they never called him once to question his specs or proposals or anything else. He lost the job to an American firm yet the Canadian bid was $200,000 less. That is one example of the type of thing the Government does.

Another example was a program to clean out a reactor in Montreal, which happened to be owned by PetroCan. Two Canadian companies bid on the program and it was awarded to one of them, which then turned around and subcontracted it to an American firm from Houston, Texas, while Canadian equipment and expertise sat idly by. The Government allowed workers to come in from Texas and work on that job. Knowing that PetroCan is ours, I thought I had better call them up and find out what their purchasing policy is. Do they favour Canadians or do they just have no policy at all? I found out, Mr. Speaker, they have no preferential purchasing policy at all. They have no preference for Canadians, yet PetroCan is ours.

Petro-Canada had their logo designed in Bermuda. Their real estate firm is from New York. The first thing they did that was Canadian was buy a Canadair jet so the president could fly back and forth from his home in Ottawa to his office in Calgary.

We heard from the Minister of Finance the other day—and I guess I am a little suspicious when a Liberal stands up and says we are not going to do this now, we might do it later—who backtracked on that infamous budget of November 12. There have been 42 changes from November 12. Then the Deputy Minister disappeared. The Finance Minister who introduced that budget and who stuck by it for a few months is still sitting in the House. He is sitting a little lower in his seat now, kind of peering over the top of the desk; he is not sitting proudly as he did a year ago, and well he should sit that way. I might add that he should not be in the House. If he honoured parliamentary democracy and tradition, he would have left a long time ago.

The Minister of Finance said yesterday the Government is looking at some other changes to the budget. It has not made up its mind yet. Does it know what that is doing to the business community who are sitting there asking what they should do, whether they should invest or should not. We still have

employees asking if they are going to be taxed and we cannot answer. We do not know. There is no plan. There is no confidence.

The Prime Minister (Mr. Trudeau) in his fireside chats said that we have to trust him, trust each other, trust Canadians. I trust Canadians. I trust them to get us out of the problems we are in, but they have to be encouraged. They have to be shown leadership. This has to be done but it is not being done.

The Prime Minister was the man who stood up and said "Zap, you are frozen" when he talked about wage and price controls. Then he brought them in. "Trust me", is what he said, "I will manage the economy so interest rates will come down". They went up to 20 per cent. "Trust me", he said, "and I will keep your gas prices down". Do Hon. Members remember that promise? How can this man ask for trust? He is the wrong man to be asking for trust. There are a few members over there, very few, I would accept that from, but not him. He has no credibility. He has no right to ask that of the Canadian people after what he has done to them.

I would like to talk now about housing. I was very interested in the speech of the new Minister responsible for CMHC today and his brief 15-minute chat on housing. He also acknowledges that there are problems in the country. Actually, they are making some headway over there. They are finally realizing there is a problem. Whether they will do something about it is another matter. I can remember very vividly the Minister of State for Finance (Mr. Cosgrove), while participating in a debate on estimates, saying: "I have the solution, we are going to move up our 15,000-unit program for apartments to 30,000 this year". That was last March. Today, 7,814 units in the Canada Rental Supply Plan have been taken up according to figures from CMHC. I remember asking at that time if that was enough money to make it economically feasible to build apartment units. "Oh, yes", he replied, "they will be gobbled up in no time flat". To date three or four Provinces have not taken any up at all. New Brunswick has taken up eight, Nova Scotia, 107. Ontario leads the way, as it should. These are dismal figures and a long way from the 30,000 rental units which we need in this country.

Then there is the Canadian Homeownership Stimulation Plan, which has been adjusted and somewhat extended; 63,862 grants have been taken up from the Federal Government, 41,000 for existing housing and 22,495 grants of $3,000 have been taken up in new housing. We asked CMHC how many of those 22,000 were existing new homes already in stock and just sitting there. They did not know. They do not keep those figures.

• (1430)

How many new starts, Mr. Speaker, do you think this generates? Well, we do not know, yet the Minister responsible for housing said today this program created 100,000 jobs. He does not know if it did or not. The idea is to stimulate the construction industry. Housing starts are at the lowest point in years. I can still see my friend standing up there and talking about the starts that are going to take place because of all his wonderful programs, but it just has not happened.

I was interested to hear the Minister responsible for housing say that consumer attitude is causing the uncertainty. I say to the Minister—I am sorry he is not in the House but I am sure someone will pass the word along to him—that the problem is not the downpayment; the problem is the carrying charges. Young people are concerned about whether or not they can afford to carry the house. The carrying charges are just too high. Interest rates are too high. Today we heard the Minister of Finance bragging that interest rates have come down recently, for ten straight weeks or something, and he has taken credit for it. Yet it was not two months ago that the other Minister of Finance was saying that the reason we have high interest rates is because the United States has them. So when they go up, it is the Americans' fault; when they come down, it is all the wonderful work this Government is doing. I really find that kind of amazing.

The Minister responsible for housing also mentioned that the average of home ownership is highest in Canada. That is true, and I want it to stay up there. One of the problems, though, is that it is beginning to fall. We have come down from a high of 65 per cent home ownership to about 60 per cent. I happen to think, Mr. Speaker, that home ownership is probably the cornerstone of a free and democratic society. The right to own property and do with it as you please, within certain guidelines, is probably one of the most important things we have to ensure the protection of democracy. When the system is kicking people out of their homes, people turn on the system. I do not want them to turn on the system. I want them to be well housed, and I am suggesting now that the Minister take a look at his program for rental units, which is not working and not doing the proper thing, and possibly divert some of those funds into co-op housing which we need so desperately today.

In winding up, I do not want to let my friends to the left go unscathed because I heard the Leader of the New Democratic Party (Mr. Broadbent) say Maggie Thatcher is doing the wrong thing over there. Watch what Maggie Thatcher is doing and it is all wrong. Well, Maggie Thatcher has reduced inflation in Britain, and that was her number one goal. If you talk to the British people, they are very happy and very pleased about that. They are going to get Britain back on its feet. They inherited one heck of a mess from those socialists, the Labour Party, when they took over. And we are going to have the same problem when we take over in Canada in trying to clean up this mess that that gang over there has left us with, with the co-operation of the NDP.

I listened to the Leader of the NDP espousing the theme of the Marxist-Leninists in the last federal election: let the rich pay. The whole theme then was let the rich pay, and he was espousing that theme again today. Where did he get that from? Did he get it from the Marxist-Leninists? Probably. Original thinking. It is just terrible.

I want to say to the Canadian people, Mr. Speaker, that the Government is now acknowledging for the first time that there

are some problems out there. We happen to think that the approach it is taking to solving some of these problems is not correct. My colleague the hon. member for Etobicoke Centre (Mr. Wilson) I think laid out very clearly and succinctly what we would do as a party to turn it around. All I can say is the sooner the better; just give us the chance.

[*Translation*]

Mr. Claude-André Lachance (Rosemont): Mr. Speaker, several months ago ... I see my colleague from Nepean-Carleton (Mr. Baker) is in the House and I am glad to see him. We are both members of a committee which, I hope, will soon be able to table a report and reform this institution. But to get back to today's subject, I think we can say, and various commentators are indeed saying it, that in his statement, the Minister of Finance (Mr. Lalonde) gave us a clear picture of an economic situation that is far from rosy and of the very real financial and budgetary constraints the government must reckon with. It is of course very tempting when discussing economics to get up there with all the other instant experts. I do not think there is another subject on which so many contradictory opinions, theories and schools exist, namely the causes and effects that form the basis of the science of economics. To some people, the market is basically a concept that cannot operate by itself. Its workings are erratic, and it should be up to the State to regulate the market's functions. This theory was fashionable during the thirties, and it was this concept that Keynes used to develop his famous theory on the regulatory role of the State vis-à-vis the market.

During the last fifteen years or so, our western economies have been experiencing a number of hitherto unknown phenomena such as, for instance, stagflation. Now we have a new theory, namely that the State is basically flawed, that the market must be allowed to find its own equilibrium among the various forces that affect it, and that the State must stop interfering with normal market effects. To my knowledge, neither theory has ever been proven because it is impossible to do so. These are working assumptions, and as such, they help economics develop models and thus acquire a better understanding of what is happening, so that they can advise governments on the directions they should take. In the United States and Great Britain, for instance, this new concept that the State should let the market sort out its own contradictions, has given rise to various theories such as supply side economics, a revival of strict monetarism and other economic theories which all have their followers and foes. Going back to the minister's financial statement, I think that he deserves a word of praise for having called a spade a spade and telling Canadians as objectively as possible what the situation is today in Canada, no matter how painful that may be, and letting them know at the same time what the government has decided to do. Of course, some people would prefer a different approach or different solutions, and that is not surprising, since economics is by definition not an exact science. And it is true that the resulting exchange of view produces a better understanding of economic phenomena.

• (1440)

Regarding the budget, the press release issued by the minister the same day mentioned six elements underlying the budget process: continued restraint on government spending, maintenance of social security programs for those Canadians needing most help, primary reliance on the private sector as the engine of economic growth, support for outward-looking trade policies, promotion of broad consultation in developing economic policies, development of an effective strategy for national recovery and economic development, building on the cooperative spirit of the six and five program.

That, Mr. Speaker, is what the press release tells us. Today, I would like to consider with my colleagues whether the alternatives suggested by our commentators, politicians and economists would, in fact, be valid alternate choices for the government. I shall start with a fact of our economic life which will eliminate some of these alternatives, and here I am about to pay a debt, Mr. Speaker, because a few months before the House adjourned for the summer, I asked the then Minister of Finance (Mr. MacEachen) during question period whether he was considering the possibility of devaluing the Canadian dollar, the purpose being to help bring down interest rates which had reached exorbitant levels at that time. Remember, we were then talking about 18, 19, 20, and 21 per cent. Now the problem has eased somewhat, but there is still some concern.

So, if we accept the fact that Canada is by definition a trading country, where more than 30 per cent of the gross national product—a substantial figure compared with the percentages of our main economic partners—30 per cent of our GNP is derived from our foreign trade, no one can deny that it is extremely difficult for us to isolate ourselves from what is happening elsewhere, to ignore the international economic situation, to act as though the world's economies do not concern us, to expect to go on selling our products anywhere in the world although demand has become generally slack, in short, to act as though we could live off the land.

We are not Japan! It is often said, and it is true, that Japan is a trading nation par excellence, but Japan is far less dependent on its foreign trade for its economic well-being. In Canada, foreign trade represents 30 per cent, while in Japan, it is 11 or 12 per cent of GNP. Our domestic market is not big enough for our economy to grow and prosper without the benefit of foreign trade, no matter what we do to stimulate the economy. It is going to be affected by considerations that are external to our country. So if that is the case and it is if we, for instance, devalue the Canadian dollar, in the short term it is likely that interest rates will be subjected to downward pressures, which might help Canadian businesses that wish to expand, since

despite the considerable drop in interest rates we have been experiencing for several months the fact remains that as a result of the present recession and our stagnating economy, these businesses have still been reluctant to consider expanding their facilities.

That being said, since our national economy is dependent on imports as well as exports, devaluating the Canadian dollar would have the immediate and obvious effect of increasing costs for business and for the economy in general, the rate of inflation depending on the extent of the devaluation. If our Canadian dollar is worth 3 or 4 or 5 per cent less than its American counterpart, our imports are going to cost 3 or 4 or 5 per cent more, and that 3 or 4 or 5 per cent will have to be absorbed by the economy, there are no two ways about it. We would thus be fanning inflation and the short-term advantage which our industries might have be being able to sell their products abroad at lower prices would certainly vanish rapidly as a result of the additional costs they would have to pay for their raw materials since the higher value of imports after devaluation would have to be included in those costs. And, of course, I am not saying anything about consumers having to pay more for their oranges, their grapefruits, their citrus fruits, their vegetables and everything else, not to mention petroleum products and all the goods which Canada has to import. Devaluation therefore is not the obvious solution it appears to be and, although it might in the short run relieve some of the upward pressure on interest rates, I am not at all certain that in the long term—and even in the medium term for the economy as a whole—it would be the appropriate solution. Another possible solution, in a different sector this time since it has to do with the very acute unemployment problems we are now experiencing in Canada, would be to overstimulate the Canadian economy, on the one hand, and, on the other, to offer considerably more assistance to unemployed Canadians either through direct job creation programs or through more generous social benefits to help them survive the current economic crisis.

I will get back to the social issues in a moment, but to those who at the same time advocate overstimulation and a higher budget deficit—because that is what it amounts to set up huge job creation programs, I would ask how they could possibly justify an even higher budget deficit for the Canadian government; our deficit is huge enough as it is—and it has been the target of severe criticisms in quite a number of circles, first of all by members opposite—so much so that it inevitably undermines the capacity of money markets to finance investments. We all know why we have such a huge deficit today: first and foremost, the economic stabilizers have pushed it upwards as the recession has worsened. In fact, Mr. Speaker, it is a very good thing that we have these stabilizers since they allow the economy generally and Canadians individually to spread out the consequences of difficult times on the one hand, and the benefits of more prosperous times on the other, without being subject to the ups and downs of successive years depending on the inevitable and normal cycles which effect all western economies because of the very nature of supply and demand.

• (1450)

I do not think therefore that these stabilizers are being questioned by anyone, and if not, I do not see how one can bitterly complain about the present deficit. By definition, as the Minister of Finance (Mr. Lalonde) pointed out, a very large part of this deficit is caused by the effect of the stabilizers, and if some want to talk about the deficit, I would tell them to speak mainly about the stabilizers. If they are against these stabilizers, let them say so and we can discuss them. On the other hand, we have to recognize that, according to conventional wisdom, in times of hardship, the government must inject money into the economy. That is the dilemma. How substantially can we increase the deficit if we are to inject money into the economy to overstimulate or stimulate it?

This could lead to a lengthy debate and I noted with interest that the New Democrats settled this question in their own way at their last convention. They believe that we have reached the point of no return. From now on, in order to stimulate the economy, we must no longer increase the deficit even more, but cut back on some programs. I congratulate them because this is what I also believe. However, others believe that the point of no return has not yet been reached and that we must spend even more. I was reading some of the comments made by those who have been complaining, and to show what I mean, Mr. Speaker, I shall disregard the comments of the Leader of the Official Opposition (Mr. Clark), who complained for instance that we were asking Canadians to increase their contributions to the Unemployment Insurance Fund, in view of the fact that we shall ourselves put up $1 billion to make up part of the fund's deficit, and who complained that we were thrusting this real burden on Canadians in these hard times, but who did not offer any alternative, which leads me to believe that he would have wanted the Canadian government to finance the unemployment insurance fund next year. Where would he have taken the money? Would he be willing to make the deficit even larger—and then we could draw certain conclusions—or would he have taken the money somewhere else, and in that case, where? I am simply asking the question and explaining the dilemma. I say all this, Mr. Speaker, to point out that, in my opinion, there is now a virtual consensus to the effect that it would be difficult for the government to make the deficit much larger than the suggested figure of about $23 billion. Of course, this is because of the effect of the economic stabilizers which come into play so that the Canadian people do not have to suffer from a rather serious recession.

Therefore, if the deficit is not to grow, the money has to be found somewhere else, and I shall not take up again the point made by the Minister of Finance to show that the government has very little room to manœuvre. Of course, I am the first to admit it and I shall be the first to ask the Minister of Finance

to take any possible action. There may still exist redundant, useless or overly costly programs. If such programs exist, and they do, I hope that we shall have the courage and the will to eliminate them as quickly as possible, before the next budget, I hope. However, those who suggest that these programs represent billions of dollars are wrong. Most often, it is a case of a few million dollars wasted here and there, of some forgotten agency in some government building, with a few employees who keep on doing some work which is perhaps less important today that it was originally.

A few million dollars, you might say, is a lot of money, which it is indeed, and that is the reason why I urge again the Minister of Finance to scrutinize all government programs from every angle and eliminate those we can do without. But the amount we hope to recuperate will likely look insignificant compare to our huge deficit, and those tens or hundreds of millions of dollars that he might save would not make a big difference in the job creating effort, if he decided to use the money in this area. I, for one, am sorry that we cannot do more for jobless Canadians, especially those who have run out of UI benefits, and I wish we could have allocated more money to this program, but this would have meant a sharp increase in the current deficit.

[*English*]

Mr. Keeper: Mr. Speaker, I rise on a point of order. I wonder if the Hon. Member would respond to a question dealing with the matter about which he is speaking.

Mr. Lachance: I would be very glad to accommodate the Hon. Member at the end of my remarks.

[*Translation*]

Therefore, we would have had to increase the current deficit considerably, and under the present circumstances, I think that the minister's modest but significant proposal will enable the most severely affected people to seek government assistance until such time, when the economy is back in full swing and we may be in a position to do more for them.

Canada is a trading nation, something we must not overlook, and in this regard Canadian firms are doing fine. They are holding their own in spite of adverse international circumstances. As of August 31, 1982, Canada had a favourable trade balance to the tune of $11.1 billion. That is $4.4 billion more than at the same time last year. Which is proof that the Canadian economy is broyant and that the Minister of Finance is right in stating that as soon as the world economy starts to recover, signs of which are already being felt in the United States, if Canada is in a position to act and benefit from it, it should be able to solve its current problems fairly quickly. Eventually unemployment would decrease and even if it did not decrease as quickly as we would wish, at least the Government coulld provide better and greater than at present through direct job creation programs. I would now like to refer to social programs, Mr. Speaker, and point out that if there is an area where Canada may be proud of what it has accomplished in recent decades it is in the social area. This is the reason why with some others I was very much concerned by rumours which have been going around during the past weeks while the Minister of Finance was drafting his economic statement, rumours based on statements or excerpts of statements sometimes quoted out of context. However those rumours have disturbed many Canadians and Parliamentarians. Finally, they were put to rest when some ten days ago the Prime Minister (Mr. Trudeau) at the end of a meeting held at Meach Lake stated unequivocally that the issue, though important and relevant to the reassessment implied in the drafting of a budgetary paper, would be left as such, that it would not be dealt with, but for the moment cuts would perhaps be made elsewhere, while social programs would remain a security net allowing Canadians to hope and anticipate that in case of any hardships, they could rely on the required help to tide them over.

• (1500)

Also Mr. Speaker, I was quite pleased when the minister himself said the following in his statement:

> Second, we must not abandon the victims of the recession in the mistaken belief that such callous action might speed our recovery. This Government has worked consistenly over several decades to develop a social security system that effectively supports Canadians in need of help. We will not put the axe to that system at the very time when Canadians need it most. More constructively, we will continue to look for ways to improve our social programs and to make them more effective for those who need help.

Some people thought that that matter had been settled. Unfortunately I am again disturbed as a result of some recent statements suggesting that social programs are still under discussion in spite of the Prime Minister's assurance and the statement made by the Minister of Finances and that in these difficult times the Government would consider re-arranging some of its programs. This has led an editor for the newspaper *Le Devoir* to write this morning that it was urgent to clarify the matter because Canadians cannot remain in such a state of uncertainty. Of course, Mr. Speaker, I am the first one to believe that we should review our social programs and try to give those in dire straits more than they get at present. However that appraisal should not be made piecemeal and accompanied by sensational headlines. This study, an analysis, an assessment must be undertaken in a sensible, reasonable and informed manner, and I would hope, Mr. Speaker, that those who are making statements are concerned about the destabilizing factor that those statements may have on the people who are already very worried about general economic conditions and even more so when they hear about the re-organization of programs which they hang on to as safety net just in case of need.

I must therefore thank the Minister of Finance for having put an end as clearly as possible to these discussions and rumors that were circulating, and plead with those who feel obliged to make statements and I beg them to try to keep

within the limits of an informed discussion on the various parts of these programs. Having said that, Mr. Speaker, I would like to add that I am happy to see that the Minister of Finance has left our social programs unchanged and has not re-allocated monies towards job creation and other programs but that instead he has resorted to other methods making cuts in other departments, for instance. For I am one of those, Mr. Speaker, who believe that when it comes to discussing and improving a system we should first have in hand all relevant data and not proceed via piecemeal fashion. I therefore totally agree with the Minister of Finance (Mr. Lalonde) when he says that these programs are a sort of safety net for the Canadian people and that they should not be changed now in view of the difficult times we living. However, if we are to discuss them it should be by means of a substantive debate with the participation of all interested parties and not by issuing staggering statements.

Mr. Speaker, the minister said that next winter will be a hard one and I must tell Canadians who listening to our debates, in particular my own costituents in Rosemont, that indeed times will really be harsh and to pretend the opposite would be deceiving them; on the other hand, due to the inherent strength and the resilience of our economy we can expect within a few months, when the world economy is back on its feet, that Canadians will be able to take advantage of this recovery and to see to it that our country once again is as flourishing as it should and will be.

Mr. Keeper: Mr. Speaker, the Hon. Member has indicated that he would entertain a question.

Mr. Lachance: Agreed!

Mr. Keeper: Thank you. During his remarks, the hon. member stated that he had looked for waste in the federal budget. Here is a case. Some $180 million in the federal budget are earmarked for advertising. Is the hon. member willing to advise the Minister of Finance to cut this portion off the federal budget? Yes or no?

Mr. Lachance: Mr. Speaker, allow me first of all to congratulate wholeheartedly the Hon. Member for speaking such fine French, as well as the members of the NDP caucus who, I know, are trying very hard to learn French.

Let me put it this way: in my opinion, it is the responsibility of all Hon. Members to see to it that the taxpayers' money is spent where it will do the most good. Unfortunately, the means presently at their disposal are woefully inadequate. I have the privilege to sit on a very special committee of the House, namely, the Standing Committee on Standing Orders and Procedures, which is trying among other things to provide opportunities for Hon. Members' input and direct contribution whenever some items of government estimates do not receive the priority treatment they feel they deserve. And my colleagues on this committee are aware that I am one of those who feel that financial accountability is one of the most important issues, although it has unfortunately been too often overlooked in the past. I could answer his question and raise a whole series of others. I will simply remind him that before the Summer recess, when the House was called upon to vote on government items, I abstained from voting on the Information Centre on Canadian Unity.

[*English*]

Mr. Bill Blaikie (Winnipeg-Birds Hill): Mr. Speaker, today we are debating the giving of permission to the Government to borrow some $4 billion to help finance its economic policy. I want to take this opportunity to comment on the Government's economic policy and say why I think it is so wrong and say why it will not be the answer to the problems facing the country.

• (1510)

The day before yesterday, the Minister of Finance (Mr. Lalonde), in an economic statement which was really a budget speech, whether or not he called it that, went considerably further in the forced retreat march of the Liberal Party away from the battle for social justice. He confirmed even more what I have always believed to be true about the Liberal Party, that it is a fair weather camper when it comes to the cause of equality. It does not have the guts or the inclination to stand up for social justice against the self-interests of the powerful and the big financial and big business sectors of the Canadian society when times become tough and when real sharing and caring, to use a phrase that has been systematically cheapened by the Prime Minister (Mr. Trudeau) in recent weeks, would require the rich and powerful to sacrifice, to care and to share.

Instead of progress toward greater equality among Canadians, we have seen a series of attacks on the average Canadian. The six and five program, which makes no distinction whatsoever between 6 per cent of $100,000 and 6 per cent of $10,000, is the clearest example of the moral failure of the Liberals, supported by the Conservatives. They don't even bother to pretend that they are interested in equality or in equal sharing of our economic problems? Fortunately for the Government and for the Conservatives who support them, what support there is for the six and five program in the country comes from the willingness of many average Canadians to co-operate and attempt to play their role if it will help the country. They are willing to do their part to help Canada. Wisely, they know by instinct that there is a moral problem at the root of our economic dilemma and not purely a technical or economic problem. That is why they are vulnerable—admirably vulnerable—to arguments about sacrifice and co-operation. They are vulnerable because they, unlike the Liberal Government and the Progressive Conservative Party, have not lost the ability to think in ethical terms, when considering economic matters. Their willingness to consider the common good is to be admired all the more because they also know deep down that the Liberals and the Conservatives who encourage them to sacrifice and co-operate in the interests of the common good

really could not care less about the common good, as shown when those Parties' policies are examined.

There is an ethical dimension to our economic problems. And it can best be approached by examining the moral poverty of recent budgets. In November, 1981, certain tax loopholes for the rich were closed. In order to compensate for this, the marginal tax rate for the rich was dropped by 10 per cent, to ensure that closing those loopholes would not really hurt anyone but would look good on paper nevertheless. At the same time the federal Government announced in the same budget a cut of $5.7 billion from its funding of medicare and post-secondary education, programs which benefit all Canadians from coast to coast, regardless of their income.

In the spring of 1982 the Liberals, supported by the Conservatives, arranged to give $6.5 billion to the oil companies through the Petroleum Incentives Program in order to get these so-called free enterprisers off their "derrières" to look for more oil. Despite all the rhetoric about risk and free enterprise, the oil companies have both nostrils in the public trough all the way up to their eyebrows. The Conservatives never object to this. It is public spending for the poor and powerless that they enjoy actively discrediting. Hypocrites that they are, they pretend to be outraged when social programs are cut when it is they who systematically over the years have undermined the credibility of social programs in this country. Yet, they have the nerve to feign outrage when these programs are threatened. The real policy of the Progressive Conservatives, as has been said before, is socialism for the rich and free enterprise for the poor.

In June of 1982 the Government proceeded with its six and five program. Included in this 6 per cent and 5 per cent limit on future increases is a limit on the increases for old age security payments, family allowances and civil service pensions. The Government is therefore asking once again for average Canadians—pensioned average Canadians and mothers in this case—to carry the burden.

Now, in October of 1982, we must witness the spectacle of the Liberals opening the tax loopholes that they closed in November of 1981. These tax loopholes for the rich have been re-opened yet they have not increased the tax rate for these same people which was lowered in November of 1981. Therefore, this group of Canadians who fall into that higher income bracket will now have the benefit of both loopholes and a lower marginal tax rate. No doubt, this will have its intended effect on the donations to the Liberal Party coffers prior to the next election, for "he who pays the piper has just called the tune" it seems to me.

What about the average working Canadians who are already carrying more of the tax burden while corporations and individual wealthy Canadians pay less and less of their fair share in Canada? What news was there in the Minister's statement on Wednesday for the average working Canadians who, are paying their fair share and, do not mind doing it? The good news was for the wealthy and powerful. The bad news was saved for the lower and middle-income Canadians who will be hit with a 40 per cent—not 6 per cent or 5 per cent—increase in unemployment insurance premiums.

When unemployment insurance was last significantly reformed, I am told that the Minister indicated that the cost incurred by UIC as a result of unemployment higher than 4 per cent should be borne by the public and not by the contributors. The Liberals have clearly abandoned this policy. While they are shamelessly giving in to the blackmail of the corporate community in this country, they have no hesitation in becoming tough with the majority of Canadians by asking them to pay for Liberal mistakes. Perhaps it is time for them to pick on someone their own size.

We also saw in the Minister's statement on Wednesday a renewed reliance on the private sector. This is most interesting. The prodigal son, the Minister of Finance, has retreated from his interventionist binge, mild as it was, a chastened and broken man. No more for him; of the dangers and pitfalls of even talking about Canadian control of the economy or even one sector of the economy. He and the Prime Minister, the prodigal twins, with their tails between their legs can be seen running back into the safe enveloping arms of the private corporate establishment asking forgiveness and trying to show by their latest actions that they will be good boys in the future. The Prime Minister, for his part, has recanted all that he had said in the last election campaign about the need to build an independent Canadian economy and to strenghten the Foreign Investment Review Agency. He was either lying to the publlic then or he is the biggest coward we have seen in a long time. But then to watch the Prime Minister back down when it comes to putting his often noble sentiments into action has become the expected rather than the unusual in this Parliament or, indeed, in other Parliaments.

• (1520)

But who is the angry brother in this story about the prodigal twin? The angry brother is and will be the Progressive Conservative Party in this Parliament for, you see, the Progressive Conservatives never ventured out of the front yard. They were the good sons, the loyal sons of the corporate elite, always obedient, always faithful, never questioning the values and the dictates of Old Man Profit and his buddies Power and Privilege.

Mr. Wilson: You would think we were the Government.

Mr. Blaikie: The Conservatives might as well be the Government. They would be doing exactly the same thing.

Mr. Fennell: No way.

Mr. Blaikie: The Conservatives are the loyal sons of the corporate elite and were critical of the prodigal son, the prodigal twins all along. They knew they were wrong. They said so even as far back as the early seventies.

I listened to the Progressive Conservative finance critic the other day. He went as far back as the Benson tax reforms, at the time when we went ever so slightly in the direction of a fair taxation policy. That was the beginning of the end, in the

Conservative view, when we moved slightly toward fairness. That was the root of all evil, as far as the Progressive Conservative Party is concerned, when we tried to have a progressive tax policy in this country. They knew then that the Liberals were straying far from the corporate home. The Carter Commission recommended that for tax purposes all income be treated equally, that the rule for tax policy, as was said at the time, should be "a buck is a buck is a buck". The Benson proposals were only a pale imitation of the Carter proposals. Incidentally, he was not appointed by some left-wing conspiracy, but, rather, was appointed by John George Diefenbaker. Yet yesterday the current Conservative finance critic cited the Benson reforms as a beginning of the policies he and his Progressive Conservative colleagues warned against, leaving one to wonder why they just do not drop the word "Progressive" from their title and be honest about themselves.

The Conservative Party is the faithful brother in the story about the prodigal twin. I predict that the Conservatives will be increasingly unhappy with the way in which the Liberal Party will be welcomed back into the fold which, as I have said, it only strayed away from in the mildest of ways. But such is the pettiness of the corporate elite in this country that it should retaliate for even the least transgression.

Who is the fatted calf? The fatted calf is the Canadian public, and the celebration will no doubt be great in the coming days when Liberals and Conservatives sit down in private, with the blessing and in the company of their corporate father figures, to dine on the lives and expectations of pensioners, mothers, workers, the sick, the unemployed and everyone who, unlike the powerful friends of the Liberals and Conservatives, pay his or her fair share in this country.

We are caught, Mr. Speaker, in the middle of an economic recession which has dimensions going beyond our borders to the very nature of the international economic order which has been in place since World War II. This global recession and the concurrent restructuring of western capitalism, which is both cause and result of the global recession, is difficult enough for all countries, but it has been doubly difficult for those countries like Canada where there have not been governments committed to national economic planning in the public interest. Instead, we have governments and official oppositions, the Conservatives in this case, who would persistently rely on privately made, unaccountable and unco-ordinated corporate investment decisions as the central dynamic of our economy. This, as I have argued, is exactly what the Liberals and Conservatives would have us do. Nothing could be clearer.

Of course, Canada is being triply hurt by the fact that we are not really masters of our own economic house but are an economic colony of the United States, thanks to the Liberal and Conservative sell-out over the years. Therefore, we are not just at the mercy of corporate self-centred decision making, per se; we are also at the mercy of foreign-owned corporate decision making. In this sense, any government which is not actively pursuing real Canadian control, both public and private, over our economy is only fooling itself and the Canadian people when it speaks of having an economic strategy for the country, for without this commitment, the only strategy left is the one which the Liberals have just admitted. They have had it for a while. It is the one which the Conservatives have been asking for, pleading for, all along. It is the strategy of total capitulation to the needs and interests of the investment community, both domestic and international, in the hope that if we are nice enough to them, businesses will still invest in Canada and not go elsewhere. Money, you see Mr. Speaker, knows no borders nor loyalty to community. It is amoral at best and immoral at worst. Those who worship it enough to think of moving out of this country in order to get more of it when they already have lots, whether it be businessmen thinking of relocating in the United States, in New Jersey or wherever, or doctors moving to Texas, are not, in my view, true members of the community, and all I can say is: good riddance. They have cut their ties with home and hearth and made themselves part of that meaningless and morally impoverished pursuit which is the disease of our age.

Yet these are just the values that the Liberals and Conservatives would have us cater to.

The Liberals and Conservatives together regard the investment decisions of the private sector as morally neutral and above criticism, as simply a fact, like the weather, which has to be contended with by the public and by government, who can influence the behaviour of these decisions but must never judge these decisions. Thus, we will hear from the Liberals and the Conservatives criticisms of labour productivity, criticisms of social programs, for instance, but we will never hear them criticize the corporations for investing precious capital, which could have been used to create jobs, in takeovers which promise no new jobs and which only further concentrate power in the hands of a few. We never hear criticism or a judgment of those who took vast amounts of money out of productivity and put it to unproductive rest, collecting high interest rates during the recent extremely high interest rate period. We never heard criticism of that. All we heard and all we still hear is criticism of workers, civil servants, unions, peace activists and environmentalists, but we never even hear a word of criticism about investment decisions and their social usefulness or their productivity.

Mr. Cosgrove: I rise on a point of order, Mr. Speaker. I wonder whether the Hon. Member would permit a question at the conclusion of his remarks on the opinions he just expressed concerning investment.

Mr. Blaikie: At the end of my remarks, Mr. Speaker, I would be glad to entertain a question.

The Acting Speaker (Mr. Corbin): Thank you.

Mr. Blaikie: Investors are free to do whatever they want, in the name of freedom, whether to invest in transportation or in trivia, thus corrupting the name of freedom and damaging the future of this country and of the human community. As far as I am concerned, that is not freedom, it is just plain licence.

• (1530)

This Liberal-Conservative view of the world which holds corporate economic decision-making to be sacrosanct, is one which we in the New Democratic Party do tally reject. We call on all hard-working Canadians to reject it as well for the benefit of the country and those who will come after us so that some day Canadians will be able to stand up with appropriate pride and dignity as a society which does not depend for its stability on decisions taken in secret in corporate boardrooms in other countries, but rather as a society which is self-reliant and in control of a national economic destiny that is in harmony with the need for global justice and environmental responsibility for the future and for the planet.

You see, the Conservatives are right in a way. That is often the case with the Conservatives. They have a little pinch of the truth. They argue that if you redistribute wealth without paying any attention to how you generate that wealth, at some point you may have no wealth to distribute, if I understand their argument correctly, and I think I do.

They argue that we have reached that point in Canada. I argue the contrary, that this is only true in the sense that those who own the productive capacity in this country and in other countries are now refusing to share what they have. They have in a sense gone on strike against the welfare state and the kind of society that we have built up in Canada over the last 30 years.

The fact that all studies indicate that the gap between the rich and the poor has not been closed by the welfare state but indeed may have been widened does not bother them. They do not like the truth to interfere with their theories. They maintain we have reached a point where people will no longer have incentives to generate the wealth which then can be redistributed.

During a recession in particular they seem to be of the opinion that the standard of living of the affluent must be preserved at all costs and that the affluent cannot and indeed will not pay more taxes in order to make sure that the less well off are not hurt.

This is called, in the parlance of the Liberal and Conservative Parties, a good investment climate. I call it nothing but sheer, unadulterated selfishness and greed. That is what good investment climate means to me. Providing a good investment climate also means catering to the profit margins of the multinationals and other corporations when it comes to environmental protection, occupational health and safety, and other areas as well.

Thus, it is not only for reasons of social justice, both during a recession and indeed after a recession, that investment decisions affecting our economy must be brought before the bar of the public interest, but also for the reason that we must make economic and technological decisions accountable for the impact that such decisions have on employment, on the environment, on human relations, on the community and on the prospect for global justice. All investment decisions must be brought before the bar of this kind of criteria. At present they are not. They are operating in a moral vacuum where they do whatever the hell they please. That kind of thing has to end. Yet, this is the conceptual and moral leap which neither the Liberals nor the Conservatives are prepared, willing or able to make.

In terms of redistribution of wealth, the Liberals are in an increasingly untenable position. All those many well-intentioned Canadians who supported the Liberals over the years because they believed that the Liberal Party really wanted to redistribute wealth will soon have to choose. They will have to accept the Conservative argument that we have reached the limit of our ability to share while generating, wealth in the traditional way and must, therefore, retreat from the welfare state, or, they have to accept the NDP argument. We argue that because what the Conservatives say is true in a sense, we must go beyond the welfare state and its many inadequacies by using a combination of various forms of public ownership, public control of investment dollars and fair taxation to make our economy serve the common good and to generate the kind of wealth that would be to the benefit of all Canadians, not just materially but socially as well.

That is the choice that will be faced in the eighties, and I am sincere when I say that well-intentioned Canadians who supported the Liberal Party thought we could have it both ways in Canada, that somehow the Liberal Party could go on forever being a party of social reform and at the same time a party that was loyal to the traditional economic system.

That could happen as long as there was lots of money to throw around. Now there is not the money to throw around and the Liberal Party has had to choose which way to go. I say the Liberal Party has already chosen. There are plenty of Members opposite who will not admit that. They do not want to hear the truth. They do not want to know they have died the moral death which they have died over the last few years. Those with something still left in them will realize that. Plenty of voters will realize that. They will realize that, even if the Liberal Party is not willing to realize it. For, as I have said, the Liberals chose to abandon social justice when it came to the crunch.

Now, Mr. Speaker, more than ever is the time for a co-operative Commonwealth that the founders of CCF and NDP dreamed of, in which true human community and real individual freedom would grow together as the competitive self-seeking of individuals, corporations, governments and nations, characteristic of the present order, is replaced with the structures and not just the rhetoric of equality, co-operation, justice and peace.

It will not be easy. We realize that a future in which a just social and economic order that meets the needs of all, within the limits of our responsibility for a healthy environment and to future generations, will be difficult to achieve. Minds and hearts will have to be changed as well as economic structures and material conditions, but there is no other choice. Otherwise, both domestically and internationally we will descend into the slime that the Prime Minister wallowed in on television in his three addresses last week when he was talking about

the survival of the fittest, abandoning all pretence of the search for justice and international peace.

Whatever happened to the North-South dialogue? Whatever happened to those noble statements of the Prime Minister? They are gone like the wind. Instead we see him wallowing in the philosophical slime of social and economic Darwinism. Canadians have a destiny to do better than that. Canadians have a destiny to do better than adopt the politics of despair which the Prime Minister practises, despite all the rhetoric about trust. Canadians have a choice, and that choice is to accept the invitation of the New Democratic Party to imagine with us and to work with us for the better world which I believe is still within our grasp, if we reach out for it together. This kind of idealism, Mr. Speaker, is the only realistic option left to us—it is not idealism anymore—it is the only option. The realists and the cynics in the Liberal and Conservative Parties like to scoff at the naivete and idealism of the NDP. They have given up on the human condition and they have given up on Canada. They have given up the vision of a country which could have been an example to other nations. And in the name of being competitive, they would have us slide down the hill which so many Canadians have struggled to climb over the years toward a decent and just society.

• (1540)

We in the NDP intend to make sure that those who went before us did not struggle in vain, Mr. Speaker, and the Government will dismantle their accomplishments over the last 30 years over our dead bodies. Canadians now must go beyond the welfare state and Keynesian economics to the politics and economics of democratic socialism. They must not fall prey to the seductive vision of returning to the days of raw capitalism and the law of the jungle, which is the alternative offered to them by the Conservatives and now, quite clearly, by the Liberal Party of Canada. The choice belongs to the people, Mr. Speaker, and we welcome the debate that must ensue over the quality of our future.

I would like to make a few remarks now about the deficit because you hear a lot of ranting and raving about it. I would just like to make a simple suggestion: when politicians talk about the deficit, they should make the same intelligent distinction that average working Canadians make when they talk about their debts. That is to say that they know there is a difference between what they owe on their monthly grocery bill and what is the outstanding debt on their house amortized over 25 years. If they owe $45,000 on their house, for instance, they do not say at the end of January, my God, our debt for January is $45,000, because they make a distinction between current operating debts and long-term capital debts. Yet, all the discussions about deficits in this country take place without that distinction being made, so that the people are never able to get a handle on what is long-term investment, what may come back to the Canadian people in terms of having laid the groundwork for a more productive future, and what might rightfully be regarded as waste and over-spending.

It seems to me that we do the Canadian people a disservice when we talk about the deficit, whatever our position is on it, without making these kinds of distinctions. We create needless confusion about a topic that needs much more intelligent attention than it often receives in this Chamber, or, for that matter, elsewhere across the country.

I just want to put that concern on the record because it relates to what I was saying earlier about investment and how we need to have the right kinds of investment made in this country by Government and by the private sector in co-operation with Government and with the direction of Government, so we can invest in the kinds of things that will lead to a better Canada. We need to invest in our transportation system, housing, alternative energy, and all the things that need to be invested in in this country, and not have it regarded as needless Government spending.

We need to make a distinction between those two kinds of expenditures, which we do not do now, so we can have the political and conceptual freedom for Governments to spend where they ought to spend in building the needed economic infrastructure.

I mentioned transportation, Mr. Speaker, and in this respect I would like to speak just briefly about the policy of this Government toward railways. I was amused to listen to the Prime Minister during his television address. He said we have to prepare for the recovery. We have to have faith in Canada. We have to show that we trust that we will come out of this. While the recession is on we can do preparatory work, he said. Perhaps it can be explained to me, Mr. Speaker, how in the name of God you can call laying off 1,100 people at the CPR shops in Winnipeg, preparatory, when there is rolling stock galore to be repaired which, if there is going to be a recovery, will be needed?

It seems the CPR does not believe there is going to be a recovery, but if the Prime Minister does, he should call his friends at the CPR and tell them to put those men back to work instead of paying them 80 per cent of their wages to do nothing. If that is the kind of economic policy we get from this Government, then we might as well pack it in. We hear a lot of talk about the piddling job-creation programs which were brought in in the economic statement by the Minister of Finance when for another 20 per cent of their wages he could have all the CPR shops back to work preparing for the recovery which the Prime Minister says is coming.

If the Minister of Finance wants to have any credibility at all, that is the first thing he should do, get those men back to work and guarantee there will be no more lay-offs on either the CPR or CNR, because there is absolutely no excuse for lay-offs, in the railway sector. There is rolling stock all over this country which will be needed when the recovery comes. It is unrepaired now. Three years from now the railways will be whining and snivelling that they do not have the equipment, if, hopefully, there is a recovery. And they will want some money. How much more money do they have to get? They are saving millions of dollars because of the six and five program. Workers had their wages limited to six and five. That was not good

enough, they had to have lay-offs as well. In addition, as far as Winnipeg is concerned, we have a transfer of the VIA repair work from Transcona shops to Montreal. This is a repeat of the Air Canada overhaul transfer from Winnipeg to Montreal, about which I will be having more to say in the future, Mr. Speaker, but for now I wanted to highlight the contradictory, nonsensical, insane economic policies of this Government, as they relate to the railway industry in particular. There we find the kind of contradictions that, if we had the time to look, we would find throughout this country as a result of the economic policies of this Government supported by my Progressive Conservative friends, because no one has done more over the years to put the Liberals in that position than the Conservatives.

• (1550)

Mr. Cosgrove: Mr. Speaker, I had obtained the permission of the last speaker for a short question.

The Acting Speaker (Mr. Corbin): I would advise the Hon. Minister that the previous speaker's time has been exhausted and a question can only be put with the unanimous consent of the House. Is there unanimous consent.

Some Hon. Members: Agreed.

Mr. Cosgrove: Mr. Speaker, the question was motivated by the emphasis that the Hon. Member placed upon investment and economic nationalism aspects, and my question is, would he, thus, with such emphasis, support the objectives of the two principles of the Government, that of the Foreign Investment Review Agency to promote Canadian jobs, and of course the objective of the national energy policy to obtain Canadianization and control of that sector of investment in Canada?

Mr. Blaikie: Mr. Speaker, I was gearing up for a really hard question. Of course we support the general goal of Canadianization and of what the Foreign Investment Review Agency was touted to be at its inception, but the fact of the matter is that the Foreign Investment Review Agency approves almost everything that comes before it, I think something in the neighbourhood of 95 per cent. The National Energy Program was a sort of milquetoast Canadianization, 50 per cent by 1990, and even that was mostly private. So we were not terribly impressed with it.

It seems the government is backing down on even those goals. Indeed, the Prime Minister is known to have asked for the support of the provincial Premiers in wanting to further weaken FIRA, so I am not quite sure why the Hon. Minister gave me this opportunity to say more about the way in which his Party has backed down recently on these kinds of issues.

Mr. John Evans (Ottawa Centre): Mr. Speaker, I was very interested in listening to the words of the Hon. Member for Winnipeg-Birds Hill (Mr. Blaikie), because I think he put the socialist position as clearly and as forcefully as anyone in this House could put it. I think it is now clear on the record what the left wing of the left wing Party thinks, and it should be very interesting to see what is going to happen when that Party has its convention and people such as the Hon. Member have to stand up and discuss the economic ideas, concepts and programs that his leader put forward the other day. I will speak to that in a moment, but they include some notions and some incentive programs which would fly directly in the face of the socialistic notions that the Hon. Member seems to hold so strongly to his bosom because, Mr. Speaker, the program put forward by the Leader of the New Democratic Party certainly is a long way from the kind of socialist rhetoric we have heard from the Hon. Member here this afternoon. Indeed, it is a 180 degree turn from the kind of socialist rhetoric we have heard from the Hon. Member here this afternoon. It flies right in the fact of the things the NDP has been professing for so long. Hon. Members, if they do not believe it, should read it more closely, and perhaps if they understood what they were talking about they would see that in fact I am correct.

Now, Mr. Speaker, I think we are in the middle of a process which will lead us to a recovery. The Hon. Minister of Finance (Mr. Lalonde) has come forward with his financial statement early on in the resumed session, very admirably so in that he put forward the position of the country economically with regard to the figures and information that Canadians need to understand the specific facts facing us. He put those forward on the very first day the House resumed. I heard a lot about the Prime Minister's (Mr. Trudeau's) statement prior to the resumption of the House, and there was concern by the media and journalists and others that he had not put forward specific recommendations or program policy announcements. It seems to me, Mr. Speaker, that there is an over-all plan. I have not been told this by the Prime Minister or others, but it seems to me there is a plan which fits into the following kind of framework: the Prime Minister's message was to lay out, to put forward in the three evenings, to set the stage and provide the framework for the kinds of policies and programs and adjustments to existing programs which were going to be made by the Government during this session and the next session of Parliament. This is to provide us with a clear understanding of the general state of our economic affairs, the need to pull together, if we are going to come out of this in a recovery, and take advantage of the world economic recovery as it certainly will occur.

The fact is that governments cannot pull us out of this situation on their own. It is going to take a co-operative effort from all Canadians with the help of government, which is quite contrary to what we have heard earlier from the socialist member who would tell us that Government alone can do it all and Canadians can just stand aside and watch the Government do it for them. I do not think that can happen, and I would suggest that Canadians do not want that to happen. They certainly do not want the Government in Ottawa, led by whoever, to be completely and totally running their lives and saying: stand aside, we will do it for you.

We have seen the kind of society that has emerged in Sweden, especially the young people there, which is put forward as the great model by the Hon. Member for Winnipeg-Birds Hill.

Mr. Blaikie: I never mentioned Sweden.

Mr. Evans: Then I could take any other socialist country he wants and see what the attitude and morale—

Mr. Blaikie: You go to Sweden; I want to build a Canadian socialism.

Mr. Evans: —of the youth is in those socialist countries where Government has said: you take your responsibility some place else because Government knows best. That hon. gentleman down there is so far to the left, Mr. Speaker, that I think he has come almost full circle to the fascist right.

Some Hon. Members: Oh, oh!

Mr. Evans: The second part of the over-all program, it seems to me, was after the Prime Minister had set the stage. As soon as we got back to the House, the Minister of Finance put forward his financial statement giving the financial and economic facts of life which we face in this country, in which he proposed to reallocate as much as possible funds from lower priority programs to higher priority programs. Certainly, dealing with the unemployment problem and trying to create new jobs through stimulation of the private sector has to be given the absolute highest priority in these times. What his statement did was to clear the decks, so to speak, with regard to the uncertainty surrounding many other issues outstanding and, in so doing, to alter policies which had been in place or proposed in light of consultation which both the previous and current Ministers of Finance have had with all sectors of the economy. It was necessary to take into consideration the very fine work that was done by my colleagues on the Standing Committee on Finance, Trade and Economic Affairs during the month of September in examining the income tax bills. The Minister of Finance took some very bold decisions to clear the decks and eliminate the uncertainty surrounding those outstanding issues so as to facilitate the resumption of policy-making in a very positive vein.

Now, Mr. Speaker, I see the process continuing with our own party convention next week, continuing consultation with labour unions, with the private sector, with individual Canadians. Hopefully there will be positive input from all Members of this House in debates such as we are having now, all of which will culminate in a Speech from the Throne which will put forward the kinds of policies and broad policy thrusts and the future direction which the Government intends to propose for the country. All of that, Mr. Speaker, is to be put into practice at the time of the Minister's next budget, which he says will be brought down early in the spring. So I see the process in four stages. The Prime Minister led the way with a broad outline, the Minister of Finance with his financial statements, the Speech from the Throne will give new directions, and the budget will implement those new directions. I suggest that is the process we are in now.

• (1600)

If I may, Mr. Speaker, I will continue my remarks on Monday and call it four o'clock now.

[*Translation*]

The Acting Speaker (Mr. Corbin): Order please! It being four o'clock, the House will now proceed to the consideration of Private Members' business as listed on today's Order Paper, namely public bills, notices of motions and private bills.

PRIVATE MEMBERS' PUBLIC BILLS

[*Translation*]

Is there unanimous consent that all items preceding No. 411 be allowed to stand?

Some Hon. Members: Agreed.

* * *

[*English*]

GUNDERSON SLOUGH HARBOUR ACT

MEASURE RESPECTING TRANSFER OF CONTROL OVER LANDS

Mr. Benno Friesen (Surrey-White Rock-North Delta) moved that Bill C-611, to transfer control over certain lands commonly referred to as Gunderson Slough from the Fraser River Harbour Commission to the Minister of Fisheries and Oceans under the Fishing and Recreational Harbours Act, be read the second time and be referred to the Standing Committee on Fisheries and Forestry.

He said: Mr. Speaker, I think it is safe to say that passage of this Bill would not alter the course of the country. I do not see the galleries filling with interested spectators waiting in anticipation to see this Bill passed. I do not see the Chamber filled with expectant Members waiting for the outcome for the country if we pass this Bill.

The Bill may not have national importance but it certainly has a great deal of local importance. It is very important to several hundred fishermen who live in the area of the Gunderson Slough, which is a winter harbour. Not only is it a winter harbour but there is a lot of service work for the fishing industry going on in that harbour.

This Bill is not a radical proposal. It is not trying to strip away from the Government any kind of powers. It is not trying to denounce the Government in any kind of way, or change the course of Government in any kind of way. It is simply asking that the administration of one small industry in Canada be transferred from one Government Department to another Government Department. It is a transfer of responsibility from the Fraser River Harbour Commission, which presently

controls and so-called administers the port, to the Department of Fisheries and Oceans.

Frankly, Mr. Speaker, I have no quarrel with the Fraser River Harbour Commission or Mr. Rick Pearce. I think it is operating a good business. It was commissioned to get into transportation and to operate a good port. It is doing that, and each year its balance sheet proves it. Over the period of years it makes millions of dollars. In fact, it is like a breath of fresh air to find a Government operation turning a very tidy profit, and I compliment it for that. That does not mean that in doing what it was established to do, it is performing a valuable service to the people who are an adjunct, at the present time, to that particular port.

As I said, the Commission port was established to carry on commerce; it was not established to carry on a service for fishermen. Therein lies the problem, Mr. Speaker. While it does not want to obstruct the fishing industry, that is not the first concern of the Fraser River Harbour Commission and therefore, because it is not its first concern and it spends 99.99 per cent of its interest on commerce, it really means it is in a conflict of interest. It cannot serve commerce full time and still service the fishing industry at the same time; at least if it can, it certainly is not doing it.

Right now, that fishing harbour is being treated like a fourth-class stepchild by the Fraser River Harbour Commission. I understand why that is so. It is interested in a balance sheet, not in service. It does not work for the fishermen unless it is absolutely cajoled into doing so and then, instead of working for the fishermen, all it does is co-operate with other Government Departments so that some of the mandatory work gets done.

As an example, Mr. Speaker, a year and a half ago, a fisherman called me and told me that as he took his boat into the harbour it bottomed out on one of the sand bars. It got stuck. It had been years since that harbour had been dredged. After several months of negotiation and prodding by me and because of the genuine efforts made by the Department of Public Works, that harbour was dredged, and properly dredged. Everybody is happy with it now. The point is, however, that it was not done until the Commission was absolutely cajoled into doing it.

The fact is that in addition to that, it is making no improvements at all to the wharf. It is doing nothing it is not absolutely required to do. That harbour could probably service four times the moorage it has at the present time, but because there is nothing in it for the Fraser River Harbour Commission, because there is no profit to be made, it has no interest in it.

I understand the Commission—I think I understand it. As I have said several times in the course of these short remarks, I understand that its job is to make money. I do not fault it for that. My concern is that through this Bill we could get rid of a very obvious conflict of interest and let the Fraser River Harbour Commission do what it does best and let the Minister of Fisheries and Oceans (Mr. De Bané) take care of the fishermen, because that is his interest. The small craft harbours and the fisheries harbours could look after the interests of the fishermen. That would be no skin off the nose of the Commission. It would do nothing to it, except take from it a small piece of control that is now within its venue.

I do not know if the Commission has any long-range plans to obliterate that harbour. There was a time when the Commission port did not exist. It is made up of a lot of landfill. At one time the harbour was the show piece of the Fraser River; now it is a backwater. The Fraser River Harbour Commission port is built on fill. There is actually an artificial work base for that port facility. I do not know if the Commission at some time would deem that harbour to be an unnecessary nuisance to its operation and would at some time want to fill in that small harbour in order to make it a little bit more convenient to the Commission itself. The fact is that it is responsible for the fishermen; but it is not looking after the fishermen and therefore should divest itself of that responsibility.

There is a secondary problem and that is that in the area surrounding the harbour those vehicles that are used to service the Commission port keep on infringing on the foreshore property that should rightfully belong to the fishermen.

My Bill gives a description of the area that should be removed from the Fraser River Harbour Commission and assigned to the Department of Fisheries and Oceans. On the back page of the Bill, Members will find a description of the land that should be taken out of the control of the Fraser River Harbour Commission and assigned to the Department of Fisheries and Oceans.

• (1610)

Let me say in closing that I am not asking for any removal of Government authority or Government power. In fact, I am complimenting the Harbour Commission for doing good work in the area for which it was created. All I am asking is that that piece of property, which should no longer be under the control or so-called management of the Fraser River Harbour Commission, be taken out of its authority and jurisdiction and given to the Minister of Fisheries and Oceans, the rightful manager of that particular industry. Presumably the Minister of Fisheries and Oceans would consider as his first priority the provision of best service possible to fishermen. Right now the Fraser River Harbour Commission is giving the meagrest, poorest and scantiest possible attention to fishermen. Therefore I hope the Government will agree with me. I see only two Government Members here now, one of whom would be prepared to speak on the Bill. Perhaps there is a slight glimmer of hope that the Government might agree in principle with me that this should be done and referred to the relevant Standing Committee.

Some Hon. Members: Hear, hear!

Mr. Jesse P. Flis (Parliamentary Secretary to Minister of Transport): Mr. Speaker, first of all I compliment the Hon. Member for Surrey-White Rock-North Delta (Mr. Friesen) for taking advantage of every parliamentary vehicle at his

disposal to bring the concerns of his constituents to the attention of the House.

The Bill under discussion concerns the transfer of the title of a certain portion of upland and water lots from the Fraser River Harbour Commission to the Department of Fisheries and Oceans. Before discussing the specifics of this Bill, I think it is important that we have an appreciation of the important port known as the Fraser River Harbour Commission. Therefore I should like to take a few minutes in my introduction briefly to place the Fraser River Harbour Commission in perspective by beginning with a review of the historical development of west coast ports.

The earliest activity in foreign commerce on the Canadian west coast was in the trading of otter and other furs with markets overseas. As the influx of settlers to the west coast increased, other products such as coal and lumber began to move to export markets. However, it was not until the 1860s that the first real growth in international seaborne shipments began.

By 1900 the principal commodities were coal and lumber, which accounted for 900,000 tons and 175,000 tons respectively. The decade to 1910 experienced a decline in international shipping activity. However, this was followed by a revival in shipping activity as a result of the opening of the Panama Canal. A phase of vigorous expansion followed to about 1930, caused by two major developments—the transcontinental railway had become a valuable transportation route for the westward movement of bulk commodities, and shipping technology had replaced sailing clippers by the more business-like steamships. By 1930 exports had increased to eight million tons.

The export movement required an efficient transportation system for realiable delivery and, consequently, the development of ports was of paramount importance. The development of west coast ports began in the middle of the eighteenth century, and their location was affected by the distribution and accessibility of natural resources such as lumber and minerals. These ports, including the one which became known as the Fraser River Harbour Commission, was situated along the south and east coasts of Vancouver Island and the coast of the lower mainland.

In 1929 Vancouver emerged as the premier port on the west coast. Vancouver was followed by New Westminster, as the Commission was known in those days, which handled 0.3 million tons, and its emergence was attributed to the growth of the Fraser River as one of the most important centres of the sawmill industry.

The period of depression in the 1930s greatly influenced world commodity markets and created a highly unfavourable trading environment. The foreign trade of west coast ports dropped sharply until the end of the Second World War. Port development on the West Coast was affected markedly during this period. Vancouver suffered most, mainly because of the loss of the grain trade. The effect on the other ports was less pronounced as they depended upon the relatively stable lumber trade for their commercial prosperity. The Port of New Westminster continued to be the second largest, and in fact narrowed its gap with Vancouver.

After the Second World War the international trade through west coast ports entered a phase of expansion similar to the 1920s. By 1962 ports on the west coast reached a peak of 16.6 million tons. The grain trade was revived and the trade in forest products also increased. An important development was the dramatic post-war economic growth of Japan. As we will see later, trade with the Japanese is a very important part of the present day business conducted by the port we now know as the Fraser River Harbour Commission.

In general, post-war economic growth brought new prosperity to all west coast ports. Several ports, including New Westminster, benefited from expansion in forest product traffic. By 1962 New Westminster was handling over 1.1 million tons of cargo. The foregoing certainly does not do justice to the development of our great system of west coast ports in general, nor to the Fraser River Harbour Commission in particular, but it does adequately set out the scene for a more explicit description of the port with which we are concerned here today, the Fraser River Harbour Commission.

The jurisdictional boundaries of that Commission extend from the mouth of the main arm of the Fraser River at Steveston upstream, along the shores of Delta and Richmond, past New Westminster and Surrey to a boundary where Kanaka Creek enters the Fraser. Also included within the harbour limits are a small section of the north arm of the Fraser near New Westminster and another body of water, the Pitt River, which extends to Pitt Lake. The Commission lies immediately adjacent to two other lower mainland ports—Vancouver and the North Fraser Harbour Commission.

Most terminals of the Fraser River Harbour Commission area are located five to 20 kilometres upstream of the entrance to the Fraser River. Under certain circumstances vessels up to 60,000 deadweight tons have been accommodated on the Fraser River.

The relative importance of coastal traffic is greater for the Commission than it is for the Port of Vancouver. In 1978, coastal cargo tons accounted for 57 per cent of the total tonnage handled by the port. The Commission is served by a combination of multi-purpose and single purpose facilities, and a wide range of services is offered. The principal terminal types fall into seven categories—dry bulk terminals, grain terminals, multi-purpose, general cargo, forest products, rail roll-on/roll-off, auto roll-on/roll-off, and liquid bulk.

In addition there are a number of small operators primarily involved in coastal trade—fish packing companies located at the mouth of the river, forest product operators, and a variety of small industries located primarily on Annacis Island. With the exception of wood chips and sawdust, the Commission is not used in the movement of significant quantities of dry bulk materials. Two terminals on the Fraser are involved in the handling of automobiles, the second most important import on the river. These facilities include large storage areas for the storage and sorting of vehicles and are the largest of their kind in western Canada.

The Bill at hand pertains to certain property now under the administration of the Commission. Therefore, it would be useful at this juncture to delve briefly into the matter of port jurisdiction and administration. The provision of port facilities and services in Canada involves a number of Federal and provincial Government agencies and Crown corporations. The present obligations and responsibilities of these agencies are a product of the evolution and changing functions of port administration since pre-Confederation times. To understand the nature of these obligations and responsibilities requires an understanding of port legislation and administration.

• (1620)

Since their earliest days, Canadian ports have been administered under a wide variety of structures. The earliest port areas were owned and operated by private concerns or municipalities. In 1867 the British North America Act placed navigation and shipping under the exclusive jurisdiction of the federal authority.

It was not until 1936 that the first important step in the vital port policy was made. The foundation of that policy was the Gibb Report which investigated three important areas of port development: the efficiency of existing facilities; requirements for new facilities for the next three decades; and the best method of port administration.

When Sir Alexander Gibb began his study, the Port of New Westminster was administered by a municipal commission, operating under the control of municipal representatives.

Several of the recommendations made by Gibb in his report were incorporated into the National Harbours Board Act passed in 1936. The basic purpose of that Act was to bring the existing federal commission ports under the administration of the National Harbours Board.

Although the federal harbour Commissions were disbanded after 1936, the municipal Commissions continued to operate, each one under its own special Act of Parliament. Due largely to the confusing nature of commission structures, which varied from one location to the next, the Harbour Commissions Act was passed in 1964. The Act allowed for the establishment of commission harbours by order in council, and gave commissions equal autonomy with respect to jurisdiction, powers, and authorities. The New Westminster Municipal Commission was reconstituted as the Fraser River Harbour Commission in 1965.

Although Harbour Commissions may not be strictly defined as federal agencies, they play a vital role in the administration of major Canadian ports. Today there are nine Harbour Commissions in Canada, including four on the west coast: the Fraser River, the North Fraser, Port Alberni and Nanaimo.

Under the 1964 Harbour Commissions Act, a majority of the Commissioners are appointed at the federal level, the rest being nominated first at the municipal level. Each commission has the power to pass bylaws dealing which such matters as harbour rates and charges, the movement of traffic, and the security of the harbour. By laws are thus developed on a local level instead of in Ottawa. In order to finance capital expenditures for transportation, infrastructure and other port development, the Commission has the power to ensure its own debentures or borrow funds from commercial sources. Financial assistance by the federal Government is limited to certain capital expenditures decided on a case by case basis.

Harbour Commissions are established where local municipalities bordering on the harbour wish to share in its administration and development. Prior to establishment of this type of harbour there must be evidence of good growth potential for commercial shipping, municipal willingness to contribute its own waterfront property, and sufficient revenue to support the operation without federal subsidy.

Harbour Commissions historically have represented an autonomous form of administration. Representation from local community members and the power of developing bylaws in accordance with regional needs are examples of this autonomy.

This bill proposes that property be transferred to the Department of Fisheries and Oceans to be managed under the Fishing and Recreational Harbours Act. This act was passed in 1978, at which time many harbours in British Columbia which were previously under the control of the Ministry of Transport, were transferred to the Small Craft Harbours Branch. This agency is responsible for the collection of wharfage and berthage from vessels making use of the facilities. Facilities administered by the Small Craft Harbours Branch are used primarily for commercial and fishing recreational boat purposes. The commercial fish boat harbour at Steveston in Richmond, which falls within the boundaries of the Fraser River Harbour Commission, is a Small Craft Harbours Branch facility.

I think you will agree that the foregoing very usefully sets the stage for a discussion of the specifics of this particular Bill. You will note that included as a schedule to this bill is a legal description, normally referred to, I believe, as meets and bounds of the area currently under the administration of the Fraser River Harbour Commission, and which is proposed to be transferred to the Small Craft Harbours Branch. You will recall from the foregoing that the Small Craft Harbours Branch administers facilities which are essentially of a commercial fishing or recreational nature. Hon. Members will therefore be very interested to know that the area as described in the schedule to this Bill encompasses approximately the following properties. I think it is a little more extensive than the property defined by the Hon. Member. For example, five acres of a large area leased to Gregory Manufacturing; a ramp and facilities for the Delta and Alaska Trainship valued at more than half a million dollars; the Fraser Surrey docks; ten acres of cargo handling area; five acres occupied by Titan Steel; and certain private lands not under Harbour Commission control, including the Burlington Northern Railroad right-of-way.

I should also add that within the boundaries of the property scheduled to this bill, there is an area used by fishermen comprising approximately 14 leases and 37 permits. I am further pleased to report that according to my information the fishermen are quite happy with the manner in which the

Fraser River Harbour Commission is administering their particular property, and prefer the situation as it is at the present time. This agrees with the arguments put forward by the Hon. Member.

I therefore conclude, Mr. Speaker, that the Fraser River Harbour Commission has done an adequate job of administering all the property under consideration in this bill. It is the Government's view at this time that the status quo should be preserved and that this bill should not be given second reading.

Mr. Ted Miller (Nanaimo-Alberni): Mr. Speaker, I rise on what I initially thought was a fairly innocuous bill, one which was straightforward and one for which I had a tremendous amount of sympathy. Coming from a riding that has two Harbour Commissions, I understand the work of those Harbour Commissions. By and large, the comments made by the mover of this motion under whose name the bill stands are quite accurate when he stated that the real emphasis of Harbour Commissions is commerce, which covers the exports of lumber products in B.C. in particular and the shipping terminals. Harbour commissioners have done an admirable job and, as the previous speaker mentioned, most Harbour Commissions can show a profit. That is what they attempt to do.

When I looked at the bill, I considered the response of the fishermen in my riding of Nanaimo-Port Alberni to the facilities which those Harbour Commissions were providing for fishing enterprises. By and large fishermen in Port Alberni are quite happy with the provision of facilities in Port Alberni. There has been some increase in dock space there administered by the Harbour Commission but funded by the small crafts and harbours branch. There is a sense of co-operation between the Department of Fisheries and Oceans and the Harbour Commission in Port Alberni which has put much emphasis on attracting fishermen to that community because they can appreciate the increase in commerce that brings to Port Alberni.

In Nanaimo we have a Harbour Commission that is quite involved in a major new port facility at Duke Point, and the eventual transfer, we hope, some time in the future from the assembly wharf in the downtown core. Emphasis there has been to commerce in the export industry of lumber products. There is some controversy in Nanaimo among the fishermen as to whether that Harbour Commission is really looking after their interests in the manner which the fishermen would like to see.

I think there is some merit in having some properties transferred over to the Department of Fisheries and Oceans in Nanaimo to generate some type of facilities for fishermen and possibly increase the availability of repair facilities in that community for the fishermen who are dependent upon those facilities. Because the mandates are different between the harbour commissions, and the Department of Fisheries and Oceans, certainly I see a need on the Fraser River for the Department of Fisheries and Oceans to take over some properties. Wether it is Gunderson Slough or other areas, there is a need for both fisheries facilities as well as recreational boating facilities. There obviously is a growing need for recreational facilities and moorage in the Lower Mainland. The Fraser River offers tremendous opportunities along those lines.

• (1630)

However, I question the Bill in two areas. First, some Members will be familiar with the recently published Pearse Report on the west coast fishing industry called "Turning the Tide into the Pacific West Coast Fisheries Industry". Dr. Pearse's Report advocates a transition over a period of the next ten years when approximately 4,500 fishing vessels in the industry will be reduced by 50 per cent. I wonder what the fishermen in the Gunderson Slough, Port Alberni, Alert Bay, Tofino, Bamfield and Ucluelet will thing when they realize that half of their fleet will cease to exist within two decades. I wonder if the people in Gunderson Slough will need a fishing boat facility if the Government moves on the Pearce Report. Certainly, this Party is hoping that cooler heads will prevail and that the impact of reducing the fishing fleet will be considered both from the point of view of employment of fishermen and of the communities dependent upon the fishing industry in boat building and repairs. This includes communities such as New Westminster, Victoria and, more important, those coastal communities which have a greater reliance on the fishing industry than the metropolitan and urban areas.

If the Government follows through with the Pearse recommendations, I am somewhat doubtful whether it will make any difference for Gunderson Slough, which is a facility leased from the Harbour Commission and provided by the Harbour Commission, to be in the hands of the Department of Fisheries and Oceans. I can offer my basic support for that facility becoming more public, because under the Harbour Commission it really becomes a private reserve to those lease holders of the docking facility, whether it be British Columbia packers or individual fishermen. Under the jurisdiction of the Department of Fisheries and Oceans the Government would still receive rent from that facility in terms of moorage fees. It could upgrade the facility to include repair of vessels and nets as well as possibly installing facilities which could even provide the manufacture of fishing equipment which is so sadly lacking in British Columbia.

The implication to the fishermen is that it will continue to be a Harbour Commission facility with a type of exclusive placement of fishermen to that facility, or it will be a public facility which will perhaps meet the needs of fishermen more adequately. Certainly, fishermen who are not in that lease position now have indicated to me that they are in support of having that facility turned over to the Department of Fisheries and Oceans which, they feel, would respond more positively to any request they have for increased consideration of their industry.

The second area which makes this bill somewhat less innocuous than I had initially believed is the boundary description. On short notice it is difficult to determine how large an area is involved but the previous speaker from the Government side indicated that a fairly large piece of property is involved, some of which may be privately owned. That has been my

information as well. After talking to the members of the Fraser River Harbour Commission, who were apparently notified yesterday that this Bill was coming before the House today—they had not done any preparatory work until yesterday, I found that they had indicated that this Bill will include land that is privately owned. When drawing the boundaries prescribed by the Bill on seven different maps, it can be found that each indicates that some private property is included in the boundary description.

I am quite surprised that the Hon. Member who moved this Bill, as well as the Hon. Member for Bow River (Mr. Taylor) who seconded the reference to the committee today, both of them strong advocates of property rights, may in fact be proposing to expropriate private property, take it away from some innocent individuals who are probably themselves not aware of the implications of this Bill.

Mr. Friesen: Mr. Speaker, I rise on a point of order. I know that the Hon. Member who spoke just now is a teacher. His teaching capacity lacks credibility because he has not read the Bill very well. It specifically speaks to those lands that are now controlled by the Harbour Commission. It does not deal at all with private property.

Mr. Miller: I would like to thank the Hon. Member for that interjection. I am not sure that the Hon. Member himself has studied the boundary descriptions. I must admit that my information comes only from the Harbour Commission and I obtained it only today. As I understand it, they do have access to seven different maps of their harbour. In each case they indicate that there is some private property included in this jurisdiction. The previous speaker from the Government side had also indicated that the lands in question take in far more than simply the boat basin and that property.

I am not objecting to the use of any property that is now in the hands of the Harbour Commission being transferred to the Department of Fisheries and Oceans. Perhaps there is some validity to that. However, if there is private property involved, I think we must look at these property descriptions first to determine if they conform with what is presently under the Fraser River Harbour Commission and if, in fact, there may be some possibility that the Harbour Commission has land in that description that is privately owned and should be excluded from the Harbour Commission.

With the consideration of the long-term aspect of the fishing industry and the question of whether private property rights are affected by this bill, we are quite prepared to consider the possibility of transferring that property to the Department of Fisheries and Oceans because realistically it should be under that Department. If it is serving the fishing community, the Department of Fisheries and Oceans has the responsibility to provide the facilities to make that industry an efficient one and to meet the demands of individual fishermen. There is support from the fishing community for this transfer of land. We would be prepared to see a more thorough study of this Bill when it reaches the Committee on Fisheries and Forestry. We hope that it will be possible to clarify any misunderstanding about those boundaries and to work out an agreement which would be satisfactory to the fishing community.

Mrs. Ursula Appolloni (York South-Weston): Mr. Speaker, I would begin by asking the Hon. Member who introduced this Bill to refrain from interjecting about Members' former occupations before coming to the House because I must warn him that I will also be referring to the matter of private property. It could be that in his great wisdom the Hon. Member did make a mistake. If I may quote Robert Burns:

The best laid schemes o' mice an' men—

and Tory Members.

Gang aft a-gley;

However, I am opposed to the substance of Bill C-611, an Act to transfer control over certain lands commonly referred to as Gunderson Slough from the Fraser River Harbour Commission to the Ministry of Fisheries and Oceans under the Fishing and Recreational Harbours Act. If passed, this Bill would split almost in half the area presently administered by the Fraser River Harbour Commission. This Commission is one of the most successful of all ports, with an economic impact of $5 billion in the Fraser River area. The figure represents one of the major findings of a port study conducted in the summer of 1981. The results were determined from the 1980 fiscal year information provided by 208 of the potential 327 port and port dependent industries. The direct businesses surveyed in the Fraser port study represented 23 different industries, but the final results were aggregated into ten industry sectors which describe the major components of the port impact.

• (1640)

Direct industries dependent on the Fraser Port contributed 13,487 full-time equivalent employment positions to the regional economy. Secondary employment added a further 19,724 jobs, to yield a total impact of 13,211 employment positions. The total payroll impact was estimated at more than three-quarters of a billion dollars. Three hundred million dollars was derived from a direct component, with the remaining $450 million attributed to the secondary component. The two major generators of payroll in the Fraser port study were the wood products industry, which paid out $220 million in payroll, and the transportation industry, which provided approximately half that amount. The $5 billion is the total sum of goods and services of the users of the port at the time this study was completed.

The area to be transferred, if the limits in Schedule 1 attached to the Bill are to be interpreted, includes ten acres of the Fraser-Surrey Dock, which is situated on the south bank of the Fraser River opposite the autoport. This area also includes five acres occupied by Titan Steel, one of the successful developments of the Fraser River Harbour Commission. Private lands are also included in this transfer, which also includes a road owned by the municipality of Delta and the Burlington Northern Railroad right-of-way. The Harbour Commission has 12 to 14 leases covering that area as well as

37 permits of occupation. The Fraser-Surrey Dock was founded in 1928 and its first berth was converted to handle lumber in 1964. The Fraser-Surrey Dock now has six berths plus scow facilities, and handles a heavy volume of steel, wood chips and sawdust among other commodities.

Training walls in the New Westminster area provide self-scouring for the debris which would normally accumulate on the river bottom. This project commenced in 1966, and construction took three years at a cost of $4.5 million. This project resulted in a saving of $1 million annually for dredging. This saving obviously more than justified the original capital outlay.

Today the Fraser River plays a crucial role in the social and economic wellbeing of British Columbia and, indeed, of all Canada. For some 1.25 million people in British Columbia's lower mainland, the river is a major source of employment and recreation. Virtually every type of industry which could be developed in a metropolis has found a place on or around the Lower Fraser River. Economic environmental demands on the river are growing as Canada increases its trade with Pacific Rim countries so that any decision affecting the future of the Fraser River and the Fraser River Harbour Commission would have far-reaching implications.

The waters of the Fraser are used for transporting, storing and sorting logs used by waterfront sawmills. The harbours at its mouth are receiving points for foreign cars and other commodities. They are shipping points for lumber, for steel, sand and gravel, fish products and other Canadian goods. More than 20,000 people are directly involved in the Fraser's shipping industry, and an additional 84,000 are indirectly dependent on port activities. Approximately 13 million tons of cargo are handled annually by Fraser River ports.

The river's mainstream and numerous tributaries accommodate the largest natural salmon runs in the world and produce more than one quarter of all fish caught commercially and recreationally off Canada's west coast. Commercial catches of Fraser River salmon average ten million fish a year, with a value of some $90 million to the industry. There are 14,000 commercial fishermen in British Columbia and 3,000 workers employed in processing and tendering on the Lower Fraser. As many as 300 million young salmon migrate out of the estuary some years and more than ten million spawners return. The transfer of Gunderson Slough together with the upland, included in the annex to the Bill, would encompass ten acres of the Fraser-Surrey Dock and other lands under the administration of the Fraser River Harbour Commission as well as privately-owned properties. The Fraser River has most of these properties under long-term lease and the fishermen in that area are quite content with the administration, to my understanding. The Fraser River Harbour Commission is opposed to this transfer, and I support it in its decision. To split this successful semi-autonomous administration and put the area under a Government Department simply does not make any sense.

For the following reasons it is desirable that the Fraser River Harbour Commission continue to have full control of the area at present under its administration. Hon. Members are all too well aware of the negative impact of splitting the responsibility for administration of any facility or of any organization. As was pointed out earlier, the Department of Fisheries and Oceans is primarily concerned with smaller scale facilities. The Fraser River Harbour Commission cannot really be considered as a small scale facility based on the traffic volumes and the diversity of industry in the port which are not related to fishing or recreation, not to mention the size of its holdings. The argument that it would be more advantageous to the fishermen simply does not hold water, if Hon. Members would excuse a play on words, because the fishermen have not expressed any real dissatisfaction with the current arrangements. The division of responsibility would certainly not be sorted out neatly, certainly not overnight, and during the transition period there would be a deterioration in the efficiency and effectiveness of port operations. Fortunately, the Fraser River Harbour Commission is in a fairly solvent financial position. However, given the present economic situation, I do not think that even the Fraser River could afford any loss of revenue.

Another point I would like to raise in defence of retaining the status quo deals directly with port facilities. The Fraser River is a successful port. The land holdings have allowed for diversity of investment and employment opportunities. Transfer of the land to the Department of Fisheries and Oceans would certainly interfere with any considerations of further industrial development and, of course, additional employment and revenue opportunities.

The Hon. Member for Surrey-White Rock-North Delta (Mr. Friesen) mentioned the issue of dredging. It is my understanding that program responsibility for dredging will be transferred from the Department of Public Works to Transport Canada. Because of the obvious closer relationship between Transport Canada and the Fraser River Harbour Commission, a more co-ordinated approach will be taken on the issue of dredging.

I believe the Hon. Member for Parkdale-High Park (Mr. Flis) wishes to speak. I have provided what I consider to be valid reasons for retention of this status quo.

Mr. Flis: Mr. Speaker, I rise on a point of order. I argued in my remarks that this Bill should not receive second reading. But in order to give credibility to the Private Members' Hour, after hearing the arguments of the mover of the motion, the NDP and the two Hon. Members from our side, I would like to suggest that the subject matter of the Bill be moved to the appropriate committee, if this is in agreement with the wishes of the mover of the motion.

• (1650)

Mr. Friesen: I would certainly agree to that, Mr. Speaker.

The Acting Speaker (Mr. Corbin): It has been moved by Mr. Flis, seconded by Mrs. Appolloni:

That Bill C-611 be not now read a second time but that the subject matter be referred to the Standing Committee on Fisheries and Forestry.

Is it the pleasure of the House to adopt the said motion?

Some Hon. Members: Agreed.

Motion agreed to.

The Acting Speaker (Mr. Corbin): Is it the pleasure of the House to adopt the motion, as amended?

Some Hon. Members: Agreed.

The Acting Speaker (Mr. Corbin): Accordingly, the order is discharged, the bill is withdrawn and the subject matter thereof is referred to the Standing Committee on Fisheries and Forestry.

Order discharged and bill withdrawn.

The Acting Speaker (Mr. Corbin): The hour provided for the consideration of private members' business having now expired, this House stands adjourned until Monday next at 2 p.m. pursuant to Standing Order 2(1).

At 4.51 p.m. the House adjourned, without question put, pursuant to Standing Order.

HOUSE OF COMMONS

Monday, November 1, 1982

The House met at 2 p.m.

• (1405)

MOTIONS UNDER S.O. 43

[*English*]

GOVERNMENT OF CANADA

REVIEW OF DEPARTMENTAL EXPENDITURES

Hon. Walter Baker (Nepean-Carleton): Madam Speaker, I move, seconded by the Hon. Member for St. Catharines (Mr. Reid):

That the President of the Treasury Board report to the House immediately on his review of departmental expenditures as revealed by the Minister of Finance in his statement last week, setting forth what and where the cuts will take place, their impact on job security in the public service and on temporary and term employees, their pension arrangements, public works programs, and what services to people will be affected and the impact thereof on job creation in Canada.

Madam Speaker: Is there unanimous consent for this motion?

Some Hon. Members: Agreed.

Some Hon. Members: No.

* * *

PETRO-CANADA

PURCHASE OF BRITISH PETROLEUM COMPANY

Mr. Gordon Towers (Red Deer): Madam Speaker, I wish to record a protest under Standing Order 43, in the strongest language possible, against the purchase of British Petroleum by Petro-Canada. Despite assurances to the contrary by the Minister of Finance (Mr. Lalonde), this $347 million takeover is yet another giant step on the road to socialism. It will create harmful upward pressures on interest rates in the borrowing market. It adds $347 million in a negative way to our international balance of payments and will not result in the creation of one single new job. Therefore I move, seconded by the Hon. Member for Calgary North (Mr. Wright):

That, if the Finance Minister truly believes that the private sector is the engine of growth, he cease and desist his socialist takeovers, and if Petro-Canada has $347 million to play around with, that it use it to retire the billions it owes the Canadian taxpayer in debt and stop meddling in the private sector.

Madam Speaker: Is there unanimous consent for this motion?

Some Hon. Members: Agreed.

Some Hon. Members: No.

* * *

THE ECONOMY

SUGGESTED HOLDING OF NATIONAL PRODUCTIVITY CONFERENCE

Mr. Lorne Greenaway (Cariboo-Chilcotin): Madam Speaker, whereas since 1978 Canada's productivity performance has decreased at an alarming rate, to the point that now we have the worst record of the western industrialized countries, I therefore move, seconded by the Hon. Member for Peace River (Mr. Cooper):

That the Government sponsor a "national productivity conference" and, further, to highlight this urgent and grave problem, that a National Productivity Week be designated.

Madam Speaker: Is there unanimous consent for this motion?

Some Hon. Members: Agreed.

Some Hon. Members: No.

* * *

EXTERNAL AFFAIRS

EL SALVADOR—CONDEMNATION OF KIDNAPPINGS BY SECURITY FORCES

Mr. Bob Ogle (Saskatoon East): Madam Speaker, I rise on a matter of urgent and pressing necessity. On October 18, 19 and 20, in the capital of El Salvador, 15 moderate trade union and political leaders belonging to the FDR were kidnapped on the street or at their place of work. In view of the Annual Report published last week by Amnesty International citing the fact that the Government of El Salvador was not able to provide even one satisfactory explanation in the 555 cases of persons detained in the last year, I move, seconded by the Hon. Member for Selkirk-Interlake (Mr. Sargeant):

That this House condemn the use of kidnapping by security forces in El Salvador, and that this House urge the Government of Canada to press the Government of El Salvador to secure the immediate release of the 15 kidnap victims.

Madam Speaker: Is there unanimous consent for this motion?

Some Hon. Members: Agreed.

Some Hon. Members: No.

S.O. 43

PENITENTIARIES

HOSTAGE INCIDENT AT STONY MOUNTAIN

Mr. Jack Murta (Lisgar): Madam Speaker, the recent tragedy at Archambault Penitentiary in which three prison guards lost their lives should have been enough to convince the government that security within federal penitentiaries is inadequate to ensure the safety of all who work in them. The hostage incident now under way at Stony Mountain Penitentiary north of Winnipeg reveals once again the dangers endured by prison staff as the direct result of manpower shortages and serious inmate overcrowding. Therefore I move, seconded by the Hon. Member for Red Deer (Mr. Towers):

That a full and complete investigation be undertaken of the Stony Mountain hostage incident and that every possible action be taken to ensure that the conditions which encourage such incidents will be rectified.

Madam Speaker: Is there unanimous consent for this motion?

Some Hon. Members: Agreed.

Some Hon. Members: No.

* * *

• (1410)

THE PRIME MINISTER

Mr. Gordon Taylor (Bow River): Madam Speaker, the Liberal Government through takeovers, excessive taxation, abnormal waste, high deficits, inflationary policies and high interest rates, has caused thousands of businesses, including farms, to go bankrupt with the resulting loss of thousands of jobs, and has caused hundreds to leave the country with their capital and expertise while others have refused to invest while a government riddled with socialistic tendencies was in power. Therefore I move, seconded by the Hon. Member for Calgary North (Mr. Wright):

That it is useless for the Right Hon. Prime Minister to beg free enterprisers now to pull him out of the socialistic abyss in which his Government has placed the country, and he should, therefore, forthwith resign.

Madam Speaker: Is there unanimous consent for this motion?

Some Hon. Members: Agreed.

Some Hon. Members: No.

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ATOMIC ENERGY OF CANADA LIMITED

LAY-OFFS INVOLVING CANADIAN NATIONALS

Mr. John McDermid (Brampton-Georgetown): Madam Speaker, with the critically high unemployment in Canada, it comes as a major disappointment to find Canadians being laid off from Atomic Energy of Canada while, at the same time, foreigners here on work visas at that Crown corporation are being kept on. Therefore I move, seconded by the Hon. Member for Hamilton-Wentworth (Mr. Scott):

That this House direct the Minister of Employment and Immigration to carry out an investigation into the employment policies of Atomic Energy of Canada with a view to assuring qualified Canadians that they will be given the jobs, and not foreigners in Canada on work visas.

Madam Speaker: Is there unanimous consent for this motion?

Some Hon. Members: Agreed.

Some Hon. Members: No.

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THE PRIME MINISTER

Mr. Stan Darling (Parry Sound-Muskoka): Madam Speaker, I rise under the provisions of Standing Order 43 to state that there can be no doubt in the minds of the Members on either side of this House that the issue most nearly affecting the economic and, more important, the moral health of our country is confidence; confidence in our leaders and in their capability, reliability and, to use an unfashionable word, their honour.

In view of the fact that on Thursday, October 21, the Prime Minister spoke to the people of the need to hold the line on costs and used as an example of government restraint that postal rates had not risen—despite the fact that they had gone up some 76 per cent the year before—and that the decision to raise them another two cents had already been made, I move, seconded by the Hon. Member for Brampton-Georgetown (Mr. McDermid):

That this House tell the Prime Minister that it regards his word as valueless and his honour non-existent.

Madam Speaker: Is there unanimous consent for this motion?

Some Hon. Members: Agreed.

Some Hon. Members: No.

* * *

COMMUNICATIONS

CALL FOR TABLING OF WHITE PAPER

Mr. Mark Rose (Mission-Port Moody): Madam Speaker, over the past year the Minister of Communications has allowed a haphazard, mish-mash of rulings on the reception of satellite TV signals by communications "dishes". Some rulings are discriminatory and are being applied only selectively across the country.

This morning Senator Keith Davey was quoted as predicting that content regulations on Canadian TV might soon be a

thing of the past, a statement which further confuses Canadian television consumers, producers and distributors alike.

I therefore move, seconded by the Hon. Member for Kamloops-Shuswap (Mr. Riis):

That the Minister of Communications enlighten Canadians regarding the future of television reception in Canada by tabling his long awaited White Paper on Communications so that Canadians can see what direction the Government plans to take, and so that people may have some input into future regulations which will determine what Canadians will be permitted to watch on their TV sets.

Madam Speaker: Is there unanimous consent for this motion?

Some Hon. Members: Agreed.

Some Hon. Members: No.

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FISHERIES

DEMAND FOR PUBLICATION OF KIRBY TASK FORCE REPORT

Hon. John C. Crosbie (St. John's West): Madam Speaker, I rise under the provisions of Standing Order 43. In view of the closure of fish plants in Newfoundland and elsewhere in eastern Canada, illustrated by the closure of plants at Trepassey and Fermeuse in St. John's West, in my district, and in view of the precarious economic situation of the east coast fishing industry upon which depends the sole economic occupation of rural Newfoundland, I move, seconded by the Hon. Member for Nepean-Carleton (Mr. Baker):

That the Government of Canada make public immediately the report of the Kirby Task Force on the east coast fishery and act immediately to ensure the continuation of a viable east coast inshore and offshore fishery which the Government maintains is within the sole constitutional jurisdiction of the Government of Canada.

Madam Speaker: Is there unanimous consent for this motion?

Some Hon. Members: Agreed.

Some Hon. Members: No.

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DISASTERS

"OCEAN RANGER" INQUIRY—BALKING BY AMERICAN CORPORATION

Mr. Rod Murphy (Churchill): Madam Speaker, in light of the fact that the Canadian inquiry into the tragic incident involving the *Ocean Ranger* cannot force ODECO, the American owners of the rig, to produce the essential witnesses and information needed for a full investigation, thereby risking future Canadian lives if the inquiry is unable to discover the cause of the accident and make appropriate recommendations, I move, seconded by the Hon. Member for Kootenay East-Revelstoke (Mr. Parker):

That this House condemn this American corporation for not providing full co-operation to a Canadian inquiry and, further, that the Government strengthen legislation regarding expectations of foreign companies before allowing them to operate within our boundaries.

Madam Speaker: Is there unanimous consent for this motion?

Some Hon. Members: Agreed.

Some Hon. Members: No.

• (1415)

ORAL QUESTION PERIOD

[*English*]

PETRO-CANADA

PURCHASE OF BRITISH PETROLEUM COMPANY SERVICE STATIONS AND REFINERIES

Mr. Harvie Andre (Calgary Centre): Madam Speaker, in the absence of the Minister of Energy, Mines and Resources I will put my question to the Minister of Finance. It deals with the proposed purchase of British Petroleum service stations and refineries. Given that Canada's No. 1 economic problem is a depression level unemployment rate, and given that last week the Minister of Finance stated that he could only find modest amounts of cash to fight this problem, how does the Minister of Finance, on behalf of the Government, justify spending $350 million of public funds on a purchase which will not generate a single new job? In fact it will cost jobs, because previously BP and Fina were frequently competitors on the same corner and now there will be only one service station and one marketing department. Therefore there will be a net loss of jobs. How does the Minister of Finance justify the expenditure at this point in time?

Hon. Marc Lalonde (Minister of Finance): Madam Speaker, as was announced by Petro-Canada, this purchase will be financed without asking for one cent from the Public Treasury or one cent from the taxpayers of Canada.

Some Hon. Members: Oh, oh!

Mr. Lalonde: It has been taken by Petro-Canada as a business decision that will be totally financed on the market per se, and it will be a self-financing operation. It has been considered by the board of directors of Petro-Canada as a very good business deal. Knowing the support that Petro-Canada has received from Canadian consumers, I am convinced that this will also prove to be an excellent decision in all respects.

USE OF PURCHASE FUNDS

Mr. Harvie Andre (Calgary Centre): Madam Speaker, as the ads say, "it is ours", and its debts are our debts, the same way as the Government's direct debts are our debts. The reality is that we, the people, are in debt an extra $350 million

for no good purpose whatsoever. Would the Minister not agree that if there is $350 million worth of public funds available for spending it might be better spent to reduce the $1.7 billion increase in UIC premiums for which he called, to use the money directly for job creation, or to use the money to decrease taxes on petroleum products and therefore fight inflation? In other words, would he not agree that any reasonable person could come up with a priority list of dozens of ways in which this money could be spent to benefit Canadians, particularly those Canadians who are unemployed at this point in time?

Hon. Marc Lalonde (Minister of Finance): Madam Speaker, the Hon. Member does not seem to realize that the meaning of this purchase will be that, instead of shipping dividends and profits abroad forever in the future, the profits from these operations will stay in Canada and will benefit Canadian people. In that sense indeed Petro-Canada is ours, and in that sense it is a very good decision.

As far as the decision of Petro-Canada to finance this purchase out of borrowing by Petro-Canada, not by the Minister of Finance or the Government itself, is concerned, it is borrowing on the markets which will be repaid out of the profits resulting from the operations of BP being carried on in the future by Petro-Canada. It is no charge on the Department of Finance, the Government or the budget of the Minister of Finance. It will be a self-financing operation.

Mr. Andre: The economic knowledge of the Minister of Finance seems to be lacking when he suggests that somehow we save on foreign exchange by sending $350 million out of the country to follow the $1.7 billion that went out on the Fina purchase. Saving money like that will have us in the same state as Argentina in no time at all.

IMPACT OF BORROWING

Mr. Harvie Andre (Calgary Centre): Madam Speaker, Canadians are presently paying 3.6 cents per gallon in tax to pay for Petro-Canada's purchase of Fina. Would the Minister not agree that if Petro-Canada has the capacity to take on an additional $350 million worth of debt, then this tax on consumers could be removed, thereby helping in the fight against inflation which the Prime Minister said is the Government's No. 1 priority, in his TV serial two weeks ago? Has the Government changed its mind again and it is no longer a priority? If it is, why will he not use that borrowing authority of Petro-Canada to reduce the impact of these silly taxes on the consumers?

• (1420)

Hon. Marc Lalonde (Minister of Finance): Madam Speaker, first I would like to tell the Hon. Member that he should check his own economics. The impact of this borrowing will be very different, whether the borrowing is done abroad by Petro-Canada or whether it is done in Canada. I suggest that the Hon. Member check with Petro-Canada to find out where its borrowing is going to take place.

Mr. Crosbie: You are an expert in borrowing.

Mr. Andre: And you never have to pay for it?

Mr. Lalonde: The Hon. Member will know that if the borrowing is done abroad it will not have the same impact at all as the one he mentioned.

With regard to the second point, I would like to remind the Hon. Member that Petro-Canada will be able to achieve this purpose, even after a significant reduction in its equity investment by the Government of Canada contained in the cuts I announced the other day in the energy envelope. Over $200 million of that will come from capital investment by the Government of Canada in Petro-Canada.

Petro-Canada is supported by the people of Canada. It is doing very well. We are taking steps to ensure that it is running its affairs like a Canadian business corporation that is supported by the people of Canada and will continue to be supported by the people of Canada in spite of the opposition, well known, of the Conservatives.

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LABOUR CONDITIONS

WORK STOPPAGE AT WEST COAST PORTS

Mr. Pat Nowlan (Annapolis Valley-Hants): Madam Speaker, in the absence of the Prime Minister my question is directed to the Minister of Transport. It involves another economic question which is having a disastrous impact on Canada, namely, the continued stoppage and plugging of ports in British Columbia. In view of the Prime Minister's commitment on Friday that if this matter was not resolved by Monday night:

—this Government would ensure in some way that the strike would be ended, and that is still our intention.

—could the Minister tell us whether it is the intention of the Government to honour the commitment made by the Prime Minister last Friday to bring in legislation today so that by Monday night legislation could be through this House enabling the Port of Vancouver and the other ports in the West to operate? The parties could then go back to the bargaining table or do whatever they have to do, regardless of the stoppage and the ports would not remain plugged.

Hon. Jean-Luc Pepin (Minister of Transport): Madam Speaker, the answer is really in the question. My hon. friend referred to the deadline given to the parties by the Prime Minister to resolve this conflict, to be until tonight. If I remember correctly, tonight means until twelve o'clock. If the strike is not resolved before twelve tonight, my hon. friend can expect to have decisions tomorrow.

REQUEST FOR INTRODUCTION OF LEGISLATION TO END WORK STOPPAGE

Mr. Pat Nowlan (Annapolis Valley-Hants): Madam Speaker, we are talking about Monday night. In view of the very checkered discussions that have been going on between the parties over months, and the very clear statement yesterday by both parties that they have nothing more to talk about, that they were no further ahead when they started to talk than when they were locked out a couple of weeks ago, surely if the Government is going to command the economic reins of this country in something so fundamental to the general economy, let alone western Canada's, the Government could move some time today so that legislation could get into the parliamentary stream today, and come Tuesday the port would be open legally and the parties could return to their talks for as long as they want, as long as the traffic runs?

Hon. Jean-Luc Pepin (Minister of Transport): Madam Speaker, I have, of course, been following the transportation aspect of this question very closely. But the labour aspect is in the hands of my friend, the Minister of Labour, who might have something to add in answer to the Hon. Member's question.

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THE ECONOMY

FORTHCOMING UNEMPLOYMENT

Hon. Edward Broadbent (Oshawa): Madam Speaker, my question is for the Minister of Finance. All Canadians know that we have lost thousands of jobs in the last few months. My question concerns the period between now and Christmas. Will the Minister confirm that his Department has done an estimate of the number of jobs that will be lost between now and Christmas and that the number is 68,000?

Hon. Marc Lalonde (Minister of Finance): No, Madam Speaker.

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CANADA COMMUNITY DEVELOPMENT PROGRAM

IMPACT ON UNEMPLOYMENT

Hon. Edward Broadbent (Oshawa): Madam Speaker, I would like some clarification from the Minister when he says no. Was it no to the part of the question simply concerning an estimate? Was an estimate done? Or was the Minister questioning the figure? I would like the Minister to clarify that. The figure was 68,000 job losses between now and Christmas. I want the Minister to deal with that.

• (1425)

What I would like the Minister to answer now, given that the single new job-creation program that will go into effect this fall, the Canada Community Development Program, will produce 10,000 new jobs at the most between now and Christmas, will he acknowledge that, as a result of the thousands of jobs that will disappear between now and Christmas and the few new jobs that the Government will create, we will have a net loss of thousands of jobs between now and Christmas?

Hon. Marc Lalonde (Minister of Finance): Madam Speaker, again, I have to say no to both questions.

QUERY RESPECTING ESTIMATES OF UNEMPLOYMENT

Hon. Edward Broadbent (Oshawa): Madam Speaker, is the Minister then saying to the House—because it is important for him to clarify this—that given the job losses which have been occurring in recent weeks and which are anticipated to continue between now and Christmas as weighed against the limited number of new jobs that the Government will produce—is he telling the people of Canada that there will not be a net loss in jobs by Christmas?

Hon. Lloyd Axworthy (Minister of Employment and Immigration): Madam Speaker, I would simply like to point out to the Hon. Leader of the New Democratic Party that when it comes to the implementation of the community development projects, the target of jobs between now and Christmas in terms of actually coming on stream is closer to 55,000 and not the 10,000 which he talked about. We hope to have those jobs fully in operation in order to take care of those who are losing their jobs during that period of time.

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FINANCE

PROVISION OF ASSISTANCE TO BUSINESS SECTOR

Hon. Michael Wilson (Etobicoke Centre): Madam Speaker, my question is directed to the Minister of Finance. In view of the fact that there has been an increase in the number of companies that the Government has bailed out during the past few months, such as the Dome Petroleum deal, the Maislin deal, and we now hear of additional moneys going into companies such as Canadair and de Havilland, would the Minister tell the House what is the total budget which the Government has put aside in order to finance these forms of bail-outs?

Hon. Marc Lalonde (Minister of Finance): Madam Speaker, the Government has not set aside any particular funds for this particular purpose. The Canadair and de Havilland equity investment has been announced by my colleague, the Minister of Regional Economic Expansion. It is $400 million; $200 million to each corporation. This has been announced and made public.

REQUEST FOR REFERRAL TO STANDING COMMITTEE

Hon. Michael Wilson (Etobicoke Centre): Madam Speaker, if the Minister has not set aside any budget for bailouts, would he refer the whole matter of bailouts, of support for companies

that are not doing well in the economy today, such as Maislin, Dome Petroleum, Canadair, de Havilland and Massey-Ferguson, to the Standing Committee on Finance? Will he refer this in a special reference to the Finance Committee in order for it to study these implications and why they have happened, as well as what consideration the Government is taking into account when it is establishing the policies for bailouts?

Hon. Marc Lalonde (Minister of Finance): Madam Speaker, the estimates of all the various departments are being put before parliamentary committees. The parliamentary committees are meeting. If my hon. friend wishes a particular Minister to appear before a particular committee, surely he can arrange that through his own means in the various parliamentary committees that are in place.

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FISHERIES

KIRBY TASK FORCE REPORT RECOMMENDATIONS

Mr. Lloyd R. Crouse (South Shore): Madam Speaker, in the absence of the Minister of Fisheries and Oceans I would like to direct my question to the Acting Prime Minister. Has the Kirby Report been received by the Government and, if so, does it recommend the nationalization of any fishing companies in Atlantic Canada?

Hon. Allan J. MacEachen (Deputy Prime Minister and Secretary of State for External Affairs): Madam Speaker, the report has been received by the Government. It is currently being examined by the Government and it is likely that the report will be made public at a certain point. Until that occurs, I do not think that I can give him a preview of the contents of the report at this time.

REQUEST FOR GUARANTEE OF NON-NATIONALIZATION

Mr. Lloyd R. Crouse (South Shore): Madam Speaker, in view of the Government's inability to run the railroads properly, the Post Office and the National Energy Program, just to name a few of its problems, will the Minister give a guarantee to the House—

Mr. Nowlan: Ironclad.

Mr. Crouse: An ironclad guarantee, as my colleague from Annapolis Valley-Hants says, that the Government will not become involved in the nationalization of any fishing operations, not only in Atlantic Canada but in all of Canada?

• (1430)

Hon. Allan J. MacEachen (Deputy Prime Minister and Secretary of State for External Affairs): Madam Speaker, I am not precisely sure what the Hon. Member means by "nationalization of the fishing industry". I do not believe that that is on the mind of the Government at all. But I believe he would accept the notion that there are some present opportunities for the Government to support and to strengthen the Canadian fishing industry, and it is to that role that the Government is directing its attention as a result of the Kirby Task Force. I am sure the Hon. Member would not ask us to take a totally and completely hands-off attitude with respect to the future development of the Canadian fishing industry.

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MINES AND MINING

UNION RECOMMENDATIONS ON STOCKPILING

Mr. Thomas Siddon (Richmond-South Delta): Madam Speaker, my question is directed to the Minister of State for Mines. The Minister will know how serious is the dilemma facing the thousands of mine workers in her own area, the Sudbury area, because of the virtual collapse of Canada's nickel industry. I would like to ask the Minister how seriously she is taking the recommendations of the major mine workers' unions that the federal Government participate in a major stockpiling program. If such is under consideration, does she envisage that the federal Government might want to take a piece of the equity of INCO or Falconbridge in return for such initiative, which might lead to the nationalizing of Canada's nickel industry? If not, what solutions does she have to offer to the thousands of mine workers in her own constituency who are faced with serious unemployment in the winter?

Hon. Judy Erola (Minister of State (Mines)): Madam Speaker, it is unfortunate that the Hon. Member was not present this morning when the Task Force on Mining Communities made its report. The Task Force did not recommend the purchase or, indeed, participation in equity in any of these companies for very good reason, because not only is International Nickel in trouble, but so is every other mineral producer, with the exception of gold producers, in similar circumstances, and it would be quite ludicrous even to contemplate the possibility of stockpiling all these metals, which would quickly reach a figure of $15 billion or $20 billion. However, the Government is very concerned about those workers. If the Hon. Member had been present this morning he would have known that we were discussing job-creation projects which will put many of those workers to work in those areas which will increase productivity. I hope that he will encourage those communities in which he is actively involved to participate in these projects.

RESTORATION OF COMPETITIVE ADVANTAGE

Mr. Thomas Siddon (Richmond-South Delta): Madam Speaker, my supplementary question is directed to the Minister of State for International Trade, who will know that the reason Canada's mining industry and other natural resource sectors are in such difficulty is because we have lost our competitive advantage. I want to know what initiatives Canada is taking to ensure that we restore our competitive advantage

in face of growing international alternative sources of supply, in order that we can find ways to put those workers back to work in the long term, not merely to put them to work through the winter months with make-work, short-term projects.

Hon. Gerald Regan (Minister of State (International Trade)): Madam Speaker, the Hon. Member will be well aware of the international situation in that the economies of other countries are, in many instances, in far worse condition than ours—

Mr. Clark: Not in Burma, not in India.

Mr. Regan: —with the result that the minerals produced from our mines are not in demand. The Hon. Member will recognize that when $3 of every $10 of our gross national product is accounted for by exports, it has a profound effect on our economy when the economies of other countries sag. What are we trying to do? I suggest that the quality of the Canadian miners is not the problem, nor the quality of our resources but, rather, the economic situations in those countries. What Canada is doing through the six and five policy—

Some Hon. Members: Oh, oh!

Mr. Regan: —is to pursue a method of combating inflation, of seeing to it that this country will be in an excellent position to take part in recovery as it occurs across the western world, and that we will then continue to be able to sell our products in competition with any in the world.

Some Hon. Members: Hear, hear!

* * *

CONSUMER AFFAIRS

DEPARTMENT STORE INTEREST RATES

Mr. Ray Skelly (Comox-Powell River): Madam Speaker, my question is directed to the Minister of Consumer and Corporate Affairs. He will know, of course, that credit card companies and major department stores, such as Eatons, Sears and The Bay, are charging customers interest rates of 24 per cent to 28.8 per cent on retail credit. Recent reductions in interest rates mean that many of these companies are obtaining money at 12 per cent and lending it out at a cumulative rate of approximately 32 per cent, a 20 per cent interest spread. Would the Minister be prepared to acknowledge that this type of retail loan sharking is inflationary, is contributing to personal bankruptcy, and is not part of Government policy? Would he also be willing to say what action the Government is prepared to take to remove this type of obscenity from our economy?

[*Translation*]

Hon. André Ouellet (Minister of Consumer and Corporate Affairs): Madame Speaker, the Hon. Member's question is based on a number of assumptions. He knows perfectly well that a consumer who purchases goods and uses a credit card to do so has thirty days to pay his bills. If he pays within the prescribed period, obviously no interest is charged.

[*English*]

Mr. Skelly: Madam Speaker, that is a completely disastrous answer.

Some Hon. Members: Oh, oh!

Mr. Skelly: Basically, what we have is a type of policy which will give the rich, those with higher disposable incomes, 50 days of free interest on money they borrow, but that money is paid for by low and middle income Canadians who do not have the option of disposing of their bills on a 30-day basis.

Some Hon. Members: Hear, hear!

PLIGHT OF LOW-INCOME CREDIT CARD USERS

Mr. Ray Skelly (Comox-Powell River): Madam Speaker, as a supplementary question, would the Minister please pull his head out of the sand and give some consideration to helping Canadians, especially those in low and middle-income brackets, to fight the kind of corporate power that is placed against them in this credit card situation? I urge him to act.

[*Translation*]

Hon. André Ouellet (Minister of Consumer and Corporate Affairs): Madam Speaker, if the Hon. Member wants to help middle-income Canadians, he should tell them to check first before deciding where they want to purchase goods. There is a lot of competition in this field, and in addition to department store credit cards, there are also those issued by banks, and rates vary. I would therefore invite the Hon. Member to check first before making this kind of allegation.

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[*English*]

INCOME TAX

AVAILABILITY OF CORPORATE TAX FORMS

Hon. Marcel Lambert (Edmonton West): Madam Speaker, in the absence of the Minister of National Revenue I direct my question to the Minister of Finance. On the basis of best information, there are no corporate income tax forms for 1981, or 1982, available at any office of the Department of National Revenue or otherwise in Ontario. Would the Minister make the necessary inquiry and give us an answer now? This is not for a parliamentary secretary. This is a question which should be answered now. Can the Minister further advise whether instructions were given not to print the 1982 returns until the Ways and Means Motion had been brought in and the whole income tax situation clarified?

Mr. Garnet M. Bloomfield (Parliamentary Secretary to Minister of National Revenue): Madam Speaker, I would like to apologize to the Hon. Member for those forms not being available in Edmonton. I understand that is a very local

situation. I would also like to assure the Hon. Member, as Parliamentary Secretary, that I would want to be sure that we have tax forms available for whatever means, and wherever, across Canada.

Some Hon. Members: Hear, hear!

Mr. MacEachen: Especially in Edmonton.

SITUATION IN ONTARIO

Hon. Marcel Lambert (Edmonton West): If the Parliamentary Secretary heard properly, he would know I did not refer to Edmonton. I referred to Ontario and the rest of Canada, concerning 1982 forms.

Some Hon. Members: Oh, oh!

Mr. Garnet M. Bloomfield (Parliamentary Secretary to Minister of National Revenue): Madam Speaker, the information I have is that it was a very local situation in Edmonton to which I thought the Hon. Member was speaking, and if he is right we will check and see that those forms are available.

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PUBLIC WORKS

CONSTRUCTION OF MUSEUM OF MAN AND OF NATIONAL GALLERY

Mr. Donald W. Munro (Esquimalt-Saanich): Madam Speaker, my question is directed to the Minister of Public Works. I would like to congratulate him on his appointment and ask him whether he has adopted a new policy and demonstrated his great allegiance to royalty by having a Crown corporation, which we could call Canamuse, for example, to construct the Museum of Man and the National Gallery in the Ottawa district. I would like to know why it is that the Minister is not fulfilling his normal functions as Minister of Public Works in drawing up bids, calling for tenders, and organizing it in that way rather than through a Crown corporation.

• (1440)

Hon. Roméo LeBlanc (Minister of Public Works): Madam Speaker, I thank the Hon. Member for his good wishes. As he knows, the decision to proceed through a Crown Corporation for the construction of these two museums was made some months ago. It was felt that this would be the most expeditious way to proceed with a very sharp focus on those two institutions. I think the decision speaks for itself.

APPOINTMENT OF CROWN CORPORATION PRESIDENT

Mr. Donald W. Munro (Esquimalt-Saanich): Madam Speaker, this is rather a condemnation of the bureaucracy in his own Department that he should have to go out to a Crown Corporation to have an expeditious performance of the functions assigned to it.

Can the Minister also give me an answer as to why the search committee, Caldwell Partners, which has its headquarters outside this country in the United States, should be the company assigned the role of finding the president of the Crown Corporation? Will he be a Royalist?

Hon. Roméo LeBlanc (Minister of Public Works): Madam Speaker, it is no reflection on the officials of Public Works. As the Hon. Member knows, for many years it has been the policy, and I think it was briefly the policy of the previous Government, to contract out a great deal of the work which might have been traditionally undertaken by permanent employees of the Public Service. The Hon. Member will know that the number of Public Servants in Public Works has not in fact expanded to fulfil all the duties that would have to be fulfilled. As for the other matter raised by the Hon. Member, I am sure that he will allow me to check the facts and report to him.

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NEW EMPLOYMENT EXPANSION AND DEVELOPMENT PROGRAM

INQUIRY RESPECTING WINNIPEG COMPANY

Hon. Jake Epp (Provencher): Madam Speaker, I would like to direct my question to the Minister of Finance. In his mini-budget of last week he announced a $500 million job creation plan and then set the Minister of Employment and Immigration scurrying across the country to try to get matching dollars from the Provinces. I would like to ask the Minister, in view of the answers he gave to subsequent questions last week that jobs were also to be created in the industrial sector of Canada, how many jobs that program will re-establish or create at Versatile Manufacturing in Winnipeg which made an announcement last week that it is facing a total plant shutdown and lay-offs in February of next year.

[*Translation*]

Hon. Marc Lalonde (Minister of Finance): Obviously, Madam Speaker, I am not in a position to give a specific answer regarding a specific company which manufactures farm machinery and has a number of problems. I do not think the Minister of Finance can give that kind of answer.

[*English*]

JOB-CREATION MEASURE

Hon. Jake Epp (Provencher): Madam Speaker, may I then ask the Minister of Employment and Immigration whether he can give us the answer as to how many jobs will be saved at Versatile Manufacturing in view of the fact that his officials have in fact dealt with the company's Board of Directors? Work sharing was looked at. It was decided that work sharing

was not acceptable for the plant operation in Winnipeg. How many jobs has the Minister been able to protect or create at Versatile through the $500 million job-creation project now euphemistically referred to as NEED?

Hon. Lloyd Axworthy (Minister of Employment and Immigration): Madam Speaker, the Hon. Member for Provencher is mistaken in terms of the objectives of the various programs that we have. The program that was announced last Wednesday is targetted particularly at those who are suffering the worst hardships during this period of time, those who have exhausted their unemployment insurance benefits and have no other alternative.

In the case of Versatile, the people who are being laid off at this time still have recourse to the unemployment insurance fund which will give them security of income during the period when the plant is not in operation. I have had discussions with the President of that plant. We discussed what their potential options will be. What they are simply saying is that they overproduced inventory for the market that is there, and they have to work that inventory off. The workers during that period of time will have the full protection of the unemployment insurance fund and the other alternative they have which my Department is now negotiating with them.

* * *

FREEDOM OF INFORMATION

DATE FOR PROCLAMATION OF LEGISLATION

Hon. Walter Baker (Nepean-Carleton): Madam Speaker, my question is directed to the President of the Treasury Board who in his elevation to that post, which I know he accepted with great pleasure, has also been given responsibility for freedom of information. His predecessor in office indicated it was the intention of the Government to bring Bill C-43, the Government's access to information legislation, into force in January, 1983. Does that remain the intention of the Government?

Hon. Herb Gray (President of the Treasury Board): Madam Speaker, first I would like to thank my hon. friend for his good wishes. I look forward to his continued constructive input. It is my understanding that my colleague, the Minister of Communications, talked about implementing the freedom of information legislation early in 1983, but did not give a specific date. If I am mistaken, I will certainly amend my response.

I have been looking into the matter, and I find that the earliest one can expect it to be possible to have all the administrative mechanisms in place required to administer the new law properly would certainly not be before April of next year. If it is possible to do it sooner, I will certainly do my utmost to see that that is the case.

APPOINTMENT OF INFORMATION COMMISSIONER

Hon. Walter Baker (Nepean-Carleton): Madam Speaker, one of the important considerations with respect to that matter is the appointment of the Information Commissioner. Is that matter now before Cabinet? If so, when will a decision be made on naming the Information Commissioner, and when will the announcement be made?

Hon. Herb Gray (President of the Treasury Board): Madam Speaker, I hope this will be very soon.

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RESEARCH AND DEVELOPMENT

NECESSITY FOR PHARMACEUTICAL RESEARCH

Mr. Lorne Nystrom (Yorkton-Melville): Madam Speaker, my question is directed to the Minister of State for Economic Development. The Minister will know that in June the Ayerst international company announced that it was going to be closing out it pharmaceutical research laboratories in Montreal and transferring the operation to New Jersey, once again showing up the problem of foreign ownership in some sectors of our economy. The transfer will mean the lay-off of some 300 employees, many of them full-time researchers at the lab. In light of the fact that this is the only fully integrated pharmaceutical company operating in this country and does about 50 per cent of the research, if not more, in the pharmaceutical business, I would like to know from the Minister what action the Government is going to take to make sure we can do this pharmaceutical research in our own country.

Hon. Donald J. Johnston (Minister of State for Economic Development and Minister of State for Science and Technology): Madam Speaker, the question is a very important one. There are a number of scenarios currently under review. Several possibilities, one of which the Hon. Member may be familiar with, include a proposal made by l'Institut Armand Frappier to incorporate part of the Ayerst team in projects of that internationally and nationally well-known research institution. The Government will be looking at a number of proposals that will be brought forward, I hope in the very near term. My understanding is that the delay is approximately one year. My understanding also is that that means December 31, 1983. I am hopeful, as are my colleagues, that in the very near future we will have something that will enable us to retain this very important expertise in the area of science and technology.

REQUEST THAT INVESTMENT BE MADE MANDATORY

Mr. Lorne Nystrom (Yorkton-Melville): Madam Speaker, my supplementary question is directed to the same Minister. The Minister is no doubt aware that this company has received Government grants and subsidies in the past. I wonder if he would consider, in trying to solve the problem, bringing in legislation similar to what the British and the French have, namely, legislation that would make it mandatory that a

foreign-based company operating in this country would invest a fixed percentage from its sales in research and development in Canada. In that way we could save some of the jobs in this country and do as the British and the French have been doing for years.

[*Translation*]

Hon. Donald J. Johnston (Minister of State for Economic Development and Minister of State for Science and Technology): Madam Speaker, if I understand correctly, the company in question has already done considerable research and development in Canada. I shall consider the representations made by Hon. Member in his question.

* * *

[*English*]

DISASTERS

"OCEAN RANGER" INQUIRY—U.S. COMPANY'S REFUSAL TO CO-OPERATE

Hon. John C. Crosbie (St. John's West): Madam Speaker, my question is for the Minister of Justice—sorry, Energy, Mines and Resources. We get mixed up sometimes with all these changes.

The Minister will know that the Ocean Drilling and Exploration Company of New Orleans were the owners of the drilling rig *Ocean Ranger* which went down last February with the loss of 84 lives. He will also know that they have refused to co-operate with the joint federal-provincial Royal Commission chaired by Chief Justice Hickman. They have refused to provide witnesses who were involved in the construction and specifications for that rig. They have refused to permit the inquiry to investigate the rig where it now lies on the ocean floor. They ignored that and went ahead anyway.

Is the Government of Canada taking any steps to have ODECO, which is located in New Orleans, through the United States government, co-operate with this inquiry, or what steps does the Government plan to take to force this company to comply with Canadian laws and comply fully and completely with this investigation which is so important to the life and safety of people who work in our offshore and on drilling rigs?

• (1450)

Hon. Jean Chrétien (Minister of Energy, Mines and Resources): Madam Speaker, I am aware of the problem but, as you know, we have a Commission that has been established by the two Governments and the matter is in front of the Chairman of the Commission at this time. There have been no requests forwarded to us that the Commission take specific action in this matter. I will certainly keep interested in it and see if we can be helpful to the Commission, but there is no request to that effect so far.

Mr. Crosbie: I suggest to the minister that he should not need a request when an American company drilling in our offshore, which is under the control of the Canadian Government, is defying a Canadian Royal Commission in a situation where 84 lives, practically all of them Canadian, were lost.

REQUEST THAT GOVERNMENT TAKE ACTION

Hon. John C. Crosbie (St. John's West): Would the Minister, through the Secretary of State for External Affairs, or whatever is the proper medium, advise ODECO, for example, who have 40 rigs, that none of their rigs will be permitted to drill in Canadian waters, or to operate anywhere where we have Canadian jurisdiction, if they do not co-operate fully with this Royal Commission?

I suggest that he does not have to wait for a request, though. This is an insult to Canadian sovereignty, and an insult to all those who lost their lives, and to their families. Will he take action without waiting for a request? We have been waiting months for this Royal Commission, and the chief operator and owner of the rig is refusing to co-operate. Will he take action?

[*Translation*]

Hon. Jean Chrétien (Minister of Energy, Mines and Resources): Madam Speaker, the Hon. Member is asking us to take some very specific action at this time, and I shall certainly look into these possibilities. I think the Commission is headed by a very competent judge, who will be able to take any legal steps that may be necessary. Naturally, I hope the company will be willing to co-operate with the Commission of Inquiry, because we expect foreign companies who come and work on projects in Canada to respect our autonomy and our laws.

* * *

[*English*]

THE ECONOMY

GOVERNMENT POLICY ON PRIVATE SECTOR

Mr. Bill Wright (Calgary North): Madam Speaker, my question is directed to the Minister of Finance. He stated in his speech on October 27 that one of his basic principles of economic management is that, "we must rely primarily on the dynamism and creativity of the private sector as the engine of growth in Canada". I would like to ask the Minister how he reconciles his statement with that of the Prime Minister who said, "we haven't been able to make it work, the free enterprise system. We've ended up with very high unemployment and very high inflation. We can't go back to what it was before . . . that means the Government is going to take a larger role in running institutions." Has the Government really changed its basic economic philosophy, or is it merely engaged in the socialist dance of two steps forward and one step back?

[*Translation*]

Hon. Marc Lalonde (Minister of Finance): Madam Speaker, my Hon. colleague seems to be an expert on dancing. All I can say is that the government has always believed in having the private sector play a major role in the Canadian economy,

and that as in the past, we shall have a mixed economy. In other words, both the State and the private sector have a role to play, and in this country, since its very beginnings, both parties have learned to work together, and what I emphasized in my policy statement was that it is extremely important for all of us to work together to get the Canadian economy back on the road, and that we are counting on the private sector to play an important role in this respect. However, I also indicated that the government was prepared to provide the leadership that was expected of it.

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[*English*]

UNEMPLOYMENT INSURANCE

FORECAST OF NUMBERS EXHAUSTING BENEFITS IN KINGSTON AREA

Hon. Flora MacDonald (Kingston and the Islands): Madam Speaker, my question is directed to the Minister of Employment and Immigration. Since last September I have been requesting the local Manager of the Employment Office in Kingston, then the Regional Manager for Eastern Ontario, and finally the Minister's own Deputy, to provide information which would show the number of people coming off UIC benefits in the weeks and months ahead in the Kingston area. While they have all been very sympathetic to my request, they all tell me there is no way they can get that data out of the computer.

The question I want to pose to the Minister is based on the fact that the Minister of Finance said the other day that he knows of municipalities that have already arranged to get that information. I would like to ask the Minister of Employment and Immigration why it is that certain municipalities can get that information, but we cannot get it for the community of Kingston.

Hon. Lloyd Axworthy (Minister of Employment and Immigration): Madam Speaker, as the Hon. Member knows, we did publish a report about a month ago that detailed what we forecast as being the range of exhaustees that would be coming off unemployment insurance, and we broke it down into regional levels. We are trying to detail that further into more precise community level areas so we can use that as a tool in the application of the NEED Program. We do not have the full availibility of that information yet. We are going to be working with the Provinces and the social assistance offices to try to compile the best information available. There is no reason for not giving the information to the Hon. Member. I will personally check to see if in fact the information for her particular area is presently available, and we will be sure to pass it on to her as soon as we have it.

TIMING OF INFORMATION RELEASE

Hon. Flora MacDonald (Kingston and the Islands): Madam Speaker, I thank the Minister because that seems to contradict what the Minister of Finance said earlier. What I would like the Minister to know is that we do not expect the Government to resolve this completely. We know the community, through its volunteer efforts will be able to cope with some of the greatest difficulties, but they cannot do that unless they have the basic statistics to work with, and they need those immediately to begin their planning. Can he give me some idea of when that information will be available so we can get on with planning for this winter?

Hon. Lloyd Axworthy (Minister of Employment and Immigration): Madam Speaker, I am very pleased to hear that the Hon. Member is approaching this particular problem in the sense that all the participants in the community must take some responsibility. I think that is the basic thrust of our whole direction in the NEED program, to try to recruit and enlist the municipalities and people in the private sector. I certainly welcome her support of that particular principle.

What we are doing in areas across Canada is sending out notes to those who are within a six-week to eight-week period of exhausting their benefits, asking them to come into our offices for interviews so we can determine what their needs are, whether they have prospects of alternative employment or are developing other forms of income and support. When we have compiled that information we are certainly prepared to pass it along to the members of voluntary agencies or to Members of Parliament. When the information does become available, we will make sure that she and others receive it.

* * *

CANADIAN NATIONAL RAILWAYS

TRANSFER OF REPAIR WORK FROM WINNIPEG TO MONTREAL

Mr. Bill Blaikie (Winnipeg-Birds Hill): Madam Speaker, my question is for the Minister of Transport. On September 24, well over a month ago, the Minister of Energy in Manitoba, Wilson Parasiuk, and myself, wrote to the Minister of Transport exdpressing our concern that the VIA repair work which is done in the Transcona shop in Winnipeg is being transferred to Montreal. We have yet to receive an answer from the Minister of Transport about this particular concern. Since then we have learned, from looking at the projected workloads—not the final projection, but the preliminary projections of workload distribution between Montreal and Transcona—that the percentage for 1983 is to be 95 per cent of the work done in Montreal and only 5 per cent in Transcona, where traditionally it is 40 per cent.

Is the Minister going to allow the CN to add insult to the injury of VIA cutbacks of last year by transferring the work down to where only the trains that are running are left, or is he going to tell the CNR not to go ahead with this ignorant, ill-conceived decision that they seem to have made, and tell the CNR to leave that work there in Transcona where it bloody well belongs?

Hon. Jean-Luc Pepin (Minister of Transport): Madam Speaker, there have been a number of rumours during recent

weeks with respect to the CN presence in Winnipeg. The President of CN wrote me a letter which I passed on to the interested parties, saying there was no such intent, putting it in black and white on a piece of paper, that the degree of involvement of the CN in Winnipeg would continue and would increase. That is quite clear. The reason I did not say anything on this particular problem is that the work load for VIA for 1983 has not been determined yet. The Hon. Member himself referred to that a moment ago. When this workload is determined, I will report to him and to the House extensively. There is no reason to believe that the work at the Transcona shops will be damaged in relation to the work at the Montreal shops.

* * *

• (1500)

BUSINESS OF THE HOUSE

Mr. Nielsen: Mr. Speaker, I was going to direct my question to the Government House Leader but he disappeared from the Chamber a few moments ago along with the Speaker. In his absence, could I ask the Parliamentary Secretary, in view of the fact that the order of business for this week was set out by the Government House Leader last Thursday, in view of the Prime Minister's answer to questions on Friday that unless the B.C. port strike was settled the matter would be dealt with by tonight, leaving the clear impression that we could expect back-to-work legislation, and in view of our willingness to expedite the House dealing with this matter, can the Parliamentary Secretary inform us whether such legislation is ready and, if so, is it the intention to introduce it tomorrow? If so, can we have copies to study, if it is the Government's intention to deal with it in an expeditious fashion?

Mr. Smith: Mr. Speaker, I would like to assure the Conservative House Leader that in the event a decision is made to alter the order of business for this week as set out by the Government House Leader, that decision will be communicated to the House Leader right away.

Mr. Nielsen: Well, in the interests of co-operation and expediting this kind of legislation, the Government, if it does not already have the legislation prepared, surely has an idea what its intentions are. We on this side must have time to prepare. Surely it is within the bounds of reason to expect copies of that legislation to be made available as soon as possible. Certainly we are entitled at this stage to know whether the order of business tomorrow will be that as declared by the Government House Leader last Thursday.

Mr. Smith: Well, Mr. Speaker, I understand that some discussions may occur in Vancouver today; I am not up to date on the latest situation. But in the event that a change is made, I am sure it will be communicated directly to the Opposition House Leader. His question I believe is a fair one and I can assure him of our good faith on this side.

Mr. Nielsen: Mr. Speaker, I wonder if the Parliamentary Secretary would be good enough, again in the interests of expediting the business of the House, to seek out the Government House Leader so that I can have an answer to this question before we reach the end of Routine Proceedings today.

Mr. Smith: I do not know whether that will be possible but I will discuss this concern with him as soon as it is possible.

ROUTINE PROCEEDINGS

[*English*]

IMMIGRATION

TABLING OF ANNUAL REPORT ON 1983 LEVELS

Hon. Lloyd Axworthy (Minister of Employment and Immigration): Mr. Speaker, I would like to table the Annual Report to Parliament on immigration levels for 1983.

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PENITENTIARIES

TABLING OF 1980-81 ANNUAL REPORT OF CORRECTIONAL INVESTIGATOR

Hon. Bob Kaplan (Solicitor General): Mr. Speaker, pursuant to Standing Order 41(2) I would like to table, in both official languages, the Annual Report of the Correctional Investigator which covers the period June 1, 1980 to May 31, 1981.

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PETITIONS

MR. ROSE—CALL FOR GENERAL ELECTION

Mr. Mark Rose (Mission-Port Moody): Mr. Speaker, some 602 constituents of Mission-Port Moody are so concerned about interest rates, inflation and employment, and they are so unhappy at the failure of the Government to consult them on matters of public policy which affect their well-being, that they humbly pray and urge the Prime Minister (Mr. Trudeau) to call upon the Governor General to dissolve Parliament in order that a general election may be held.

MR. FULTON—EXTENSION OF UNEMPLOYMENT INSURANCE BENEFITS

Mr. Jim Fulton (Skeena): Mr. Speaker, I have a petition signed by 391 individuals regarding unemployment insurance. The majority of those signing this petition are from the Terrace area of British Columbia where unemployment is fast approaching 40 per cent. Despite their attempts to find work,

and there is none, they now call upon this Parliament to extend unemployment insurance benefits and to make every possible effort to produce gainful employment for them.

* * *

QUESTIONS ON THE ORDER PAPER

(Questions answered orally are indicated by an asterisk.)

Mr. David Smith (Parliamentary Secretary to President of the Privy Council): Mr. Speaker, the following questions will be answered today: Nos. 4,233, 4,366, 4,428 and 4,462.

[*Text*]

BLUFFERS PARK, SCARBOROUGH, ONTARIO

Question No. 4,233—**Mr. Wilson:**

1. Did the Government turn over the administration of the land on which Bluffers Park in Scarborough is situated to the Municipality of Metropolitan Toronto and, if so (a) on what basis (b) does the Government still own the land?

2. Is the Government proposing to sell the land to the Municipality and, if so, on what date?

Hon. Roméo LeBlanc (Minister of Public Works): 1. (a) and (b) The Province of Ontario owns the land and water on which Bluffers Park is situated. However, the waterlot and headpoints only will be transferred to the Federal Government.

2. The waterlot and headpoints will then be leased to the Metropolitan Toronto Regional Conservation Authority for a nominal sum.

FLYING OF UNION JACK ON VICTORIA DAY

Question No. 4,366—**Mr. Clarke:**

1. Has the past practice of the Government been to fly the Union Jack on Victoria Day?

2. Is there a Cabinet Directive which provides that, where possible, the Union Jack will be flown at federal buildings on the date of the official observance of the Queen's birthday?

3. Was the Union Jack flown this year on (a) the Victoria Building, Wellington Street (b) La Promenade Building, Sparks Street (c) the Sir William Logan Building, Booth Street and, if not (i) for what reason was the Directive ignored (ii) what steps will be taken to ensure that this affront to the Sovereign is not repeated?

Hon. Roméo LeBlanc (Minister of Public Works): 1. Yes.

2. Yes.

3. (a) No. (b) No. (c) No.

(i) The regulations respecting the flying and displaying of the Union Jack on the date of the official observance of the Queen's birthday were not ignored by Public Works Canada. A directive was issued on May 11, 1982, drawing the attention of all Public Works Regions in Canada to the regulations, and advising of the action to be taken on May 24, 1982.

Immediately the Department became aware that the Union Jack was not flown on these three buildings on that date, an investigation was carried out. The investigation revealed that there was a lapse in communication.

(ii) Procedures have been introduced with the aim of preventing a recurrence of this nature.

HEATING OF BUILDINGS AT CFB BORDEN, ONT.

Question No. 4,428—**Mr. Stewart:**

1. What type of fuel is used for heating the buildings and quarters at CFB Borden, Ontario?

2. For each month from October, 1981 to April, 1982, what was the total amount spent on heating fuel?

3. Is insulation used in the buildings and (a) if so, what is the insulation (b) if not, does the Government propose a program to see that they are adequately insulated?

Hon. J. Gilles Lamontagne (Minister of National Defence):

1. Natural gas.

2. Oct. 81—$100,278
Nov. 81—189,556
Dec. 81—335,711
Jan. 82—421,017
Feb. 82—570,439
Mar. 82—954,850
Apr. 82—447,608.

3. Yes. (a) Fibreglass batts. (b) A program to upgrade insulation is continuing. Currently, $430,000 is being spent at CFB Borden to upgrade the insulation of crawl spaces within the married quarters and the general insulation of various other buildings.

ALL-STAR BASEBALL GAME RECEPTION

Question No. 4,462—**Mr. Reid (St. Catharines):**

1. Was a reception hosted by the Fitness and Amateur Sport Branch, assisted by the Small Businesses and Tourism Branch, held at the Place des Arts in Montreal on July 12, 1982?

2. Was any other department or agency associated with the hosting of the reception?

3. (a) What was the purpose of the reception (b) what was the itemized cost (c) what categories and number of persons were invited?

4. Were Canadian wines available at the reception and, if not, is it government policy to serve imported wines at receptions of this type?

5. Which Department, Agency or Cabinet Minister authorized the use of public funds for the reception?

6. Was this the first time that a government department hosted a pre-professional All-Star ball game reception?

Mr. David Smith (Parliamentary Secretary to President of the Privy Council): 1. Yes.

2. Yes.

3. (a) To promote Canada through tourism; it was the first time the All-Star game was held outside of the United States and in Canada, and Montreal Expos, the host club, asked the Federal Government to sponsor and host the event. The Montreal club approached the Federal Government for this because traditionally, in the United States, the State Government in which the game is played always has acted as host and the Quebec Government and Montreal City Council each had

agreed to sponsor other receptions. The Federal Government saw this event, which was viewed or listened to by 100 million people in 26 countries, as a perfect vehicle in which to promote Canadian tourism and to signify its support for amateur baseball federations from around the world, which were in attendance, in their pursuit of having baseball added as an Olympic sport for 1988.

(b) $105,000.

(c) 1,200 people: baseball All-Star players and their wives; the executives and managers of every major league baseball club; 500 media persons from the United States; the Commissioner of Baseball; a few MPs from Montreal since they were from the host city.

4. Yes.

5. The Hon. G. Regan and the Hon. C. Lapointe.

6. Yes.

[*English*]

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

Mr. Deputy Speaker: The questions enumerated by the Parliamentary Secretary have been answered.

Mr. Scott (Hamilton-Wentworth): Mr. Speaker, I wonder if I may direct, for the umpteenth time, a question to the Parliamentary Secretary to the President of the Privy Council in connection with question No. 4,229 placed on the Order Paper at the request of the Minister of Consumer and Corporate Affairs (Mr. Ouellet) on April 6 last. I am really going to get mad if I get that "we will look into it" answer again. I really wish he would look into it and have an answer to that question on my desk some time this week.

Mr. Smith: Mr. Speaker, I am sure the Hon. Member would be even madder if I said I would not look into it. So at the risk of incurring some degree of anger by him, I assure him that I will look into it with holy haste. Seeing that the Minister is in the House and has heard this exchange, I am sure we can expect his co-operation.

GOVERNMENT ORDERS

[*English*]

BUSINESS OF SUPPLY

ALLOTTED DAY S.O. 58—NON-CONFIDENCE MOTION—GOVERNMENT ECONOMIC POLICIES

Hon. David Crombie (Rosedale) moved:

That this House condemns the Government for its insistence on pursuing oppressive and inhuman policies causing tragically record high unemployment, bringing depression and despair to every region of Canada and deeply eroding the confidence of Canadians in their future.

He said: Mr. Speaker, in preparing some notes today on how I might approach the first speech with respect to the debate on unemployment today, I found myself in the situation where I was thinking less about the statistical material that we normally receive from endless Commissions and special purpose bodies, thinking less about the statements and clash of ideas and philosophies and theories, and really more about many of the people that I saw last week in my office. I am going to spend a little bit of time on those people, Mr. Speaker, because I think they represent not just people in my own riding, but, indeed, people in ridings all across the country and every Member of the House could submit such a list. I do this because, as we proceed in the debate throughout the day, I do not want us to get very far away from these people and their needs and there is a danger that the House will do so.

● (1510)

The first person I saw last Tuesday was a longshoreman. He has been a longshoreman in the City of Toronto for about 25 years. He is in his mid-40s and has three kids. He was born in the lower part of Cabbagetown in the south end of Toronto. This is the only work he has ever known. As anyone who knows anything about the transportation business is aware, the Port of Toronto is in very great difficulty. As far as he could see his own situation, he is not only unemployed now, but is going to be unemployed, at least in the work he has always known, for as long as he, his friends or his bosses could tell.

After he left I saw a 52-year-old salesman. He had never been out of work in all his life. He was originally from Montreal but had been living in Toronto for the last 18 years. He had been divorced, had remarried and now had a second family with a five-year-old and a seven-year-old. At age 52 he had those eyes that tell you he had nowhere to turn. He did not know what he was going to do to feed a young family or bring up a young family at his age.

The third person I saw was a 23-year-old Vietnamese lady who had two children. She was working only two days a week. She wanted to know what I could do to see that she could at least earn some money two or three more days a week so that she would have enough money to look after the two kids. I do not know what her husband did; she was not able to tell me. She had two kids, she was 23, she was a woman, she was Vietnamese and she was working in a restaurant. She had pay for only two days a week and was looking for more work.

Shortly after she left I talked with a 55-year-old man and in a way he was perhaps the saddest case of the bunch. He was a senior executive who lived in the neighbourhood of Rosedale. After he graduated from the University of Toronto he had been with three major advertising companies all his working life. According to his *curriculum vitae*, his credentials were outstanding. I am sure we would all like to hire him. He was looking for work too. What was particularly tragic about him, I think, was the fact that he had been out of work for eight months but every morning he got up and went down town as he had for the previous 30 years because he did not want his neighbours to know that he did not have a job. He walked

around in his three-button suit carrying his bag but he had nowhere to go. He had nowhere to go that told him who he was, how he could make a living and how he could look after his responsibilities.

Finally, I interviewed a woman in her late thirties. She had split with her husband and she had two children. She had not worked since she was 19. She wanted to know where she could get some training in order to get a job so that she could look after her family. As she went out the door she said, "A lot has happened to me in the last 15 years". A lot has happened to this country in the last 15 years, Mr. Speaker, and that is what I want to turn my attention to now. I could have gone to 12 people, Mr. Speaker, or I could probably have reduced the number to three. I think everyone in the House has his or her own list; they are caught with the same problem.

The situation in this country today is that our manufacturing capacity operates at 68 per cent; our primary metals industry is operating at 61 per cent, or is 39 per cent idle; our wood industry is operating at 51 per cent, or 49 per cent of the wood industry is idle; and our electrical industry is operating at 67 per cent or two-thirds of capacity. That is the capacity we are working at. Bankruptcies in business are up by 43 per cent; capital spending, which is investment in new jobs for the future, is down. When it should be up, it is down 7.6 per cent. Our business and consumer confidence is at the lowest level it has been since the war.

Euromoney, a well respected financial journal which measures the economic performance of 81 countries in the world, until 12 months ago placed Canada in fortieth position. In the last 12 months, Canada has fallen from fortieth to fifty-fifth. Fifteen years ago we had a standard of living that was the third best in the world, coming behind Sweden and the United States. In 14 years we have fallen to fourteenth place. We have an industrial productivity with the worst record of all western industrialized nations.

A lot has happened to Mrs. Percy in the last 15 years. She got married, had children and was out of the work force for about 19 years. Now she is trying to get back into the work stream. I think the statistic that would interest most, indeed all the people I saw last Tuesday, is the one that shows that 15 years ago the unemployed level in this country was 4.5 per cent, with 358,000 people out of work; 15 years later, on this day, we have an unemployment rate of 12.2 per cent with 1,343,000 out of work. Those are just the people on record; the actual figure is closer to 1.5 million. That is what has happened to this country in 15 years. While this regime has been in, it has increased the unemployment level by one million people. When we talk about unemployment in this country we must not lose sight of that fact either.

Why is that so, Mr. Speaker? Why is our industry idle? Why are our people out of work? The Government has one simple line on that—it is the world slump. It is the deterioration in world trade. That is the line put out by the Government. All we have to do, says the Government—the Prime Minister (Mr. Trudeau) says it, the last Minister of Finance said it and the present Minister of Finance (Mr. Lalonde) says it—is to hunker down and wait until the Americans have a recovery. That is the policy of the Government; in the face of all the economic wreckage, that is the Government's policy: we can do nothing; we have to wait for the Americans to have a recovery.

I think one of the things that people learn very early in life is that you do not know how to find solutions unless you know how to define the problem. No solutions are offered by the Government because it has not seen the problem. It thinks all we have to do is wait. That is not an answer, Mr. Speaker. It is not an answer for me, it is not an answer for the people in my office who are looking for work; nor is it an answer for anyone in the country.

I think I know why we have our current economic problems and massive numbers of unemployed people. First of all, this is the product of 15 years of erosion of our industrial base. Make no mistake about it, Mr. Speaker, the plain, clear and unvarnished fact is that over the past 15 years the Government has rendered this country no longer competitive and no longer productive on the world stage.

That is the first reason, Mr. Speaker. Second, this is the product of 15 years of absolute neglect in the field of research and development. In 1967 the magazine *The Economist* described this country as the world's richest underdeveloped country. At that time it said that if we wanted to take the wave of the future we should increase our participation in research and development from 1.25 per cent of gross national product to 2.1 or 2.4 per cent. The actual ratio is not important; they wanted us to double our investment in research and development.

• (1520)

In 1972 Senator Lamontagne chaired a committee and reiterated the same point. He said that we should move it up from 1.25 per cent to 2.5 per cent of the gross national product; again double it. But the Government did not listen. To this day we still have around 1 per cent of our GNP invested in reasearch and development. We invest less than half the amount in research and development of any other western industrialized nation.

I do not think we should underestimate the significance and importance of all that. Research and development is not something for only universities or industrial laboratories. A few months ago David Johnston, Principal of McGill University, looked at our efforts with respect to research and development and indeed that Government's record for 14 years. He said:

> We are writing a suicide note for our competitive capacities in the 1990s.

He said this because this regime has seen fit to have an environment in which investment in research and development is less than half that of any other industrialized nation.

The consequences of Government policy are not just the things we have experienced in the past; we will experience them in the 1980s. Between 1972 and 1981, the number of Canadians and landed immigrants in graduate programs in

chemical engineering in Canadian universities went down 17 per cent. In electrical engineering in the same period up until this year, it dropped 30 per cent. Enrolment in computer science, the wave of the future, declined 21 per cent in 1981. The decline in geology and related subjects in the same period amounted to 26 per cent, and it went down 44 per cent for mining engineering. We are not fooling around; these are serious matters. At a time when these figures should be going up, they are instead going down because the Government has not seen fit in 14 years to do anything about research and development other than to talk about it.

In case the House thinks that this has no economic consequences, I should like to offer one. Mr. Pocock, who advised Senator Lamontagne ten years ago, said a couple of months ago that if Canada had had an investment in research and development of 1.5 in 1978, which was advocated in 1968 and reiterated by Senator Lamontagne in 1972, let alone the 2.5 per cent, "there would have been an additional 10,600 jobs for scientists and engineers, a total of 1.52 million jobs created by new industrial activity and an extra $15.4 billion in exports".

When we are talking about research and development, we are talking about some serious matters. We are talking about whether or not we will become productive and competitive. The consequences throughout the 1970s of this regime saying no to research and development is that we are not now competitive or productive. The consequences for the 1980s are that we will be in worse shape. We are deindustrializing as a consequence of deliberate neglect on the part of the Government.

It is not only a product of no action in research and development. It is a product of 15 years of waste, mismanagement and incompetence in the development of crucial economic skills. Mr. Speaker does not have to take my word for it. An all-party committee of the House came out with a paper entitled "Work for Tomorrow—Employment Opportunities for the '80s" in which the point was made that hundreds of millions of dollars were wasted over 15 years by the Government not taking seriously the significance of programs to develop the economic skills required in a competitive world.

This kind of inaction is something which people who are looking for work, who want to know where they can train or who is responsible, find difficult to understand. I should like to read one quotation from the record itself. Throughout the committee hearings strong criticism was voiced over federal manpower training and retraining programs that, despite a budget of approximately $800 million, were unable to provide qualified skilled labour. This is a waste, an incredible waste.

Also our current situation is a product of the Government's ill-fated National Energy Program. Whatever it did or did not do for the oil industry, it played a key role in knocking out four of the five megaprojects in the west. Perhaps even more important is that in the long term it has just about destroyed investor confidence, both domestic and foreign, in the country. This country has benefited from investment when we have paid attention to the quality of investment in relation to jobs and productivity, not its nationality. It will take a long time to fix up the NEP in terms of its ability to remove the difficulties created by it with respect to investor confidence.

Also the current situation is a product of the fact that the Government itself has mismanaged its own business. How is it possible for people in the country to do business, to plan their lives, to obtain training or to look for jobs in an environment which gave them three budgets in a year? The Government is so unsure of itself now that it does not even know where it is going. It lurches from one budget to another. It has stop policies, go policies, and then it goes back to the stop policies. No one knows where the Government has gone or where it intends to go. When there is no predictability for people, people do not know how to act very well or how to plan. The Government is responsible for providing the required environment. If it does not do so, corporations and individuals do not know how to act or plan. This kind of incompetence has put the country in the kind of situation which the people who come into my office are no longer willing to tolerate.

Finally, our current economic situation is a consequence of a Public Service which has become politicized and demoralized. The country cannot depend upon its Public Service when it gives, for reasons of politics, predictions of a deficit in the order of $10.6 billion and then less than a year later indicates that it is $23.6 billion.

• (1530)

Those are the reasons we are in this difficulty. It is not only because we are in a world-wide slump and our trading patterns are difficult. This country is a trading nation, but we are not the only trading nation. Japan is a trading nation. Japan has far more people and far fewer resources than we have. There are 120 million Japanese with no resources on an island smaller than Newfoundland. Those are problems, Mr. Speaker. But our situation comes from government-made disasters, not natural disasters. This Government, this regime, over 14 years has so mismanaged our affairs that the people who come to my office for help will no longer be able to support it. We will discover that shortly.

I am one of those who think that if you criticize you should have something to offer in return. I do not think there is any secret in this House, or indeed in the country, about what we need. We need to turn around 15 years of neglect, incompetence and mismanagement in this country. That is all it is. That is the truth of the matter and Government members know it in their bones.

This country must become more productive and more competitive. Our productivity is the worst in the western world. Our workers work hard, but because of the policies of this government, they do not have the tools nor have they been taught the skills. Those opportunities were wasted in the late 1960s and 1970s. What we need is some real Government intervention. This is a Government that likes to intervene. I am not talking about ownership. Intervention is not always the same thing. What we really need is for the Government to intervene by establishing a national productivity centre where we can at least monitor and focus the productivity needs in

Canada. The Japanese have a productivity centre in which they employ 600 people. The Americans have one employing 90 people and the Germans have one employing 350 people. The purpose of these centres is to monitor productivity programs in industry. We do not have such a centre in Canada. After 14 years this Government has not even thought of having a productivity centre.

Second, we need industry by industry consultation and cooperation with the Government. We need a Government that says: "Hey, we want to help. What do we do about regulations? What do we do about world markets?" That is what we need in a government. We do not need something competitive with industry but something to help industry. For 14 years this government has not been there to help.

Third, we need some national training centres. The Minister may call them by some other name, but what we need are national training centres. Bill C-115 received the unanimous consent of this House, but I can say to the Minister and to all Members of the House that we need to have national training centres related to those industries and those areas in the country through which we can become world competitive. We need them where the economic need is great. We need national training centres where our competitive opportunities will open up. But I say to the Minister: "Move now; do not wait any longer".

Fourth, we need a new national research and development program. As I mentioned, we have been talking about that and asking for it for 15 years. We need skilled people. We need people in this country with world-class skills. The only way to have that is to create the research and development environment by which we will attract the talent to give us the ability and the inventions to make us productive.

Fifth, we need an overhaul of outdated equipment and machinery in Canada. That is why our tax policies still need to change. We need changes in our capital cost allowance and other tax measures so that industries will be able to use machinery and equipment that is good for the 1980s and the 1990s, not the 1950s and the 1960s. The tax policies of the Government right now are inhibiting industry from that kind of overhaul. How can the Government expect our workers to be productive if we have tax policies that inhibit companies and corporations from creating and using new machinery and new equipment that would make them more productive?

Sixthly, we need to restore some investor confidence in this country. It is an easy thing to lose but a difficult thing to get. We took it for granted.

Mr. Evans: "Sixthly"?

Mr. Crombie: The Hon. Member for Ottawa Centre (Mr. Evans) thinks "sixthly" is a funny word, but this is not a funny subject.

We need some investor confidence. We depended on it, and like good weather we assumed it was around whenever we wanted it, but it went away. It went away because people who were willing to risk their money—corporations, groups or individuals—could no longer count on policies that were predictable. There was one thing about this country; it may not have been exciting for investors, but as sure as heck it was predictable. It is no longer predictable. That is why people no longer invest and that is why people do not have jobs. It is why the people who come into my office do not know where to turn.

I have mentioned six things that we need, but they are not going to come from this Government. There is one reason for that. Governments can be a lot of things. Most individuals are not perfectionists. They do not require perfection. Most people are even willing to put up with the mistakes of politicians. That is why governments are tolerated more often. You wonder why, Mr. Speaker. There is one essential ingredient a government cannot govern without and that is trust. People have to be willing to trust it with the shot. People have to be willing to give trust. Once you break trust, you can never get it back. It is that simple. You can make mistakes; you can even be incompetent. You can correct mistkaes, but you cannot correct mistrust.

What gives very little hope to the people I saw last week in my office is the fact that they know what their own difficulties are and they know about some of the difficulties I have mentioned today. But they also know, as this Government now stands revealed after 15 years, that it is not part of any solution they know. It was clear to them when they saw the Prime Minister on television that here was a man who had nothing to say to them any longer. He dredged up some homilies for the occasion, but they knew that was not a solution for them. They knew that there was nothing there for them that they could ever trust again.

It was also true when Canadians heard the Minister of Finance give his economic statement last week. He did not even have enought guts to call it a budget. Everybody knew it was a budget. People do not trust this Government any more because this Government does not even call things by what they are. All one has to do is look at words in the budget. We find such phrases as "lighten the load", but the Government increases contributions to the UIC fund 40 per cent. The Government says it is going to lighten the load, but it increases the tax budget. I hear my colleague say that is deceitful. The document was certainly deceptive, but it is no more deceptive than the general way in which this government now runs the affairs of this country.

That is why, whatever happens to this motion in this House, even if it fails, we should vote the Government out of office. I can tell you, Mr. Speaker, that out there in the street and in every constituency office of every Member in this House the people of this country will issue a vote of confidence in this motion tonight.

Mr. Nelson A. Riis (Kamloops-Shuswap): Mr. Speaker, I am pleased to have the opportunity this afternoon to participate in this Opposition day debate. Opposition Members are very concerned about the state of the Canadian economy. While one could list the available statistics which attempt to describe the severity of today's situation, I want simply to bypass those statistics for a moment or two and put the

problem into a very human perspective by drawing the attention of the House to the City of Kamloops. Kamloops is not atypical of cities and towns across Canada. It is very typical of towns that primarily rely on various forms of resource extracts which are tied very closely to the primary producers in Canada.

• (1540)

The situation which exists in Kamloops today borders on tragic. Thousands of individuals in that City who have known full employment for their entire lives have now exhausted their unemployment insurance benefits which they have collected for the past year. They find themselves knocking on the door of welfare offices only to be turned away because they do not qualify for welfare under the laws of British Columbia. They are unable to qualify for a number of reasons. They may own a modest cottage which they would dearly love to sell if anyone was purchasing property currently. They might own a second car because one spouse had to drive for some distance to a mining camp, logging operation or a mill while the rest of the family needed a modest car as well. As a result, they would be prohibited from receiving welfare.

For a variety of reasons these people fall between the cracks of receiving UI benefits and social assistance. They are forced to go to the churches, to the Salvation Army, or the MPs' offices in some cases, to ask for food hampers so they may put food on the table for their families until they can arrange for a loan from a friend or make some other financial adjustment.

Recent events in Canada during the last two or three weeks have discouraged Canadians more than anything which has occurred in the last number of months. The Prime Minister (Mr. Trudeau) of the land appeared on television three nights in a row and lifted the hopes of Canadians that he has finally realized the severity of our problems and would announce the appropriate special programs which are required during these times. While he lifted the hopes of those Canadians, he simply dashed them at the end of his three television appearances.

The Minister of Finance (Mr. Lalonde) indicated that he was to make a major economic statement in the House of Commons when it reopened after the recess. Again, the hopes of Canadians were lifted. The Minister of Finance, after the Prime Minister had described the seriousness of our problems, which Canadians were well aware of, of course, was surely going to announce the major programs which would launch a serious economic recovery. Once again Canadians sat on the edge of their seats as they listened to the Minister of Finance. Although their hopes and dreams were lifted once again, they were only to be dashed because when the economic statement is closely read one sees that not only will no more jobs be created, but that there may in fact be a net loss in jobs.

Let us assume that the figures of the Minister of Finance were accurate when he said the Government plans to create 60,000 new jobs over the next 18 months. This sounds excellent until one recognizes that this statement was made at a time when there are nearly two million Canadians unemployed. This begs the question: "What will we do with the 94 per cent shortfall?" What does the Minister propose for the 94 per cent of those two million Canadians who will remain unemployed in spite of his job-creation program?

To add insult to injury, when we look at the fine print in the Minister's economic statement, we see that $3.5 billion is to be taken out of the pockets of the average working Canadian as a result of reduced tax indexing to 6 per cent and additional UI contributions to be expected of Canadian workers. That $3.5 billion will be taken out of the pockets of the workers as a result of the budget statements of the former Minister of Finance and the economic statement of the present Minister. We are in a very serious situation.

The Liberals and the Conservatives have formed an alliance over the years designed to offer Canadians a perspective on economic recovery. We saw the first example of that when the Liberals and Conservatives supported the six and five program. We carefully listened to the speeches made by Members on both sides of the House, but when it came time to vote we saw where those Members stood. It was very clear that the Conservatives and the Liberals believed that the six and five program was the vital answer to Canada's current problems. I and the Party for which I am speaking this afternoon do not feel that the six and five program is at all appropriate. We believe that it is a sham and a program which is unjust. It differentiates between one Canadian and another. This becomes evident when one considers that while an individual Canadian who earns $100,000 a year will be restricted to a 6 per cent increase under this program, a Canadian who earns $10,000 a year will also have his or her income restricted to 6 per cent next year. How can any Member in this House who professes to believe in fairness and equity support such an obviously unjust program? However, this is exactly what the Progressive Conservative and the Liberal coalition did when they were put to the test to vote on the six and five program.

The Minister of Finance indicated in his address that we must rely on the private sector as an engine of growth in Canada. In other words, he was stating that we must rely on the private sector to revive us from this economic malaise. That view is supported by the Conservatives every day in the House, that the private sector marketplace will provide the answer which will lead us out of this morass. This theory assumes that what is good for Dome Petroleum is good for Canada and Canadians. It assumes that what is good for Honda is good for Canada and Canadians. It assumes that what is good for the Royal Bank of Canada is obviously good for Canada and Canadians.

I challenge that assumption. I do not believe for one moment, and I speak for my Party when I say this, that the open market system automatically makes the appropriate investment decisions for Canada. I do not accept the premise that higher profits will solve our present economic problems. I do not accept the notion that higher profits will buy us out of this situation. We have seen the success of that program as it is applied in the United States. To this day Americans are still standing and waiting for economic recovery to begin in that country.

In 1981 we saw one of the most successful corporate sectors, the Canadian banks, which ranked second in profitability, become embarrassingly successful and profitable when their profits increased over the previous year by 37 per cent and by as much as 100 per cent for some banks. Canadian banks did extremely well in 1981 while the rest of Canadians suffered. That is why our Party does not enthusiastically endorse the idea that what is good for the Royal Bank of Canada is automatically good for the country.

It is very well known that the decisions being made by the corporate sector over the last number of years were made only for their short-term gain. The "Harvard Business Review" concluded that the critical problem with North American business today is its fixation on short-run profits and its unwillingness to make long-term investments. That view applies equally in the United States of America and Canada. This is what sets us apart from the successes that we have seen in those countries in western Europe and Japan which do not blindly assume that the short-term investment decisions of the corporate sector are necessarily in the best interests of the country and its citizens.

• (1550)

As a westerner, I am particularly concerned about relying on private sector decision-making to get us out of our difficulties today. I have seen how the private sector has moved into northeastern British Columbia to "develop" its coal resource in the best interests of British Columbians and Canadians. What I see is a corporate decision to dig as much coal as quickly as possible, ship it to Japan and allow the Japanese to use that resource in their blast furnaces. When I look closely at what is happening, I find that hundreds of millions of dollars of Canadian taxpayers' money are subsidizing that operation so as to allow the Japanese to import coal from Canada as cheaply as possible, yet other sources indicate that that coal deposit alone has over 220 byproducts which have the potential to be manufactured and developed in this country for the benefit of Canadians and for Canadian export.

Surely we should not overlook the fact that long-term, permanent manufacturing jobs would be available in this country if we were to use that resource in a more creative and innovative way, a way which is more appropriate for development in the 1980s. But no, we maintain that same simplistic mentality. It is the square timber mentality, the fur trade mentality, the gold rush mentality: dig up those resources or cut them down and export them as quickly as we can. That is the Liberal and Conservative idea of good business and good economic development. We in this Party certainly challenge that idea.

We saw the blind following of that mentality when the Liberals and Conservatives fell over themselves to support the megaprojects, the megabucks. This was to be the economic salvation of the country. The megaprojects required $4.3 million of investment to create a single job. In manufacturing, it costs only $100,000 to create a single job. For every one job created in the megaprojects, 43 jobs could be created in the manufacturing sector. Surely we must question the logic of continuing this mindless pursuit of economic recovery for Canada via the megaprojects and at the expense of a sound manufacturing sector.

The Tory-Liberal preoccupation with these kinds of megaprojects is really nineteenth century economic development, something which is out of step with what we should be doing in the 1980s in preparation for the 1990s. Other nations have been developing sophisticated technologies in the microelectronic area, the microbiology area, in fibre optics, in development of computer software, and one could go on and on. We, in our amateurish way, still feel that exporting raw materials or resources is the way out of our economic calamity. This is a Third World mentality. We do not have to follow that particular option and become vulnerable to international markets by placing all of our eggs in a single basket.

Even a superficial look at energy prices in the world over the last number of years would have clearly foretold that the 10 per cent to 15 per cent increase in the price of oil over the next number of years would not continue. Even a superficial look at energy pricing over the past number of decades would have clearly indicated that fact. But now, as the Minister of Finance has indicated, the answer to our problems is to get money into the hands of businessmen and let them do what they do best, and that is business. The assumption is that business will always act in our best interests, that the German branch plant, the Taiwanese factory, the U.S. drilling rig, the Hong Kong real estate investor and the Kuwaiti farm buyer will all be acting in the best interests of Canada. The Tories lead the cry that we must attract more of this type of investment, more of these kinds of investors from Hong Kong, from Taiwan, from the United Kingdom, West Germany and the United States.

The Liberals have loosened FIRA over the last number of months but the Tories say that we must loosen it even further to allow more foreign penetration of our marketplace. We ask why. The Tories tell us that if we do not loosen up FIRA the investors will go elsewhere. These are economic hookers. Oil companies move south, doctors want to move into Texas, investors want to go down to Georgia and Alabama so as to avoid any form of organized labour. Are those the kinds of investors we want in this country, or are those the kinds of investors who will move their capital to take advantage of a percentage point change in interest rates? Is that speculative capital? I suggest that that is not the kind of investors or investment money that we want in Canada. We want people coming into Canada who are prepared to make commitments to invest here for 20, 30 or 50 years into the future. We want sound economic investment, not those with speculative capital who want to run away to make a quick buck.

The Tory-Liberal worship of the marketplace, the assumption that the corporations only make pure and right decisions, is followed by the same people who always criticize the unions, the workers, civil servants, various social programs, peace activists and so on, but never criticize corporate decision-making. They never criticize decisions which have such a profound influence on Canada's future. In particular, they do

not criticize the chartered banks of Canada. In this House we never hear criticism when the banks spend $12 billion on takeovers and mergers which add not a single job in this country nor additional productive capacity. We do not hear any criticism when certain banks in Canada loan out 50 per cent, 80 per cent or 100 per cent of their capital base to a single high-risk borrower. We do not hear any criticism of the billions of dollars in outstanding corporate loans earning no interest, yet the banks are attempting to restructure, refinance and protect those large corporate borrowers. While home owners are being foreclosed, farmers and small businessmen are losing their farms and businesses, the banks attempt to regain lost capital through these large corporate loans.

We do not hear anything about lack of competition in the Canadian banking system. In Canada six chartered banks control 90 per cent of the banking industry compared with the United States, which has 15,000 banks. For all intents and purposes, we have only six banks.

An Hon. Member in the Conservative Party asks, "Shall we open it up to the foreign bankers?"

Mr. McDermid: You know I did not say that at all.

Mr Riis: Of course that is what we heard the Hon. Member say, "Let us open it up to foreign competition", over the last couple of years. The Tory and Liberal alliance decided to allow foreign banks into the country. What they do not tell anyone is that those foreign banks are only able to expand to the extent of 8 per cent of their banking assets in this country. Once they have accumulated 8 per cent, they cannot go on. That is their limit. That is the kind of so-called competition obviously supported by the Progressive Conservatives.

What other major corporate sector is exempt from critical sections in the Combines Investigation Act? We know the toothlessness of the Act as it presently exists, but those critical provisions dealing with mergers and conspiracy exempt the banks. They say: "Well, that is all right; we have covered that in the Bank Act. Mergers and conspiracy come under Sections 255 and 309 of the Bank Act." Those sections are totally inadequate because there is no policing mechanism. If the banks are accused of some conspiracy or inappropriate merger, there is no mechanism with which to deal with it. It is just incredible.

• (1600)

The Acting Speaker (Mr. Corbin): The Chair would like to inquire whether the Hon. Member intends to move an amendment in the course of his speech. Otherwise, I have to remind him that the 20 minutes allocated for his speech have now expired. He can continue, of course, if he intends to proceed with the presentation of an amendment.

Mr. Riis: Thank you, Mr. Speaker. I do intend to move an amendment at this point. I believe I have ten minutes following the introduction of the amendment. I move that the motion be amended by adding the following:

—and that this House also condemns the Government for failure to introduce effective job-creation measures funded by a revised tax system which would impose a surtax on upper-income earners to ensure that they pay their fair share of income tax.

The Acting Speaker (Mr. Corbin): The Chair will take the amendment under advisement and render a decision later.

Mr. Riis: Mr. Speaker, I am pleased that we will be hearing from you in terms of the appropriateness of the wording.

I want to talk for a moment or two about the chartered banks in Canada. Over the weekend I read with interest the publication *Euromoney*, the June edition. It stated that of the 500 largest banks in the world ranked by their equity base, which is its capital reserves or the funds belonging to their shareholders, last year the Canadian big five ranked in the top 12 per cent of all of the world banks.

When you examine the fastest growing banks in 1981, you find that the Canadian Imperial Bank of Commerce, the Royal Bank of Canada, the Bank of Montreal and the Toronto-Dominion Bank ranked high in the top 12 per cent of all the banks of the world. These are very profitable organizations. When you consider the years 1978, 1979 and 1980, to get a cross-section—

Mr. Blenkarn: How about 1982?

Mr. Riis: —you find that the real return after allowing for inflation in the United Kingdom was 2.5 per cent, 3.2 per cent in the United States. 3.2 per cent in West Germany and 3.4 per cent in the Swiss banks. The Canadian banks were 6.8 per cent, again in terms of real return significantly more profitable than their counterparts in western Europe and the United States.

Let us compare them to the ten largest banks in the United States, the ten most profitable out of their 15 largest banks. In 1981 the return on equity in the United States was 12.5 per cent. Canadian banks, our big five, came in at 18.7 per cent, again in terms of profitability; they were incredibly more profitable.

Mr. Blenkarn: How about this year?

Mr. Riis: How about the other sectors of Canada's economy? Based on a Wood, Gundy report, using the years 1972-1981, the banks of Canada ranked eighth out of 34 different sectors. In 1981 they ranked second. Only publishing was more profitable than banks in 1981 out of all the sectors of the Canadian economy. If you were to factor risk into their profitability, Mr. Speaker, you would find that the banks would inevitably rank at the very top of the list. What risk do the banks take?

Mr. Blenkarn: Dome Petroleum.

Mr. Riis: My colleague in the Progressive Conservative Party yells out that Dome Petroleum was a serious risk. The banks of Canada knew full well that if that favourite son of the Liberal party got into serious economic trouble, the Government of Canada would quickly bail it out. There was no risk

involved in lending money to Dome Petroleum. The banks also knew that they could count on their Liberal and Conservative friends from the House of Commons and the Senate to come through if it was required. No bank in this country would be allowed to fall based on the membership of this House.

What about small businesses? Let us forget Dome Petroleum for a moment. The banks say that they are anxious to loan money, but they require 300 per cent of the loan in collateral, 400 per cent, or in some cases maybe 500 per cent of the loan in collateral. What risks are the banks taking with 500 per cent of a loan for collateral? They operate in a very privileged environment in this country. I suggest that if you look at the whole range of business dealings with the banks, such as at the tax system, the effective tax rate of the banks in 1981 was 20.9 per cent. That is lower than the lowest paid teller in any bank. That presumably is what the Liberal and Tory alliance suggests is an appropriate tax rate for the banks of Canada.

Canadian banks are among the most unregulated in the world. In theory they are regulated by the Bank of Canada and by the Inspector General of Banks. The Inspector General of Banks has a staff of 30 people to monitor 60 different banks in Canada. If that is the kind of monitoring and checks and balances we have in place to watch over the dealings of Canada's banking institutions, I suspect what we have is a banking system that is totally unregulated for all intents and purposes.

When you consider the role that the banks play in directing the economy of Canada, that their decisions decide what development occurs, when and where, and that we have this totally unregulated system with that incredibly powerful engine making decisions not in the best interests of Canada but in the best interest of their shareholders, we in the New Democratic Party say that that emphasis is misplaced. More public control over our banking system is absolutely necessary before it is allowed to continue with its mindless investment supporting the Domes and the Turbos and so on, again not necessarily in the best interests of Canada and Canadians.

One could go on and on about the loopholes provided by the banks in the privileged environment in which they operate in this country, but it is appropriate that we call upon this Government now to set three priorities in the weeks ahead. Those three priorities should be jobs, jobs and more jobs.

House business ought not to continue under its present plan. We should set aside the weeks ahead to identify solutions to our economic problems before it is too late for critical sectors of our economy to eventually rebound.

We must declare war on unemployment in this country. Members of this House must agree that there is a common enemy and a common threat to our Canadian way of life called unemployment. It is no longer called inflation but unemployment. When you have two million Canadians out of work and the threat of unemployment facing millions more, it is time to start taking extraordinary measures to face this extraordinary crisis.

We in the New Democratic Party would like to see a change to our personal and corporate tax system to make it more equitable and to allow us to generate the hundreds of millions of dollars needed now to create long-term, permanent job stability in this country. We in the New Democratic Party want the Government to act quickly to avoid the human tragedy and suffering that is occurring across this fine land called Canada.

The Acting Speaker (Mr. Corbin): The Chair has considered the amendment presented by the Hon. Member for Kamloops-Shuswap (Mr. Riis) and finds it acceptable. I will now put the motion to the House. It is moved by Mr. Riis, seconded by Mr. Deans:

> That the motion be amended following the word "future" and the following words added:
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> "and that this House also condemns the Government for failure to introduce effective job-creation measures funded by a revised tax system which would impose a surtax on upper-income earners to ensure that they pay their fair share of income tax".

Hon. Lloyd Axworthy (Minister of Employment and Immigration): Mr. Speaker, let me say at the outset, as the two previous speakers this afternoon have indicated, that I am very pleased that we are able to engage in a good, open, honest discussion on the critical issue of employment in this country. I think it is a healthy thing Parliament is now back in session so that Hon. Members of this House can provide the experience and understanding they have developed over the last three or four months in their ridings and constituencies and we can hopefully engage in an honest dialogue about the kinds of solutions that should be provided.

• (1610)

As the two previous speakers from the opposition have indicated, there is no doubt in anyone's mind that the most recurring, consistent and difficult occupation in the minds of those who they talked to in their ridings, in my mind and those of Members of my Caucus, is the question of jobs. There is no family that goes untouched by the terrible trauma of having someone they know, whether nephew, father or cousin, not able to find a job or having been laid off from their present employment.

I do not think we are here to argue about the depth of seriousness of the situation. It is a situation of great and abiding concern to all of us. But, Mr. Speaker, I think that the Members of the Opposition have failed, in part, to report what I think are other perceptions and understandings on the part of Canadians, and that is, what do we do about it? How do we approach the problem?

I believe Canadians, unlike the Hon. Member for Rosedale (Mr. Crombie), are no longer interested in finger pointing. They are no longer interested in trying to isolate who is to blame. Canadians are much wiser than that. They might be wiser than some Members of this House who have constantly fallen into the trap of trying to pick out who is the devil in this. The conspiracy theory which is probably part and parcel of

debate in this House is no longer relevant in this country. People do not want to point their fingers and say who is to blame for their losing their job. What they want to ask is, how can we come together to find solutions? How can be begin working together to find the right answers? That is what people in this country are concerned about.

There is nothing to be gained from the situation, other than, I suppose, in the calculations of the odd Member of the Opposition, that there might be some political calculus at work; that has been known in the past in the hope of getting some small advantage. But I do not think Canadians want to hear that. I have spent my summer and fall, not only in my own riding but across Canada, talking to unemployed Canadians and to other levels of Government who are trying to deal with the problem, to private business and to unions. They are all coming back with the same response—how can we help, how can we come together? There is no dredging up of past history, saying that the nefarious, Liberal regime for the past 14 years is the cause of all their woes. They know better than that, Mr. Speaker. They read the papers and watch the news, and they understand that the United States is facing the same problem of high unemployment, as is Great Britain, France, Western Germany and Japan. Every single country, regardless of political ideology, must come to grips with the same issue. They also realize it is not something that is always entirely a result of Government action or inaction.

Canadians realize that the fall-off of the commodity market for minerals across the world is not something that can be brought to the doorstep of any one Government. If you look at the commodity records of two weeks ago, nickel prices were just beginning to go up when the Russians dumped 1,000 or one million tonnes of nickel ore and the price fell by ten cents. That had nothing to do with decisions made in Ottawa by this Cabinet or by this caucus. It was a matter of fact. The demand was not there. Consumer demand and investor demand are down right around the world. Housing production in the United States is down 50 per cent. That has nothing to do with the decisions made by the Minister responsible for housing or the Minister of Finance (Mr. Lalonde). I know that we have a lot of good contacts and relations with the American Government, but not to the point where we can dictate their housing policy. So we have heard that particular song before, and the refrain, I think, is no longer welcomed by the Canadian people.

I was asked to talk to the Provinces about their interest in participating in our new job-creation program. I have now visited over half of them. They are forthcoming and willing to talk to us, wanting to know how they can participate, how they can co-operate, how they can become involved and join us in dealing with the very serious problem of UIC benefits running out. It disturbs me, Mr. Speaker, that back here in Ottawa the Leader of the Opposition (Mr. Clark) rushes out of the House, not waiting to hear the results, not waiting to hear the details, declaring the program to be a fraud. That is not the kind of response that Canadians want to hear. That is not the kind of action they expect from the Leader of the Opposition, a man given the responsibility of trying to help in a constructive way to find solutions to the problem. He is prepared to stand in this House and say "Why don't you consult?", and when we do consult, he says we are consulting too much, that we should announce the program. He is not prepared to give us the time to engage the Provinces in a full, honest and open exchange, so we can say, "Here is our proposal; what do you have to offer in return so we can amend the program to suit your interests?" We believe this is honest consultation, rather than pre-empting the decision, or making decisions before we have had the chance to engage in honest dialogue.

The Leader of the Opposition is not content with that. He is prepared to block the program and to throw it in the dustbin before it even has a chance to be put forward, to do this while we are still in the midst of doing what he is always preaching we should do, and that is consult with the Provinces. He cannot have it both ways. He cannot have a job-creating program based upon consultations and condemn us for consulting. This makes me suspect it is not his ambition at all to have job-creation programs.

What they really want, Mr. Speaker, and it came through in the speech of the Hon. Member for Rosedale, has nothing to do with more employment, helping people or dealing with the issues. They want to get power back. It has really been burning them these past couple of years that they lost that vote. They did not know how to count. What they really cannot stand is that we are over here making decisions for the Canadian people and they think they should be here. When it really comes down to it, that is what they are talking about.

I do not think the Canadian people are really listening to that message because they want something different these days. They want Governments to talk together. They want them to work as partners. They want Members of the Opposition to present constructive criticism and ideas, not simply to call out: Oh, God, if only it was us, wouldn't things be better?

Let me just address that for a moment because the Hon. Member for Rosedale indicated we have had this period of years in which nothing was done and that is why we are in this terrible situation. When he was talking about some of the things that were done during those past ten or 12 years, I thought of my colleague, the Hon. Member for Lincoln (Mr. Mackasey), who preceded me as Minister of Manpower and Immigration and brought in major changes to the Unemployment Insurance Act in 1971, which is now providing the kind of protection for over a million Canadians that they need, providing a foundation of income security for millions of Canadians. The Hon. Member for Rosedale conveniently forgot that particular accomplishment. He also seemed to conveniently forget the major number of investments that we brought in with the Regional Expansion Program to ensure that in Quebec, the Maritimes, northern Canada and parts of the northern and western Provinces, there would be special programs to deal with regional disparities.

He forgot most of all, Mr. Speaker, that it was this Liberal Government, back in the early 1970s, that first introduced the idea of direct employment programs to provide bridging assistance during times of economic downturn. What Government was it that totally disbanded all the direct employment

programs when they came into power? Think what would have happened in these times of trouble if we had followed the Tory way. There should not have been direct employment jobs offered to any Canadian anywhere in this country during these times because they got rid of every one of those programs when they came into power.

I think we can say that we were putting in place the kinds of programs that would ensure a security and foundation of support to Canadians at a time when the economic cycle took a downturn. We are proud of those accomplishments and we are prepared to build on them and to improve upon them as we face this very severe recession. That is what we are working on now. And when I read this resolution from the Hon. Member for Rosedale, I am surprised and disappointed that he has fallen prey to that particular distemper that somewhat affects Members of his Party, the total extravagance of saying that the Government is pursuing oppressive and inhumane treatment of Canadians.

• (1620)

I know, Mr. Speaker, that the Hon. Member for Rosedale is generally a moderate man, but I think he has kind of gotten himself wound up into this sort of psychology of ambition where he is saying: If we can only get back into those benches. It is that peevishness and pettiness that so fuels their fury that they cannot be here, and he has forgotten to provide a balanced approach to this program. In particular, I had a feeling of *déjà vu* in sitting here listening to the Hon. Member saying: Why do we not get a new training program? He read to me from that very good report produced by Parliament two years ago which said we should have new legislation. Well, I scratched my head and said we had just passed a new Bill, that I had just finished signing an agreement with the Province of Ontario for $790 million for a new training program to put in place the very training centres he is talking about. We are now considering the proposals, we have the new training programs in place, and we have signed a $750 million program with Quebec and a $90 million program with B.C. I am saying, where has the Hon. Member for Rosedale been all summer? Has he been in a cocoon, a time warp, a time machine? He has been in France boning up on his leadership French. I do not know what he has been doing, but he sure as heck has not been reading the papers. If he had been, he would know that the very things he was asking for we have been doing. So I guess what we should really do, Mr. Speaker, before we get going is to go through remedial training for the Hon. Member and other Members of the Opposition to bring them up to date on what is going on.

It is simply a matter of information, Mr. Speaker. I think that if we are to have a serious debate in this House, then the starting point should be working at the facts, not going back and repeating history and old reports. We should go to what is present, relevant and new, and looking at what we are trying to do, and see how Members of the Opposition can work with us in their own constituencies to make these programs work. I think the primary ambition of a Member of Parliament these days is to say that we have in place a number of initiatives and we can be working with our provincial and local governments and volunteer agencies to help bring those programs into play.

I was very pleased, Mr. Speaker, to hear the comments of the Hon. Member for Kamloops-Shuswap (Mr. Riis). I think he described, in an honest and very genuine way, the difficulties faced by people in the Kamloops area. He knows that last summer we in fact allocated over $500,000 to his riding to begin a job-creation program, and have given more support under the special response fund. We recognize, as he does, the serious difficulties faced by the people of his community, and we will work with him and with people in the municipalities of that area to provide assistance. We will do that just as we have worked in the area of southwestern Ontario to provide $1 million for the tobacco workers faced with a freeze-out this summer. We put in special response funds under the Canada Community Development Project to make that kind of program available. We are working with the City of Toronto to develop a Youth Employment Program. This summer we initiated programs to provide a wage subsidy to employers and a special stream of Outreach Programs for young people to provide a youth job core.

So, Mr. Speaker, we have a number of those kinds of programs working out in the field. I appeal to Members of the Opposition to use their good offices and their resources to help us put those programs into place. We believe the kind of initiatives we are taking are critically important and require the full co-operation of all partners in this society. We cannot do it by ourselves. We realize that we need to work in very close consultation and harmony with all Canadians. The Prime Minister (Mr. Trudeau) was appealing for that sense of co-operation, trying to draw out the best in Canadians at a difficult time by saying: How do we find the means of working together; how do we find those common elements to face a common crisis? That is the offer we are putting on the table. Those are the kinds of initiatives that we want the people to join in with us so that we can find the answers to unemployment.

In terms of initiatives, Mr. Speaker, let me talk for a moment about the NEED Program we brought forward. As I said, the Leader of the Opposition was absolutely falling all over himself in his haste to get out and condemn the program before we even had a chance to put it forward for public discussion and debate, giving us a week to discuss it with the Provinces. Let me tell you what we are trying to do. We realize that there is a serious issue concerning those who will run out of unemployment insurance benefits.

This Government, in an effort to provide an honest debate, published a report describing what the impact of that situation will be, a report which would provide information to other levels of Government so that they can examine the problem. We have now followed up with a $500 million program which will provide the opportunity for those people to go to work. We looked at all the alternatives and realized that to extend unemployment insurance even for a ten-week period would have added perhaps $2 billion or $3 billion of additional costs to the unemployment insurance fund, which is already heavily

drawn upon. So we felt the best alternative would be to put a work program in place which could be delivered under the auspices of federal agencies, Departments and Crown corporations, but also through the Provinces, municipalities and the private sector.

We are also presently putting in place a structure in each of the regions which will enable us to involve those other partners in helping to make decisions on that program so we can have the work projects implemented where they are most needed. We are putting that program in place so that we can provide over the next 18 months a continual sequence of good productive work which will help the community, whether restoring older homes, helping to repair and maintain streets and sewers, working in the mines to develop, perhaps, new programs on environmental control, or working with the forestry companies. We have a number of those kinds of programs and discussions going on at the present moment. So that during this downturn in the economy we can put people back to work, valuable and productive work, so as to enhance the over-all capacity of this country for when the economy begins to recover and turn around.

That is our ambition and that is what we are working on. It would be a great help to us to have the full involvement of Members of this House in planning projects, working with people at the local level to bring ideas forward and develop the kind of work activity which will provide opportunities for those people who have exhausted their benefits. That is what we are trying to achieve through the NEED Program. What is particularly important, Mr. Speaker, is that we believe, through the consultation and discussions we are holding over this week, that we will be able to expand the program beyond its original $500 million because we have already received indications from all the provinces I have visited that they are prepared to share in the program and put money into it so that we can expand and broaden its range. That, I think, demonstrates that the approach we have taken is the best. Rather than being like the Leader of the Opposition, sort of rushing to the barricades to go into the diatribe that he always engages in, we are prepared to work in a constructive and positive way with other levels of Government. It is about time we ended that particular practice in this House because it serves no purpose at all.

Let me for just a moment address myself to some of the broader comments made concerning the over-all issue of economic development, Mr. Speaker. Both the Hon. Member for Kamloops-Shuswap and the Hon. Member for Rosedale said that we must also put in place the firm foundations of a long-term recovery. That is true, Mr. Speaker, we must.

I think one of the truths revealed to us by this recession is how we must reform our institutions and restructure our economy so that we do not repeat this kind of recession. Then we can address the new world of work of the future and the kind of new, competitive international environment we will be in. We believe we are doing that, and we have started in the June budget and in this latest economic statement to put in place some of those changes. Look, for example, at the major investment this Government is now making in the total reformation of the western transportation and rail system. We put $3.2 billion aside in June, an additional $400 million in this economic statement, to try and bring the railways to a point where they will start that major expansion which would have created something like 350,000 person-years of work over this decade. That is work right across Canada.

Perhaps Members of the House would be interested in knowing that I was in Nova Scotia this morning talking to provincial Government officials and private individuals, and one of the first questions they asked was how quickly we can get that railway expansion underway so that the Sydney steel mill, which produces rails for CNR, can bring its work force up to a higher level. The same question can be asked in London and Toronto and Montreal, in towns in Quebec and Ontario, because they will also benefit from that major rail expansion. We are talking about a $17 billion capital investment program that will create jobs in every single region of the country. We have always relied upon transportation as one of the fundamental development instruments in Canada. Whether it was the CPR one hundred odd years ago, the St. Lawrence Seaway or the Trans-Canada Highway, transportation has been on the leading edge of economic development.

• (1630)

I would appeal to Members of the NDP, who say they are anxious to create work, to forget their opposition, to lay down their swords of battle on this issue and join us so we can get that railway system underway, get that reform in place, get that economic expansion moving and create jobs for hundreds of thousands of Canadians over the years. If they want a program of economic expansion, we have laid it out very clearly and we would like to have their co-operation and support for it. Up to this point we have had nothing but obstruction and opposition from them.

We are asking Canadians to change their tune. If Members of the Opposition can ask us to consider their proposals, then in all fairness I should like to ask them to change theirs and join us in this enterprise. It has enormous potential for workers in British Columbia and every other Province. I would ask the Member for Kamloops-Shuswap to take that message back to his caucus as soon as possible, because this is an important initiative.

We have not stopped there, Mr. Speaker. We hear talk about an industrial strategy and I think that is fair comment. This country does need an industrial strategy and we are working on it.

There has been a great deal of comment about the way in which the National Energy Program has worked to scare capital out of the country. I suggest to Hon. Members of the Opposition, particularly the Hon. Member for Rosedale, that he read the new book by the business editor of *The Toronto Star*, Mr. Crane, called "Controlling Interest". It is a very interesting study of the NEP. In the book he pointed out that because of the dominance of the multinationals in the energy field, something like $4 billion in capital left the country between 1979 and 1981. It did not come in but left the country

because, as prices increased and windfall profits were gained, Canadians did not have the ability to recapture those windfalls and reinvest them in this country. The National Energy Program was directed specifically at the issue of ensuring that as we created higher windfalls through increased energy prices, these sums would be captured for re-investment in this country.

The National Energy Program is now working that way. As the Minister of Energy, Mines and Resources (Mr. Chrétien) reported, there are strong signs of recovery in the gas fields, in the offshore of the Atlantic Provinces and in the oil fields of the west. The recovery is beginning to take place. The National Energy Program is one of the building blocks in the industrial strategy.

So is the National Training Program, Mr. Speaker. It is now in place and the Hon. Members of the Opposition know this. They know that agreements are being signed, re-training facilities are being planned and new training positions are being opened. That is also part of the way we must restructure our workplace in order to get workers with a higher degree of skills. We cannot have high technology or get into the competitive world of new industry if Canadians do not have the aptitude and ability. The thesis of the National Training Program is to shift the training system from low skill jobs to high skill jobs; to provide new facilities and new equipment across Canada for training in new high tech areas; to provide a system of planning and forecasting so that on an annual basis we can identify where new jobs will be and how we can begin to allocate and rationalize our training system to meet those new job demands. We are putting in place the foundation for the new economy that we want to build, and that, too, is part of the industrial strategy.

In the same way, Mr. Speaker, we have made an investment in the area of electronics and aerospace and are using that particular leading edge of the economy to provide for the application of microchip technology manufacturing areas. We have put $450 million into the whole space development area.

One of the great new products that the country has the opportunity to develop is the videotech machine, the Telidon machine. The National Research Council of Canada, funded by the federal Government, developed Telidon which is providing major new oportunities with high tech jobs right across the country. We have established six microtech centres in six capitals across the country so that we can apply the microchip technology to the manufacturing basis of each of those regions.

In Winnipeg, which has traditionally been the centre of the garment trade, a partnership has been formed between a federal Department, a university and the garment industry totally to modernize the industry so that it may compete internationally. A productivity gain of 30 or 40 per cent is expected. That was achieved through the investment of federal funds to help the industry modernize and at the same time develop the technology suited to it.

Those are decisions that have been taken over the past two years to help the industry grow. The same thing can be seen in the areas of mining, forestry and manufacturing. We recognize that if we are going to deal in a tough world of highly competitive nations where everyone is trying to get a new market, then we must have an economic development program in place. The Minister of State for Economic Development (Mr. Johnston) is working on that kind of strategy in a number of industrial areas. He is doing exactly what the Hon. Member for Rosedale asked for, and that is meeting with separate sectors. All last year, this summer and fall we have been meeting with those same people and coming to the same realizations.

One of the other major ways in which we can create a basis for a new economy is to ensure that workers affected by change are able to adjust and to find alternative forms of employment. Over the past two years we have introduced the Industrial Labour Adjustment Program. This is a $450 million program which is now operating in 13 communities. It provides industrial grants to towns and communities where the traditional industries are on the downturn, so that these towns and communities can attract new companies. At the same time it provides such things as a mobility program, a portable wage subsidy, or a retraining program so that workers can adapt to the new industry. We are not bringing this about through some new form of Government intervention or arbitrariness, but are working with the local government, industry and unionists to help people adjust to the Program.

As well, we introduced the work-sharing program. The Hon. Member for Rosedale says that we are inhumane and oppressive. I would ask him to talk to the 175,000 workers presently engaged in that program to learn what they feel about it. In many cases they realize it has saved their jobs, kept plants operating and has kept their skills active for the long term.

It disturbs me that at times there are people in the country who try to oppose these things. During the weekend I was in my riding where I met a number of people who said that the local union representatives will not allow their locals to take votes on work sharing because they do not want to help the federal Government program. They do not want to allow their workers the democratic right to vote on a program that would save their jobs. Instead, they want to run to Mr. McDermott and wave banners saying "Oppose everything the Feds do".

I would say to the New Democratic Party that if they want to help the country in its time of trial, they should talk to the union leaders and tell them that they do not have to like the program but they should let their workers at least vote on it and not stand in the way.

Mr. Murphy: Oh, oh!

Mr. Axworthy: Mr. Speaker, I think we have a high state of agitation over in the corner. The fact of the matter is—

Mr. Murphy: It's a lie.

The Acting Speaker (Mr. Corbin): Order, please.

Mr. Axworthy: —we are going to have to develop a new spirit of co-operation in this country. We are going to have to encourage union leaders who stand in the way of work sharing,

business people who stand in the way of the restraint program and Members of the Opposition who stand in the way of everything, to come on board so that we can find the answers we need in these difficult times. As we open up this debate about what we should be doing to create more jobs and what we can do to help adjust the problems of unemployment, I hope these people will realize that what is needed most in the country is a new spirit in this Parliament that tries to develop proposals and programs through co-operation, not opposition based upon a naked ambition to regain power. Rather we should be saying that we are all in this together and should work together for the benefit of all Canadians.

• (1640)

Mr. Deans: Mr. Speaker, since the Minister has 35 seconds left, I wonder whether he would accept a question.

He indicated that the National Energy Program was brought in to try to recover for Canada some of the windfall profits which the foreign energy industry was taking out of the country between 1979 and 1982. Is it not true that energy prices are regulated by Government agencies and that, therefore, the profit margins they receive are directly approved by those agencies? If the Government was aware that there were windfall profits which should not really be taken out of Canada, why did it not introduce a windfall profits tax?

Mr. Axworthy: Mr. Speaker, as the Hon. Member knows, time does not allow a full description of the National Energy Program, but he will realize that because of that Program we have made substantial strides forward in the last two years in Canadianizing the industry and ensuring that the capital which is being generated by the National Energy Program and by price increases is remaining in Canada and being invested by Canadians for their future energy needs.

[*Translation*]

Hon. Roch La Salle (Joliette): Mr. Speaker, I want to make a few, strictly objective, comments on today's debate, during which the Official Opposition has an opportunity to censure the government for the present economic situation. I made a few notes . . . I must say the minister's speech has upset me a bit, and I think I should remind the minister that he is a member of the government that has been leading this country for fifteen years.

From the outset, the minister insisted on reminding opposition members that they are more or less obliged to co-operate in order to correct the prevailing situation. I have given very serious thought to this major objective, to the need for greater co-operation among all groups, starting with the opposition parties in the House of Commons. This is an ideal cherished by the minister, and I must congratulate him for his belief that we need co-operation to get the country out of the mess it is in. In fact, the minister is a member of that very same government which put the country in its present disastrous situation.

Normally, I would expect the minister to ask us not to remind Canadians that our present problems are not the government's fault. The minister said: "We must not look to the past but to the future". He confirmed what the Prime Minister (Mr. Trudeau) said on television last week, when in his three fireside chats he stated that the country was bankrupt and that it was divided. The minister acknowledges in his document that the country is divided and that it is in a difficult situation as far as the economy is concerned. The Prime Minister stated again that, and I am putting words in his mouth, all of a sudden, to his great surprise, there were more than 1,500,000 people unemployed in Canada. The minister is aware of this. He mentioned his efforts, and I am not doubting his efforts regarding present programs. He spoke at length about training programs. Of course they are useful, and work-sharing programs are necessary, and we could also mention his policy for workers taking early retirement in certain industrial sectors, something that is also necessary in our present situation. But the minister also knows, or he ought to know, that these programs reflect the fact that the government's policies have been inadequate, and that the government has had to introduce the programs because of its shortsightedness, so that today, the minister is making a superhuman effort to help people who no longer have jobs. So now the government is going to put them on various programs. I am not condemning the minister for suggesting programs today, but what we do condemn, Mr. Speaker, is the absence of adequate measures during the last fifteen years. I know the minister did not have the duties he has now, but in any case, that has put Canada in its present situation. If the minister is appalled at this motion of censure, I think there are members on both sides of the House who realize that the country is in its present state because the same government that has been running the country all these years, with the exception of a few months or perhaps weeks, that same government put the country in its present situation. So before we discuss co-operation, there must be trust, and may I ask the minister and all the ministers in this government and all government members how anyone can mention the words trust or co-operation when we know perfectly well that Canadians as a whole have lost confidence in this government? When I see the Prime Minister of Canada speaking to the Canadian nation and trying to put the blame on this country, saying that Canadians have lost confidence in themselves, that is just not true, Mr. Speaker. The prime minister made a grave mistake. He forgot to make an act of contrition first, and to acknowledge that his government put Canada where it is now, and that if we are now having problems the blame must lie somewhere. Of course, Mr. Speaker, they will say that the United States has a major impact on our economy, and that the world situation does not help matters either. We realize that and we also realize that we are going through a difficult period, but we are also convinced that the poor policy choices made by the government are largely responsible for the situation prevailing today. It is as easy as that, Mr. Speaker.

I am not going to blame the Minister of Employment and Immigration (Mr. Axworthy) today for programs he has been trying to design for two years and for the programs he suggested to the provinces, certainly not. We are just as aware of the problems facing Canadians today, and we realize something must be done. Last week, the Minister of Finance proposed injecting $1 billion and we have no objections. On the contrary, we are very happy we succeeded in forcing the Minister of Finance and the government to take action. But why did they wait for so many years to respond and make the policy choices that were needed? I also remember the prime minister said the other night on television that we had to transcend partisanship and that the time had come to discuss matters very objectively. The minister said a while ago that our arguments reflected a desire to get back into power. I can inform the minister that there are many Canadians, according to the polls and not the polls we ordered, who would like to see the government change hands and who in any case would like a change. These were not our polls, but nevertheless, it seems that Canadians feel like a change, in view of the present situation. And on the subject of partisanship which should not be allowed to exist, perhaps the government of which I was a member should have been given a chance to apply its policy choices and its economic policies. Although we did not get a chance to do so, I am sure we would have managed to get through the recession with far fewer problems than is presently the case, and would have done so on the basis of our policy choices with respect to housing and energy, to name only a few areas. However, the government's refusal to accept our proposals has cost Canadians thousands and thousands of jobs. As far as the housing sector is concerned, if the government had really wanted to help homeowners and home buyers, we would have been able to save thousands of jobs in the housing industry alone. I think that looking at it objectively, the Minister of Employment and Immigration will have to admit this is true. The minister and the government are now coming back with a proposal to stimulate the housing industry, but once more, it is too late. We are not going to turn down this $3,000 grant, but we are convinced it will not have the desired effect, and it is unfortunate, that the situation has been allowed to go from bad to worse, and that all those workers who were earning a living have now joined the ranks of the unemployed.

• (1650)

A moment ago the Hon. Member for Rosedale (Mr. Crombie) spoke about the unfortunate lack of funds for research and development, and we are all convinced, as are members opposite, that more could have been done in that area so as to avoid the situation in which we now find ourselves. Obviously, more emphasis should have been put on research and development and the necessary expenditures should have been made. At the same time, a very generous and much needed assistance could have provided for industries such as footwear, textiles, furniture and a host of others. So it is up to the minister again today to prove to us that he did indeed launch new programs to help the unemployed. Unfortunately, Mr. Speaker, there is not a shred of evidence that those programs will ensure the creation of permanent jobs, not a shred. We know that those measures will make it possible for unemployment insurance claimants who have exhausted their benefits and now face the prospect of applying for welfare to get some money from the federal government to pull through hard times when the outlook for early economic revival remains bleak.

We have nothing against new programs, but we simply cannot let the government get off scot free, having failed as it did to show greater interest in research and development, as any responsible government would have done, so as to steer clear of the disastrous predicament we are in today. Things have gone from bad to worse, particularly in the last two years. Undoubtedly, the Minister of Employment and Immigration (Mr. Axworthy) has gone all out to minimize the dire consequences of the lack of appropriate policies in the last 15 years. I will not hold the Minister of Employment and Immigration responsible for what happened in the past 15 years, not in any way. But, Mr. Speaker, this government must be raked over the coals for the course it has given our economy in the last five years.

We are fully aware of the opinions held by the Right Hon. the Prime Minister of Canada, we know full well how much he has influenced the policies advocated by his government and we can only conclude that he is primarily responsible for that monumental failure. Nor can we forget either that the Prime Minister has often taken an aggressive stance towards his provincial counterparts. Today, he is seeking co-operation with the provincial premiers, although this government has a long history of confrontation in its dealings not only with Quebec, but several other provinces as well. Today, it expresses its eagerness to achieve such co-operation with the provinces and with private industry which was driven out of a particular area. It is the same minister who is beseeching the private sector. But confidence is something which must be deserved. So, the question Canadians must answer is this: Does this government still deserve our trust? Thanks to this allotted day, we have the opportunity to tell some Hon. Members and ministers what Canadians feel and think.

We sincerely regret the government's lack of adequate measures and contend that this government no longer deserves our trust because of its failure in specific areas. What matters, of course, is the confirmation by the Prime Minister of Canada that this country is divided, on the brink of bankruptcy, and his government unable to cope with the current situation. And if the Right Hon. Prime Minister wanted credibility when he talked of the challenge the Canadian nation must face, it should be pointed out that it is certainly not the first time this Prime Minister, speaking on behalf of his government, has appeared on the CBC network. I clearly remember some

remarks he has made once on the network about wage and price controls: he asked Canadians to reject those controls which as it turned out divided the country six months later, but he betrayed Canadians by claiming as his own the very policy he had previously condemned. And what about the number of times the Right Hon. Prime Minister, on behalf of his government, made Canadians dream of his mega-projects! We are aware of the government's position. We know that it was not in keeping with the remarks the Right Hon. Prime Minister had directed at that time to the Canadian nation.

Under these circumstances, we have the opportunity today to remind this government that it cannot solely rely on the confidence or co-operation of Canadians when it has been so unco-operative for the past 15 years. Of course, Mr. Speaker, such a confidence has to be deserved. Canada's financial situation seriously concerns many Canadians in my province as in others and I for one represent a province which is also experiencing some difficulties of its own and has surely reached its quota of unemployed as you know, Mr. Speaker, as well as the other members. Quebec like the other provinces, Mr. Speaker, needs the co-operation of the federal government and this has not been much in evidence in the past few months. Of course people may say that the Quebec government is not willing to co-operate but last week I thought it necessary to address, the following question to the Minister of Finance: Is this government ready to co-operate any further with all the provinces including Quebec? Of course, I did not expect anything else than a positive answer, but they should be able to prove it. The Minister of Employment and Immigration now says that he is for consultation, but we really have serious misgivings. For instance, if the programs are not ready at this time, it is easy to speak about consultation. Moreover, when the Prime Minister of Canada says on television that he has decided to consult the population, this is not true; he has decided to speak to the people, but consultation does not take place on television. Therefore, Mr. Speaker, we understandably have many reasons to be seriously concerned about of the obvious incompetence of this government in all sectors and all areas. Since this government was in a much better position 16 years ago, how could we not tell Canadians that we seriously question their goodwill and their ability? The results prove that this government is unable to govern the country. I believe that we must continue to attack and to blame this government for the present situation.

When the Prime Minister cried on the shoulder of the fisherman and the farmer, Mr. Speaker—and I believe that this was the most appropriate message given in this House today—I took the liberty of saying that this was close to imposture. This word is quite serious, Mr. Speaker, and I want to explain. The Prime Minister cried on the shoulder of the fisherman or the farmer on television, but only two years ago, he was willing to make commercials himself to tell the fisherman that with the 18 cents increase on gasoline proposed by the Conservatives, he would not be able to go where the fishes are and that with these 18 cents, the farmers would not be able to complete their first furrow. If this is not a complete fraud, Mr. Speaker, in view of what happened later on, the fishermen and the farmers certainly know what to think about the 18 cents increase today! When the Prime Minister of Canada complains about the situation in the lumber industry, knowing full well that his own government refused to support our tax credit for homeowners to promote the recovery of the building industry, if this is not hypocrisy, Mr. Speaker, I do not know what it is! Those are the people who supported the proposals of the government. And now we see what has happened in this country. Of course, there will be a non-confidence vote this evening on the failure of this government to meet our expectations and to achieve the objectives set by the Prime Minister of Canada, starting with a just society and including the great dream of Mirabel for 100,000 jobs, the Cacouna project, which was supposed to promote tremendous development in this eastern Quebec area. All this is only in Quebec, but in how many other areas has this government failed to achieve its objectives, starting with its great promise of a special place for Quebec within the constitutional reform, when we know full well that Quebec has been left high and dry and that the Prime Minister said last week that this would be remedied later on.

• (1700)

Mr. Speaker, is that the kind of commitment which will convince Canadians that this government has been fair with them? No! This government cannot today tell Canadians to forget it all and to please co-operate because it intends to do better from now on. How can we co-operate with a government which has been so inefficient? How can we serve the interests of our country and co-operate with a government that is unable to manage our affairs as we deserve it? It is incredible, Mr. Speaker, when they dare say: Forget about the past. However, they are not frank enough to be sorry and recognize that they were mistaken when they made decisions which gave rise to the present problems.

Such being the case, Mr. Speaker, I would like to appeal to the members who acknowledge that fact and who are now embarrassed in their constituency not only in Quebec but throughout the country when they realize that the present situation is due to this government which was unable in a trying period to take the necessary remedial measures to pull through this crisis as well as possible. No, conditions have worsened because of their wrong decisions. Under the circumstances would these members be honest enough to refuse this evening to support a government which has done so much harm and continues to inflict so much pain to Canadians?

To conclude, Mr. Speaker, because the time allotted to me has expired, I hope that the Prime Minister of Canada who speaks of challenges will have enough courage and honesty to take up the challenge by asking for a renewal of his mandate and calling an election. If his 6 and 5 per cent program and his behaviour deserve the support and confidence of Canadians, he should take the risk and ask the population to renew his mandate to govern this country. If he obtains a positive answer, I will respect the decision of the Canadian people. However, at present, the Prime Minister does not dare ask for

a mandate or call an election. This is why it is impossible for us to extend the confidence which he requested because in our opinion and in that of millions of Canadians, he does no longer deserve it and this will serve him right.

Mr. Bernard Loiselle (Verchères): Mr. Speaker, I am very pleased to be taking part in the debate this afternoon, a debate being held at a troubled time in the life of all Canadians, at a time when our economic situation is an extremely difficult one. I thought we would be hearing some concrete suggestions from our colleagues opposite. I listened carefully to the Member for Rosedale (Mr. Crombie) and took quite a few notes, because the Hon. Member raised some good points. To summarize his speech, the Hon. Member attributed our recession and all our ills to a lack of productivity—and there I agree—poor administration, not enough funding for research and development, not enough consultation and finally, a lack of confidence on the part of Canadians in their government. Those were the five main points, I believe, that were raised by the Member for Rosedale. Then our friends from the New Democratic Party took the usual interventionist line on correcting the situation. The Member for Joliette (Mr. La Salle), and I am sorry to see him leave, told us in a lengthy speech that everything the government has been doing for the past fifteen years was wrong. For fifteen years, this government and our Prime Minister (Mr. Trudeau), the Member for Mount Royal, have succeeded only in deceiving Canadians and leading them down the road to unemployment, welfare and a situation where we have lost all confidence in the future. The Member for Joliette wound up his speech with examples such as the 18 cent excise tax proposed by the Progressive Conservatives, and since I saw him the other day on a program where a friend, Marcel Masse, was one of the participants, I see that all these statements are part of a well-orchestrated plan. They are comparing the 18 cent tax to the 80 cent tax, to show Canadians how much money they would have saved by re-electing the Progressive Conservatives. They mention a housing tax credit which in 1979, when it was proposed, would have cost more than $3 billion, claiming that if they had been re-elected they would have given us that tax credit.

I should not forget what was said by other opposition Members, and especially those who are squawking about the extent of the deficit. They are saying that less than a year ago we were projecting a deficit of $10 billion and less than a year after the November 1981 projection, we now have to live with a deficit of $23 to $24 billion. At this point, it is hard to make sense out of the words of the Member for Joliette who proposed a $3 billion tax credit and at the same time wanted to see this government reduce the deficit. It is not the first time the Official Opposition has been inconsistent.

I would like to go back to what was said by the Member for Rosedale and I must say I found it very interesting. This talk about productivity is true. Mrs. Sylvia Ostry of the OECD said only this morning that Canada had the worst productivity performance of all industrialized countries. She explained that this was due to the fact that since 1972, wages in Canada had increased 15 per cent, compared with other countries, and I think that is a problem to which all Members of this House, the provincial governments, the unions and the private sector, should address themselves immediately. The Member for Rosedale went on to discuss research and development. Mr. Speaker, there is no Member in this House more aware than the Member for Verchères that here in Canada we do not invest enough in research and development. However, there is a problem and a reality we must face, namely that as far as research and development are concerned, the percentage invested by all government levels in Canada compares advantageously with that invested by the governments of the Common Market or elsewhere. The weak spot, however, and at this point I would like some suggestions from the Member for Rosedale, is the investments made by the private sector. Less than 40 per cent of funds invested in research and development in Canada are provided by the private sector, while in other countries, this is more or less the share financed by governments and the rest is financed by the private sector.

What's that? Never mind. I have just come back from a tour during which I consulted experts throughout the world and I am awaiting suggestions from well-meaning members opposite as to what kind of tax system, what environment, what incentive should be provided in order to enable the private sector, that essential partner, to make a larger contribution to research and development. Indeed, this is the only hope for Canada as well for all other industrialized countries. We have no other option. I am aware, like the hon. member for Rosedale, that if we do not do our utmost, we shall be relegated to the position of drawers of water of de-industrialized and even developing countries, because at the time when we were able to export our natural resources, no other developing country could equal us in this regard, but this is no longer true today. Our minerals can be bought now from other developing countries at a lesser cost than from Canada. Thus, it is true that we shall have to make an effort and it is all the more urgent for us to do so as from now on, technological change will take place within the next decade. First, there was the agrarian era, then the industrial era, developments were taking place over hundreds of years, but today, one must think in terms of ten or even five years ahead, lest one is left behind and is never able to catch up with the leaders.

• (1710)

However, we Canadians must bear in mind the fact that our market is limited to 23 million people and, although we are a potentially wealthy nation, we will have to develop closer ties with other countries. We will have to join forces with other countries such as ours, or with other groups such as the European Economic Community or the United States. We will have to co-operate with other nations whose concerns and needs are the same as ours. In that respect, I commend my colleague from Rosedale. I was pleased to hear him devote a major part of his speech this afternoon to this question which is of great concern to me. As for the hon. member for Joliette, who was holding the Prime Minister responsible for every evil, I would remind him gently that since 1974 I have made

repeated efforts to convince the federal government to invest more funds in research and development in Quebec. I proudly point out that since 1974 this government has increased the funds allocated to Quebec for the aerospace industry through defence programs, for industrial and commercial programs, and for other creative endeavours. And I think that the cherry on the cake, as we say, was of course the decision made by the federal government, through the National Research Council of Canada, to set up in Quebec an Industrial Materials Research Institute. I hope that is the first of a series of investments in Quebec. I would remind my colleague from Joliette that during the nine months his party was in office we very nearly had a rational decision altered for political considerations in that the Industrial Materials Research Institute came close to being moved to a less favourable riding from an environmental point of view. We had to seek the full support of Quebec's scientific community to make them uphold the rational judgment which led to the original decision. Fortunately, it will now be possible to establish in Quebec, in co-operation with IREQ and the Industrial Materials Research Institute, a significant scientific research foundation in which, I hope, the private sector will eventually participate.

The other issue raised by our friends opposite is that our failure to consult has led to the complete disappearance of the climate of confidence in Canada. And I could hear the member for Joliette tell us again that he is not blaming the Minister of Employment and Immigration (Mr. Axworthy), he probably tried to achieve a few things in the past two years, but to think and talk of consultation is still a fairly new notion in this country. I wonder where the member for Joliette was in 1977-78. Once again, I am coming back to the process of consultation in terms of productivity. Faced with technological changes, and global economic developments and confronted with the realities of our economic and trade situation the government, as early as 1977-78, through the Department of Industry, Trade and Commerce, started what I believe to be the best possible round of consultations ever. The government invited representatives from 22 major industries to a round table in order to determine which measures should be taken with a view to helping sectors cope with the future. Twenty-two industries took part in these consultations including representatives from the private sector, unions, provincial and federal governments. Those 22 groups, met over a period of more than a year after which they submitted their recommendations. Thereafter, a 23rd work group was set up for the exclusive study of the issue of productivity in all areas. It was, in a way, an overall review of all the specific studies which had been undertaken. So, if this is not consultation, I wonder to what length the federal government should be going for the hon. member for Joliette to recognize that consultations did take place.

It is said that this trust has disappeared forever in our country. I am sorry but I do consult my constituents. Also, my caucus asked me to consult some specific groups during the summer recess and that is exactly what the Minister of National Revenue (Mr. Bussières), the Minister of Finance (Mr. Lalonde), who was Minister of Energy, Mines and Resources at the time and myself did. We consulted business organizations in every area of Quebec and found out that this trust is still there. Still there too is the private sector's determination—some of my colleagues visited labour groups—to work in co-operation with the federal government. We were told by the business community that the 5 and 6 program was an excellent idea and if anything that maybe it did not go far enough. The government could have talked about 3 and 4 per cent according to them. But one could feel that these people were determined to put their shoulder to the wheel because they believe in Canada's potential, they believe in our future and they are prepared to invest in it and to rise to the challenge that is facing us. For all these reasons, because we have the necessary drive and resources, the minister of Employment and Immigration has introduced specific programs to help us solve this crisis but we had something to build on. We already had a job creating scheme—I am referring to the community programs worth over $1.4 billion,—which has been in place for several years, but I must say, without partisanship, that one of the first steps which the Progressive Conservative Party had in mind when it came to power was to axe these programs. And we are told today that we do not intervene enough; yet the reason we defeated the Conservative government was that we felt this measure and others did not meet the aspirations of Canadians. Moreover, because of the current crisis, we have just added $1.1 billion to the $1.4 billion, under a sort of emergency budget, including $200 million earmarked directly for the housing industry, an industry which I know very well, and which will continue to provide $3,000 to home-buyers. In my constituency, this program has convinced municipalities to grant tax breaks at the municipal level, and some contractors are already saying: Bernard, because of the reduction in interest rates over the past few months, this federal program has convinced the other two levels of government to do likewise, so that new house starts are increasing. That is an industry we have helped.

In order to help not just the West, but the whole of Canada, we have added $400 million to what we already had allocated to a major CNR capital investment program. I had a conversation recently with Jack Horner, a good friend of several Hon. Members, about the capital investment plans of the CNR out West. They used to laugh at us whenever Prime Minister Trudeau referred to the possible construction of double railway lines in Western Canada. I must say that a number of Progressive Conservative Party Members . . . Because of my duties as Parliamentary Secretary to the Minister of Industry, Trade and Commerce, I used to accompany the Hon. Member for Crowfoot, and people would laugh at this idea, although this project would meet the needs of the Prairies, a most productive area indeed. Under this project, the CNR will invest billions of dollars in Western Canada to double the capacity of our railway network, thereby creating jobs in every part of Canada, including my own province of Quebec. Because we are

facing a crisis, we have also decided to inject $500 million into a special program which is now being negotiated with the provinces. Members of Parliament have been invited to make suggestions. Communities and municipalities will be asked to co-operate, and we hope that this injection of $500 million for immediate job creation will urge municipalities and other organizations to do their share so that we may finally be able to create not only the 60,000 jobs provided by these $500 million, but double that figure thanks to the essential co-operation of other sectors of our society.

I suggest to the Hon. Members that it is true that the constitutional debate may have somewhat shaken the process of consultation and this climate of co-operation in Canada. We were not always at our best. However, in my opinion, to suggest that, in the last ten or fifteen years, the federal government, the Liberal government of Mr. Trudeau has done away with all consultation is nonsense. I say that a review of our achievements during the last fifteen years shows that without consultation, without a dialogue between the various parties involved, we could never have survived as a nation. Let us remember the situation that prevailed in 1968. As for those fifteen years under a Liberal government, let us look at the major events. Already in 1968, and even before, the then Minister of Justice was speaking about the omnibus bill. It was—

An Hon. Member: Your time has expired!

Mr. Loiselle: I want to finish. We had that bill, we passed the Official Languages Act which created shockwaves at the time and which is now beginning to be better accepted. We unfortunately had to face the October crisis, the oil crisis of 1973 and a period of high inflation, and, of course, we had to take strong action. We then had to adjust to reality with regard to energy; we had no choice, we had to, and even though I am not too much in favour of state corporations, we had to intervene and take position. We had the constitutional debate and we still have before us the reform of our institutions when a dialogue with and the participation of the provinces and other concerned groups will be necessary, and I believe that if we had been as nasty, if we had spoiled so drastically the climate favourable to dialogue and consultation, we could not look forward so positively to the debates which must now be held, after which we shall be able once more to tell the Canadian people that they are living in the best country in the world.

• (1720)

[*English*]

Mr. John A. MacDougall (Timiskaming): Mr. Speaker, I feel it is very appropriate that I am making this, my maiden speech in the House, on the subject of unemployment because it is a matter of great concern to the people of Timiskaming. In many ways, Timiskaming is a microcosm of Canada and, as such, it shares many of the problems found elsewhere in this country, the most urgent one being unemployment.

The riding of Timiskaming extends some 350 miles from Lake Nipissing north along the Quebec border to James Bay. It varies in width from 35 miles at its narrowest point to 115 miles at its widest.

The economy within the 20,000 square mile area of northern Ontario is based on mining, forestry, agriculture and, to a lesser degree, tourism. The geography of the riding varies from the James Bay lowlands to the Canadian Shield to the Little Clay Belt agricultural area. It is an area of great natural beauty and is a hunter's and fisherman's paradise.

The 55,000 people in Timiskaming are of varied cultural backgrounds, reflecting the multicultural nature of our country. About 30 per cent are Francophones and there is also a large native population.

The communities in the riding vary in size, with the largest, Kirkland Lake, having a population of 12,500. Although our communities are scattered throughout such a vast area, the warmth and hospitality of the people is the same in all corners of the riding. The people of Timiskaming have retained the pioneering spirit that was responsible for the development of northern Ontario.

They are a hardworking, energetic and proud people, but like more than 1.4 million Canadians from coast to coast many of them now find themselves unemployed. I have said I believe Timiskaming is a mirror image of Canada and I think this was apparent during the recent byelection.

When the boundaries of the riding were expanded to the north and south in 1978, the people in Field and Verner in the south end and those in Moosonee and Moose Factory in the north end could not relate to the central part of the riding, but all that changed during the recent byelection. People from one end of the riding to the other realized that they did have common problems. They realized those problems are the same in communities across this country. The biggest problem of all is unemployment.

The failing economy and skyrocketing unemployment united the people of Timiskaming during the byelection. This is one case where the Prime Minister (Mr. Trudeau) can rightfully claim to have promoted unity.

The people of Timiskaming elected me on October 12 to deliver a message to this Government. They are fed up with what is going on in this country and they want to see a change. The unemployment level in my riding is running at almost 17 per cent and there are no signs of improvement. Bankruptcies, shutdowns and business closures have become commonplace. All have been caused by the sorry state of our economy and each time the unemployment rolls swell a little more.

Just last week, 390 iron ore miners were laid off for the second time this year at the Adams Mine in Kirkland Lake. Earlier this year, 450 iron ore miners at the Sherman Mine in Temagami were laid off for 11 weeks. These miners are not being laid off because of any international surpluses. These iron ore miners are being forced to shut down because of the decreased domestic demand for steel due to the state of our economy. When people are not buying cars and manufactured goods, there is no demand for steel. When there is no demand for steel, there is no demand for iron ore.

For similar reasons, a particle board mill in Haileybury has cut back its staff by 25 workers from normal operating levels. The furniture manufacturers that are its major customers are in trouble. No one is buying new furniture these days, so they do not need much particle board. Unless the situation improves quickly, this mill may have to face the prospect of laying off more workers or introducing a reduced work week.

A diamond drilling outfit in Kirkland Lake has laid off 50 workers, more than half its work force. Even though this company operates throughout the country, there is just not enough exploration work to go around because of a lack of incentives, skyrocketing interest rates and shaky investor confidence in the economy. These are not isolated cases; I could stand here and cite examples all day long.

The saddest thing about the situation is that there is tremendous potential for development in Timiskaming if the economy were in a healthy condition. There is potential for the development of a commercial fishing industry and expanded transportation facilities in the Moosonee area.

There is potential for development of private tree nurseries in the Cochrane and Matheson areas, and manufacturing related to the resource base in Kirkland Lake, and a grain elevator and food processing facility in the Englehart, Earlton, and New Liskeard area. There is potential for the development of the tourism industry in Cobalt, Temagami and Martin River areas. There is potential for development of a wood product manufacturing facility in the Field and Verner area.

The future of these potential developments, however, is now even more in doubt with the demise of the Department of Regional Economic Expansion. As pointed out in the Senate Committee on National Finance report on Government policy and regional development, there is no longer a Government Department that is solely responsible for the promotion of economic development in the least developed areas of the country. In northern Ontario, this is of great concern to us, but it is hard even to think about future development when times are as bad as they are today. Instead of developing our potential, we are forced to watch our existing industries and businesses suffer from the effects of our depressed economy. The unemployment figures in many communities in Timiskaming, as they have elsewhere in Canada, have almost doubled in the past year. Positive steps must be taken now to turn the economy around and get our people working again. Steps must be taken to encourage job-creating investment, to create a positive and open investment climate. Confidence in the economy of this country must be restored to create long-term employment opportunities. We need a comprehensive economic recovery plan now. We have seen little in the way of positive action on the unemployment problem from the Liberal Government.

• (1730)

The only thing this Government seems to come up with is a program that will allow a small portion of workers whose UIC claims have been exhausted to requalify for benefits. The news that 60,000 temporary jobs will be created does little to ease the worries of the 1.4 million Canadians who are out of work. This stop-gap make-work program is not the cure for the ills of unemployment that plague our country. It is like giving a band-aid to a man who has just cut off his arm. We must look beyond the statistics. These are not just numbers we are talking about; these are human beings, these are people with families and responsibilities and dreams. We cannot turn a cold shoulder to more than one million unemployed Canadians.

Canadians want to work. They want and need the security of a steady job. There are people out there who are on the point of giving up hope. They are desperate and they are losing confidence in themselves and in this country. Even those who are lucky enough to have a job are worried stiff. They wonder if they will be next to join the unemployment line. And it is not only individuals who are affected but entire communities as well. Every time there is another lay-off or shutdown or closure, the shock waves are felt throughout the community.

Small businesses that depended on that payroll are affected, and so are their employees and so are their families. In a small single-industry community, the news of a lay-off hits like a blow to the solar plexus. The quality of life in these communities is bound to suffer as a result of the social problems often associated with long-term unemployment. The social fabric of these communities can be destroyed.

We in northern Ontario are particularly worried about the plight of our young people. For many years our young people have been forced to move to cities in southern Ontario or western Canada to find employment. We have struggled to bring in the developments that would provide employment for them in the north. But now we are fighting against impossible odds. Unemployment amongst our young people is a major problem from coast to coast in this country. Young Canadians now in school are worried whether they will have a job when they graduate. Will they have a career and a secure future? Our young people have goals and ambitions. Will their dreams be shattered? Something must be done to give them the opportunity of having a bright and secure future.

The people of Timiskaming and Canada are a proud and hardworking people. They want to work and they want real jobs. They are tired of empty rhetoric and window dressing make-work programs. They want to see some solid action being taken to create long-term employment in this country. They are frustrated by the lack of opportunities. They are tired of inaction. They are depressed and concerned about their future and the future of their children. This Government has a moral responsibility to act immediately to provide a long-term solution to the unemployment problems that are bringing this country to its knees.

Mr. Russell MacLellan (Cape Breton-The Sydneys): First of all, Mr. Speaker, I would like to congratulate the hon. member for Timiskaming (Mr. MacDougall) on his maiden speech. I would like to welcome him to the House of Commons, not only because of the speech he has just given, a task with which he has acquitted himself well, but because he is a native Cape Bretoner. Although we are not of the same

political persuasion I know, as a native Cape Bretoner, that regardless of what else he does, his dedication and iron will will lead him to be a force to be reckoned with in the times ahead.

Miss MacDonald: Hear, hear!

Mr. MacLellan: I would like at this point to discuss a few of the programs of the Federal Government, which I have to say would lead one to believe that, contrary to what the Opposition is saying, the Government in fact has done everything reasonably possible to reduce unemployment in this country, to ease the burden in these times and in effect to lead Canada out of this recession a stronger and more able country to deal with the opportunities that lie ahead. I have listened to previous speakers discuss permanent job opportunities. In a recession such as we find ourselves at the present time very few permanent job opportunities arise. The Government recognizes the unemployment situation and, I feel, it is doing everything it reasonably can to ease the situation. A program which this Government has supported strongly and has modified, fortified and increased in scope to deal with this particular problem, is the Canadian Community Development Program. This is not only a Program which deals with employment, those who are unemployed and who will be losing their unemployment insurance, but deals with communities such as in my own constituency, communities which have had economic difficulties for many years, communities which find their institutions in a position where they are unable to continue to exist because of the deterioration of their buildings and a reduction in membership due to aging and hard economic conditions. The Community Development Program allows those in institutions and organizations to restructure, redevelop, modify, modernize and repair to allow themselves to become viable organizations for the future, not only for the sake of the organization but for the sake of the community which depends on them. The CCDP is Canada's most successful job-creation program. The program will create over 48,000 jobs this fall and winter by supporting to a very large extent the economy of this country.

The Opposition has said on occasion that this program is only going to be a drop in the bucket for the jobs that we need. This is not the point. The point is to develop job opportunities to allow people to feed their families, and for the communities to maintain their tax base, and to continue until such time as the economy improves. This is an extremely valuable program. These jobs will not only benefit the people who are employed, but there are spin-off benefits for the community, in particular the business community, in these regions in which the grants are given. These projects may be funded for 52 weeks, with provision for an additional 26 weeks in some cases. They must be supportive of established national and regional priorities, contribute to, maintain and increase the number of jobs in an area, create jobs in areas for groups suffering from continued high unemployment, and support affirmative action principles. Applications are now being assessed for this third round of Canada Community Development Program grants.

• (1740)

The range of innovative and worth-while proposals submitted by community organizations is impressive. It shows, Mr. Speaker, that the communities are appreciative of this program. And to any group that would denounce this program I would say they have not discussed it with their constituents, which in some cases does not surprise me because the feedback they get is pretty putrid indeed.

Over the years, Mr. Speaker, during which the direct job-creation activities have developed, it has become clear that the kinds of employment opportunities and activities presented by this program are virtually endless. Many of the activities are funded in areas of critical national importance. For example, during the second round of activity in this program, funding of $4 million was directed toward energy conservation and alternate energy source projects. Other projects, including construction of wharves, development of tourism and recreation facilities are also very important for our society. Almost $15 million was made available, in co-operation with Fisheries and Oceans, to support the development, expansion and repair of related facilities, including restoration of spawning grounds. Tourism development is another area to which CCDP projects have made a major contribution. More than $12.8 million was committed to such activities during the second round of this program. More than $8.1 million of CCDP funds were committed to housing construction and repair projects for natives and socially disadvantaged peoples. This is the only way, Mr. Speaker, that some of these native groups are able to complete the homes they have started, and without this program the housing problems experienced by our native peoples would be considerably greater.

More than $6 million under this program, during round two, were committed to activities that, in addition to being productive in themselves, were part of longer-term social and rural economic development plans or strategies which are going to aid the communities, when job opportunities return, to attract economic opportunities, not only those that exist at the present time but those that will be presenting themselves in the future. In order to strengthen this aspect of the program the Government announced in July a commitment to maintain job-creation funds over a long term in certain areas where unemployment has been excessive, even in normal times when the economy has recovered. The commitment to maintain the provision of funds over the long term in relation to historic levels is intended to provide a stable funding base for the program. With that kind of base, Mr. Speaker, organizations will be able to do long-range planning and integrate this program with the long-term activities which they are developing in their own right. This change is in line with recommendations of the task force report: "Labour Market Development in the 1980s." This report supports the need for a long-term approach to employment development in areas of high and chronic unemployment.

Another change in the program for the third round of activity is that the special response feature previously used to a limited extent has been substantially expanded. In the third

round of CCDP that feature will fund approximately $41 million. It is being used to provide jobs in areas affected by significant employment loss. In such areas employment development officers together with community groups will develop as quickly as possible projects which will employ people on a short-term basis. The flexibility of the social response feature will make the program more responsive to the very different needs of the various regions of our country. It makes the program more effective and creates jobs for people in areas with the greatest need.

Another feature of extreme importance in the third round of this program is the increased emphasis on training and other long-term benefits to participants and to the communities in which they live. The federal contribution to project costs now includes an increased contribution to wages for workers with specific skills to provide training for other unemployed participants. A construction program, for example, with that change, is able to attract an experienced carpenter who can impart some of his skills to other project workers. It is expected that this provision will help to attract a new group of talented people to the CCDP projects and thus improve the employability of project participants.

The third round of activity in the Canada Community Development Program which is now under way has been funded in the amount of $270 million. Some of these people are on the job now, and the total will rise steadily over the winter months, so that the peak of employment under this program will occur in January, February and March when it is most needed.

The CCDP program, Mr. Speaker, has been a popular one. As I mentioned, we are now entering the third round and the program is larger than it has ever been before. In many cases it will enable communities to cope during these winter months with the economic problems which presently exist.

This program, however, is not alone. There are other programs which complement this program extremely well, which further indicates what this Government is doing to meet the economic downturn with which we are faced at the present time. One particular program I would like to mention is the ILAP Program which now has a total funding of $450 million, a program designated for areas of very high unemployment and in particular for industries which were operating there on a very sound basis but which are now experiencing difficulties and will either be closing or laying off substantial numbers of employees. This program allows the industry to expand so that it can hire additional people and modernize, and if it is not able to hire additional people, at least it can maintain the people it would have otherwise laid off. It provides interest-free funding for an extensive period of time and also gives incentives for research and development, and development engineering. However, if by some misfortune or difficulty in that particular region an industry must lay off some of its workers or close, then the workers concerned will receive benefits so that everything possible is done to assist the individual.

• (1750)

There is a mobility grant. There is an allowance for job training at a rate not comparable to any other program offered by the provinces, and there are subsidies and "topping up" for workers who can find jobs in other industries and who are between the ages of 45 and 54. A group which has all too often been targeted with economic and unemployment difficulties is people between ages 54 and 65, and this program offers a very valuable avenue of survival to them. Men and women who are laid off at that age find it extremely difficult, at the best of times, to obtain employment. This program offers a pre-retirement leave possibility to those between ages 54 and 65 who have been laid off. The pre-retirement leave plan continues until the worker reaches the age of 65 and becomes eligible for the old age pension.

It is not only in the realm of job creation of employment programs that the Government is doing so much to ease the economic conditions that face us at this time. It is also doing a great deal to encourage employment through job development, and through incentives to help those industries that are operating and coping with these difficult times to solidify their operations and expand them.

I should like to mention a few of these programs, Mr. Speaker. One is the Small Business Investment Grant Program which provides incentives to small businesses. In August, a $400 million allocation was announced, of which the Federal Government will pay up to 4 percentage points of interest costs for two years on borrowings by small business. The maximum and minimum loans available under the Program are $500,000 and $10,000 respectively. Financial institutions are in receipt of the applications, and the response has been very positive. The Small Business Bond is a measure which was proposed as a tax initiative designated to reduce the cost of borrowing for qualified small business corporations and unincorporated businesses, as well as farmers and fishermen who are experiencing financial difficulties at the present time. There are programs such as the Financial Incentives Act and others being offered by the Department of Industry, Trade and Commerce and DREE.

The job-sharing program offered by the Department of Employment and Immigration has been successful and popular. Through this program people who would be laid off can be retained by arrangement with the company and their fellow workers. The original program had a ceiling of $90 million and was due to expire in May, 1982. Due to enormous response, it was extended until May, 1983, with an increased ceiling of $190 million for 1982 and $150 million for 1983. Under this program, workers agree to work from one to three fewer days per week, in order to prevent temporary lay-offs. They receive UI benefits for the days they do not work.

The Government has done everything it can be reasonably expected to do in these difficult times, to aid the country with the problems it faces. Not all avenues have been covered nor all possibilities dealt with, but certainly no one would advocate that the Government commit every cent it possibly can to

programs at this time when we do not know what the situation will be.

There must be certain planning and a certain developmental aspect to what we are going to deal with in this Program. Funds will be allocated by different means in the future.

I think the record of the Government is very commendable, Mr. Speaker. To blame the economic conditions that exist at this time on the Government would be a fallacy. As the Minister of State for Mines (Mrs. Erola) would say, because of international markets the situation in Sudbury is not something over which the Government has control. Nor is the problem in the pulp and paper industry.

In these times we need a reasonable approach and a reasonable frame of mind—even from the Opposition, if that is not asking too much.

The Acting Speaker (Mr. Blaker): The Chair will recognize the Hon. Member for Kingston and the Islands (Miss MacDonald), but the Hon. Member may prefer not to be interrupted by the dinner hour. If I receive a signal from the Hon. Member for Kingston and the Islands to seek unanimous consent to call it six o'clock, I will do so.

Miss MacDonald: That is fine.

The Acting Speaker (Mr. Blaker): Shall I call it six o'clock?

Some Hon. Members: Agreed.

The Acting Speaker (Mr. Blaker): At eight o'clock the Hon. Member for Kingston and the Islands will be recognized.

It being six o'clock I do now leave the chair until eight o'clock this evening.

At 5.58 p.m. the House took recess.

AFTER RECESS

The House resumed at 8 p.m.

Mr. Deputy Speaker: Order, please. When the House rose at six o'clock, the Hon. Member for Kingston and the Islands (Miss MacDonald) had just been given the floor.

Hon. Flora MacDonald (Kingston and the Islands): Mr. Speaker, this is the first opportunity that we have had since the House resumed sitting to address the very critical issue of unemployment, the major issue in the country today. It is not only the first opportunity for the Opposition to put forward a motion demanding that the Government take more active steps to try to relieve the immediate and pressing problems of unemployment, but it was the first opportunity for the Minister of Employment and Immigration (Mr. Axworthy) to be able to respond to this very critical issue. Thus, this afternoon we awaited his comments with some real expectation, but what we saw was a very bizarre performance.

I understand why he said that people do not want to be reminded over and over again of who is to blame for what and when and where. He is right. People do not really need to be reminded of who is to blame for this dreadful mess in which the country finds itself. They know who is to blame. It is the people sitting opposite on the front benches. In fact, I understand why the Minister was taking that position. What he was actually saying to us was, "Let us get on with the debate". That is what I expected him to do, to use his time constructively to address this question very seriously.

In the 30 minutes to which he is limited in the debate, I thought that he would speak to Parliament and indeed to the viewers, many of whom are sitting at home unemployed, and that he would tell them what he had in mind. What did he do with his 30 minutes? He used 14 of his precious minutes of allocated time—and I timed him—to attack, ridicule and blame the Hon. Leader of the Opposition (Mr. Clark). He reserved only 16 minutes of his time to deal with the critical issue of unemployment. That is all, only 16 minutes out of 30 did he bother to use to address the major issue, and that, I may say, is typical of the Minister. Half his time was spent searching for people to blame, which left him only half of the time to get on with the problems of unemployment, instead of devoting his full time to them.

This is really an emergency debate. It is an emergency because of the frightful spectre of unemployment which pervades every corner of the country, with 1.5 million people unemployed, people without jobs desperately looking for adequate income and really trying to restore their self-respect and self-dignity. It is an emergency because there are hundreds of thousands of other Canadians who live in fear lest they too be added to the unemployment rolls, lest their jobs should suddenly be terminated. These are the characteristics which we now see all around us—fear, anxiety and desperation. These permeate every corner of the country.

Canada is one of the greatest, one of the most fortunate nations on the earth, but today we are going through a trauma which is threatening the social and economic stability of the country. Canadians are becoming introspective. They are really questioning their basic values, doubting the very worth of the political institutions which represent them.

I say to myself, "Am I overstating the case when I make a statement like that?" I really do not think so. I certainly did not think that I was overstating the case when I picked up a recent edition of the Kingston *Whig-Standard* which had the headline, "Needy Kingston Teens Sleeping in Doorways, Officials Find". I want to tell the House what sparked that headline. It came about as a result of a meeting which was convened by myself and several other individuals because of the increasing number of hardship cases with which we come into contact again and again in our community. I was particularly concerned that this situation would worsen considerably in the months ahead as more and more people run out of unemployment insurance benefits. Then what would happen to them? Job opportunities are non-existent; welfare might or might not be available.

In raising these questions among ourselves we decided that the course to take was to put together a task force which would have two objectives. The first one would be to try to determine the extent of the difficulties that would be generated by the problem of unemployment in the Kingston area this winter. The second objective of the task force was to see if we could mobilize a community volunteer effort which would help alleviate some of the worst difficulties of the situation. That, I may say, was done long before the Prime Minister (Mr. Trudeau) took to television to give us his sermonettes.

I want to point out some of the things which the task force has already learned. As I said, it has learned that about 250 teenagers have already been thrown out of their homes to sleep in cellars, doorways and the back seats of cars because their parents cannot afford to keep them at home. It was also learned that tough times are thought to be leading to an increase in crime. City crime statistics are up, particularly for home break-ins and armed robberies. It is estimated that they have gone up 25 per cent in those two categories in the last four months alone. It was learned that Kingston Township and the City of Kingston face increases in the cost of welfare payments of probably up to 15 per cent. Kingston may not be as badly hit as other areas, but no one has any reliable figures indicating how hard unemployment will really hit there. The St. Vincent de Paul Society told us that it had already set up a depression style soup kitchen to try to look after people who need meals. One minister indicated that he has donated $3500 to benevolent funds in this particular year.

• (2010)

Local politicians and planners are not talking about the Government's six and five regime; they are talking about the other side of the coin. They are talking about a Kingston community of 85 per cent employed—it is true—but which has a 15 per cent unemployed rate.

The worst problem we face as a volunteer group trying to cope with what we see coming on in the winter months is to get a handle on the magnitude of the problem that will be facing us. Incredible as it may seem, the local employment centre, which is the Minister's local office, cannot give us any indication of the number of jobless who will be running out of their UIC benefits in the coming weeks and months. That information is needed in order to get on with the planning of our volunteer group. The office did its very best. The people in the office went back to the computers and tried to get the data we were asking for, but they told us that the computer simply could not cough up that information. The local manager kindly called in the regional manager. He explained to us the unbelievable complexity of the system. I must say when he was through that none of us could really comprehend all of the various complex arguments that go in to trying to figure out these statistics. Even he was unable to supply a ballpark estimate of any kind as to the number of people who would be exhausting their unemployment insurance benefits.

I went next to the Deputy Minister of the Department of Employment and Immigration. I presented the problem to him. I told him that this was the information we really need. Once again he listened to me sympathetically and once again I was told that the original information had not been programmed into the computer in a way so as to retrieve this very critical data. He did promise to try, but told me that at the moment he was unable to give me any answers. Finally, I raised the question this afternoon with the Minister himself in the House of Commons. I pointed out to him the urgency of getting this information so that volunteer organizations and the social agencies could begin their planning for the winter months. What did the Minister say? The Minister replied, "What we are doing in areas across Canada is sending out notes to those who are within a six-week to eight-week period of exhausting their benefits, asking them to come into our offices for interviews so we can determine what their needs are, whether they have prospects of alternative employment or are developing other forms of income and support. When we have completed that information we are certainly prepared to pass it along to the members of voluntary agencies or to Members of Parliament."

Imagine, after two months of asking for this information the Minister stands up and tells me that his department's sending out notes to individuals whom they expect to exhaust their benefits in six to eight weeks, and they may then be in a position to tell us how many people will be coming off UIC benefits in that period, and that information will be passed on to us! It is not what is going to happen in January, February or March because they have not got that information. The Department does not have the vital information that we need, nor does it seem to be able to get it. I find that incredible.

The social agencies, the volunteer organizations, the groups of people who want to help out in this country are really serious. They want to get on with the job of setting up a community organization that will assist those not as fortunate as themselves. All I ask the Minister to do is to please help us, not hinder us.

There were other matters on which the Minister did not touch this afternoon but which are also very critical. Perhaps his Parliamentary Assistant will enter the debate and provide the information which the Minister did not give us.

Welfare rolls in all communities are increasing sharply, but where is the money to come from to make sure that these people have adequate food, shelter and clothing during the winter months? Just the other day, the Minister's own Assistant Deputy, Mr. David Dodge from the Employment Department, said, "The problem is that the municipalities don't have the money to pay for these people, and that, clearly, is a federal responsibility". That matter was raised with the Minister of National Health and Welfare (Miss Bégin) the other day. She callously rejected any assistance by the federal government to the beleaguered municipalities which do not have the tax base to raise the additional funds for welfare. "It is not my responsibility", she snapped. It does make you wonder, Sir, whether or not the federal Government will be working actively to get people off the unemployment insurance rolls and onto social assistance, or welfare, because they know

that the federal Government only has to pay half of the welfare costs whereas it has to pay the total amount of the UIC benefits. The federal Government is looking to shrug off that responsibility, giving it to the municipalities instead. There are other groups of unemployed whose situations I would have liked to hear the Minister discuss this afternoon. I think all Members have run across instances in their own ridings where a person has exhausted his or her unemployment insurance benefits, cannot find another job but cannot qualify for welfare because he or she has certain fixed assets, for instance, a home or a car. I would ask you, Sir, whether this individual is going to be reduced to getting rid of everything in order to qualify for welfare?

Take another example, that of a person who has worked much of his or her life, who gets laid off for a period of 30 weeks and then gets hired back, or finds another job for a ten-week period only. This time when that individual is laid off, the person does not qualify for unemployment insurance benefits because the individual has not had the necessary number of qualifying weeks. What is that individual going to do? If that person had not gone back to work for those ten weeks, he or she could still have been collecting unemployment insurance. But that person's pride, and the rules dictated that he had to take the ten-week job. That individual ended up the loser.

Is the Minister giving any considerations to situations such as this one? The Minister tells us that he is meeting with his provincial counterparts to discuss job creation. That is well and good. But I wonder whether the Minister has also urged his colleague, the Minister of National Health and Welfare, to meet with the provincial Ministers of Health and Welfare to see whether something cannot be done about the escalating welfare problem which the country is facing? After all, we are not talking just about cold statistics or the niceties of jurisdictional responsibilities. We are talking about real, live people who find themselves in greater and greater difficulty with every passing day. We are talking about people who have to go home and explain to their families that there is simply not the money to meet the necessary outlay for the most basic needs. What we find in our communities as a result of this is a tremendous increase in social problems. We are seeing a great increase in marital breakups, divorce, alcoholism, battered wives, battered children, delinquency, theft and even suicide. These conditions are being aggravated by the serious economic depression we are in and by the mounting unemployment.

• (2020)

I realize that my time is passing but there is another matter which I want to bring to the attention of the Minister concerning the area where I see a sharp increase in the unemployment in this country, that is, among women who have been employed in the clerical, sales and service occupations. There has been a tremendous increase in the number of women who have been laid off in these categories. It is painfully obvious, and has been for a long time, that the working woman in Canada is a less than equal partner in the labour force. She still is paid less, still has fewer benefits, is still subject to unfair and illegal pressures. Equal pay for work of equal value is still a distant dream. What I would like to bring to the attention of the Minister with respect to the job creation and job training programs which are now under way for those who are unemployed is that there are still very few openings for women. Only 27 per cent of the enrollees in the Canada Manpower Industrial Training Program were allocated to women last year. Only 6 per cent in the non-traditional component of those programs were allocated to women. When over 40 per cent of the labour force and 60 per cent of all new entrees into the labour force are women, then figures of 27 per cent and 6 per cent in these training programs are entirely inadequate.

My time is up but these are some of the issues that I wish the Minister had dealt with this afternoon. They are critical issues and ones that people will be facing tomorrow, next week and next month. I wish that the Minister had taken his time to address these issues.

Mr. Roy MacLaren (Etobicoke North): Mr. Speaker, one of the themes in our debate today has been—or should have been—how we can best reduce inflation in Canada without losing jobs. It is a challenge that faces not only Canada but indeed all industrialized countries.

We have all found that inflation is inconsistent with growth and job creation. Furthermore, once inflation is embedded, it is extremely difficult to remove. This is because, in a practical sense, inflation is much more than a monetary phenomenon. The speed and the cost of price adjustment is related not just to changes in the growth of money and credit but also to people's attitudes. Rapid return to cost and price stability and so to conditions that will permit a resumption of economic growth including the creation of additional jobs depends in large part on the perceptions of all Canadians. Altering the growth in money supply has always been easy. Creating the national will and determination to reduce inflation is not.

The essence of our approach is to try to create that national will. We are convinced that if Canadians understand the benefits to all of reducing inflation, their individual actions will accelerate recovery and put us clearly on the road to job creation. We do not underestimate the difficulty in demonstrating that individual restraint for the common good also accords with self-interest, but that is the challenge we have taken up.

Opinions may differ about the ranking of the principal causes of our serious economic situation, including high unemployment, in which we find ourselves today, but I believe that there is general agreement on certain points, including the following: first, we face a world-wide crisis, not just a domestic one. This adversely affects demand for many of our basic products, it has reduced their prices in many instances and led to substantial lay-offs.

Second, high interest rates in the United States have unfortunately persisted, in spite of the substantial achievement there in recent months in reducing inflation. Our own interest rates cannot deviate very far from U.S. rates without aggravating

our own financial situation, pushing our dollar down and creating the very circumstances for more unemployment.

Third, we Canadians unfortunately have one of the poorest records of increases in wages and prices of any industrialized country, with wage settlements and consumer prices running some five to six percentage points above the level in the United States, Japan or Germany. Unless we do better on inflation, it will be difficult for us to bring down our interest rates very far, even if the United States interest rates continue to fall. Our future ability to generate jobs and to compete in world trade will be seriously threatened.

Fourth, the size of our current federal deficit poses further restraint on our ability to use traditional spending solutions to create employment. The impact of the federal deficit is aggravated by provincial deficits which currently aggregate about $10 billion. This tends to keep up our interest rates. But to cut Government spending can mean putting more people out of work or reducing aid to the unemployed. Increased Government deficits mainly reflect the automatic response of our tax and expenditure systems to our recession. These automatic stabilizers must be allowed to operate to avoid making the recession worse.

The problems of unemployment are obviously serious, but there are no magic solutions which we have somehow overlooked, despite the readiness of some to suggest bold new ventures. Most proposals that I have heard have within themselves the seeds of further damage to our over-all position. But there is one area of attack which cannot help but reduce our immediate difficulties in unemployment and improve our longer term prospects for economic growth. I refer to our strategy to bring down inflation. We Canadians must break the vicious cycle by which inflation breeds pay increases based upon it which, in turn, contribute to the next stage of the inflationary spiral, creating yet more unemployment. We cannot afford to continue that process. We must restrain income increases to levels lower than the current rate of inflation. This means, in the short run, a lowering of the real income of Canadians in the interest of renewing growth and restraining inflation and creating jobs.

Our goal on this side of the House is maximum income increases of 6 per cent over the next 12 months, and 5 per cent over the succeeding 12 months. We are asking all Canadians—business, government, labour unions—to accept this as a target. The response has been most encouraging. The momentum is now becoming obvious as provincial Governments, industry, and labour recognize the imperative need for national restraint. That is why we have the six and five program. I am pleased to note that its effect is beginning to be substantial. Price increases are easing, interest rates are coming down and independent observers have noted that the six and five program is responsible for a noticeable change in our economic outlook.

• (2030)

Looking toward 1983, recovery should gradually gather momentum. Real growth of about 3 per cent may be expected next year. Broad adherence to the six and five program should bring the increase in the consumer price index down to an average of about 7.5 per cent in 1983 and to about 6 per cent by the end of the year.

Our trade balance with other countries, which is already substantial, having attained record levels this year, should be even stronger in 1983. Continued strength in our trade, together with the prospect of continuing decline in U.S. interest rates, should make possible a further lowering of interest rates here at home as gains against inflation are consolidated.

The area of greatest concern for 1983, as reflected throughout the debate today, will be the labour market. The unemployment situation remains distressing. This is why the Minister of Finance (Mr. Lalonde) announced last week a number of measures to create jobs during the coming months. These will cost the federal Treasury some $1.1 billion additional to the $1.4 billion the Government has already allocated for these immediate purposes during the past year. In his statement, the Minister invited provincial Governments to supplement the federal contributions whenever possible. So far, Ontario and Quebec have made public their intentions to supplement the federal initiative to create jobs. I am confident that other Provinces will also join forces with us.

I should like at this point to put in their proper perspective the changes recently announced by the Minister of Finance regarding unemployment insurance premiums for 1983. What the Minister has in fact done is to ease the burden of these premiums on the private sector. Employee and employer premium rates for 1983 have been set at levels significantly lower than would have been required to balance the unemployment insurance account next year. In effect, the Government has limited the increase in premiums to about one half of what would have been required to balance the operations of that account in 1983.

I am also at a loss to understand the claim by the Official Opposition to the effect that the announced changes in unemployment insurance premiums could result in a loss of about 60,000 jobs. According to our calculations, the net increase to private sector employers that is implied by the rate increases is about $730 million. This increase represents only one half of one per cent of total private sector payrolls. I cannot believe that such an increase will result in the failure of many, if any, businesses.

What the Government has done in effect is to ask those Canadians who have a job to share the increase in the burden of unemployment insurance so as to ensure that adequate benefits can be paid to those most in need.

The world recession has severely weakened our economy and dampened consumer confidence. Recovery will take time and unemployment will certainly not come overnight. However, the measures recently announced by the Minister of Finance will sustain activity and help those hardest hit by the recession until recovery makes it possible for them to find jobs.

Since the introduction of this six and five program last summer, our progress has been clear. We have no doubt that

we are on the road to recovery. To change course now would be foolish and irresponsible. If we are to restore consumer confidence in Canada, and our competitive position on world markets, it is essential that we continue to build on the six and five restraint program.

Until such time as we succeed in limiting inflation, we shall be unable to create more jobs or reduce high interest rates. Wage increases in Canada in recent years have consistently run at levels higher than those in most of our major trade competitors. We as a nation are heavily dependent on world trade for our prosperity. Foreign trade amounts to a sizeable 30 per cent of our gross national product, and of that 30 per cent some 70 per cent is trade with the United States.

What has been the recent wage situation in the United States? During 1981, wage settlements there were on average some 4 percentage points lower than in Canada. That has meant a significant competitive advantage for the United States over comparable Canadian industries, which have typically had wage increases at a level of about 12 per cent on average during the past year.

It takes no great expertise in economics to understand that in such a wage situation and in an increasingly competitive trade world, Canada is placing itself at a real disadvantage, creating an environment where jobs cannot be generated by the private sector if wage settlements consistently exceed productivity increases. It is not just that wage restraint is an essential part of our anti-inflationary program. It is also evident that over the longer term Canadian industry will be unable to compete in world markets if our wage levels consistently exceed those of our main competitors.

Unfortunately, in recent years our increases in productivity have been significantly lower than those of our major competitors. Canadian businessmen, although preaching restraint, have often found it simpler to give in to excessive wage demands. In the inflationary environment which developed, it was possible for them until recently to recoup higher wage costs by raising the prices of their products. Productivity, once of highest priority, slipped well down the list of our goals.

Yet, one of the most significant factors that will determine Canada's economic prospects and our possibilities of creating more jobs is the success which we achieve in raising our productivity. Canada's productivity performance has, unfortunately, been poor over the last few years. Our productivity slowdown, quite rightly, has now become a cause of wide-spread comment and concern across Canada. However, one must not neglect the fact that the factors affecting productivity is a highly complex concept not readily understood.

Many factors have contributed to our productivity slowdown in addition to excessive wage settlements, low levels of industrial and managerial skills, inadequate capital investment or distortions arising from wide-spread foreign investment.

All of these factors and many others have played a role in our poor productivity performance. However, it is clear that one of the most significant hindrances in our search for greater productivity and hence more jobs is the lack of effective business, government and labour consulation and co-operation.

Improved productivity is the only fundamental answer to inflation. We should, in my view, establish greater productivity as a national goal, much as we have already established 1.5 per cent of our GNP as the appropriate expenditure on research and development.

Greater productivity and more jobs will result from incentives that channel more private investment into the manufacturing sector, especially if it is matched by better trained management and labour. Such factors are, however, best understood at the industry sector level. Certainly something can be done at a broad national level in terms of tax and other fiscal measures, but yet more frequently can progress be made if problems of productivity are addressed sector by sector. This, to my mind, underlines the urgent need for all three players in our economy—business, Government and labour—to consult and agree among themselves about what needs to be done.

What a leading U.S. economist said recently about the possibilities of success for government economic policies generally is yet more valid for productivity improvement policies. He said:

> —even the most skilful manipulation of taxes and interest rates will not work unless it is accompanied by institutionlized day-to-day co-operation—not simply mutual understanding—among business, labour and Government.

Here in Canada we are not, fortunately, without a useful recent precedent in consultation and co-operation among the major players in our economy. During 1978 and 1979, 23 industry sector committees were established and brought forward, in a co-operative fashion, initiatives that could most readily be taken to improve our productivity. We should renew that process of consultation, and I believe we are renewing it, for out of growing mutual confidence will come the trusted institutions which can underpin our efforts to reduce inflation and to create jobs for all Canadians.

• (2040)

Mr. Ian Deans (Hamilton Mountain): Mr. Speaker, what should be said today will not take much longer than the 20 minutes we have allotted to us. It is very difficult to analyse the problems of the Canadian economy in the time which is made available in the House of Commons. However, it says something about the commitment on all sides to try to fully understand the impact of what is happening to Canadians. We really ought to set aside a great deal more time to get to the bottom of what is causing the terrible problems that most Canadian families are facing.

I want to begin by saying that we are facing a crisis, but it is one from which we must emerge economically stronger and much more determined never to allow it to happen again. In the course of the next few years we must try to restructure the Canadian economy in such a way as to guarantee the next generation that they will not ever again have to confront the kinds of problems being confronted by the people who are

living here now. We are a country which is fraught with ill-advised corporate takeovers, financed by badly-advised banks, and suffering from a branch plant economy which has, at its very root, excessive foreign ownership managed by absentee managers. That say much about what is wrong with the country.

I simply want to take a moment to put the real crisis into perpective. Over the last year we have seen a dramatic increase in unemployment. Although it gives the appearance of having levelled off by something in the order of 12.2 per cent in both August and September of this year, this particular statistic is very deceiving. We have a record of 1.458 million people unemployed. But we must take a look at the situation because the story is not told in percentages. The labour force dramatically shrank between August and September as some 400,000 students went back to school. Therefore, what we are really seeing is the job market continuing its monthly decline. In August and September of this year 20,000 jobs disappeared in Canada.

We have a problem of almost monumental proportion. Almost 30 per cent of Canadians who are now officially listed as unemployed lost their jobs within the last three months. In Ontario the decline in jobs in one month, last month, was 18,000. There were 18,000 fewer jobs in October than in September. We are looking at an unemployment rate in this Province of 11.1 per cent, up from 10.8 per cent in August, with 61.2 per cent more unemployed persons than a year ago. In September there were 45,000 fewer jobs in the manufacturing sector in the Province of Ontario than in August.

In considering individual communities, one cannot help but draw attention to the City of Sudbury. It has the probable distinction, which I am sure it would rather not have, of having the worst recorded rate of unemployment in industrialized cities in this country. It is entirely possible that it might be the worst record in the world. In September the unemployment rate in Sudbury was 32.9 per cent, up from 26.9 per cent in August, and 8 per cent in September of 1981.

I decided to do a breakdown of unemployment by unions, because it is the easiest way in which to come to grips with it. However, in another speech I will refer to a breakdown by city, and in yet another speech, by occupation. Currently, out of a total of about 80,000 members, 25,000 auto workers are on indefinite lay-off and 10,000 more have been permanently laid off. About 60,000 steel workers in Canada are unemployed at the moment, out of a membership of 190,000. Some 14,000 of those workers are currently laid off in Sudbury alone and 4,500 of them are unlikely to return to work at all. Approximately 11,000 machinists are unemployed. The Canadian Paperworkers Union has permanently lost about 5,000 jobs in the last three years, and about 3,700 members are currently laid off. In British Columbia, 2,000 of the 8,000 members of the Pulp, Paper and Woodworkers Union have lost their jobs. Some 18,400 members of the International Woodworkers of America have been laid off on the west coast. About 34 per cent of the total work force of 55,000 is unemployed. In northern Quebec the lumber industry workers, comprising a work force last year of 3,800 workers, will be down to 850 employed by Christmas of this year, a decrease of 78 per cent. On the east coast, 22 per cent of construction workers in New Brunswick are unemployed, 23 per cent are unemployed in Nova Scotia and 37 per cent are unemployed in Newfoundland.

We are not discussing some minor disruption in unemployment. We are referring to a major dislocation, a major problem which is confronting workers in every sector of the economy and workers in every community in the country. No matter to which province one goes, one finds workers with families to support who have lost their jobs or who are facing the prospect of losing them. In fact, they are looking toward perhaps the bleakest period in their lives. We should have known about the problem and we did know it was coming. We raised it with the Government over and over again, week after week, for months, over the last two years. The Government now comes forward and says that it is doing its best.

I want to zero in for a moment on the city that I represent. The Steel Company of Canada is now laying off people with up to 20 years of service. People who have never before in their lives been laid off are currently facing unemployment. By Christmas, almost every single employee of the Steel Company of Canada will be laid off. International Harvester in Hamilton was once a strong, viable and vibrant company, but it is on the verge of closing. National Steel Car, which could be producing vehicles for the railroads of Canada, is facing the most difficult time in its history. One of the major department stores right in the heart of the city, the Right House, owned by Watkins, has closed down. For the first time that I can remember in 30 years, Dofasco will close virtually every department at Christmas and will not open again until the new year. It is laying off for the first time in 30 years. There are numerous small companies in the area which have either closed their doors or dramatically cut back. Why? It is because the Government has failed to recognize the serious structural problems of Canada's industry and economy over the course of the last two years. They failed to recognize that high interest rates were eroding the purchasing power of Canadians, making it virtually impossible for companies, large and small, to manage their affairs, making it extremely difficult for commercial enterprises to carry the kinds of inventory so necessary to meet consumer demand, where it did exist. We allowed the banks to reap unconscionable excess profits during that period, without a single move on the part of the Government to correct it.

• (2050)

The Government says, "But things are getting better, the interest rates are coming down, everyone is going to be in great shape pretty soon". I should point out that a year ago the bank rate in Canada was 18.21 per cent. It is true that this week it is down to 11.46 per cent, which is a 6.75 per cent decrease. However, the prime lending rate, which was 20 per cent a year ago, has come down to 13.75 per cent, only a 6.25 per cent decrease. The banks are not reducing at the consumer level at the same rate that the prime rate is being reduced by the Bank of Canada. When you juxtapose that over and against what

happens in the United States, you find that a year ago their prime rate was 14.37 per cent and is now at 9.44 per cent, a drop of 4.93 per cent. That is their federal fund rate. That is the same rate we are talking about. But their prime lending rate, which was at 18 per cent last year, has dropped to 12 per cent, a 6 per cent decrease. What we have, then, is in the United States the prime rate level has dropped by a lesser amount than the banks have reduced their interest rates to consumers and to others. This is because they are attempting to put their economy back on the road. Their banks are committed to making their economy better for everyone in the country, while in Canada our banks are still trying to rip us off, and they are doing it successfully with the support of the Government and the Tory Party.

I want to point out that not only did the banks do this, but at the level of savings deposits, a year ago they were paying 16.75 per cent, today they are paying 9.25 per cent, a 7.5 per cent decrease. But what are they charging? The difference is only a 7.5 per cent decrease. In actual fact what they are doing is making sure they make even more money at the deposit and lending end. Yet Rowland Frazee says, "well, we have serious problems in the country. The country isn't going to be the same after we get through all this. He says that the manufacturing sector will be leaner and it will be more efficient, but it will not employ nearly as many people.

Mr. Frazee is dead right, but I ask, where is his commitment to make sure that everything that can be done in this country to create employment is being done? Where is his commitment to make sure that the banks do not take unfair advantage of the current economic situation and attempt to maximize to an even greater extent the already quite lucrative profit they make? Where is his commitment to make sure that consumers are not ripped off by the banking system, either directly through their loan structure or through their credit card structure, an issue which we raised today? Where is the commitment to try to revitalize the economy?

Having said what I see as the problem, I would like to look at what we might do about it. I think we all understand that the short-term problem is costly and that the solution to short-term unemployment is not likely to occur easily, but I want to begin by saying, as I did in the House early last week when we reconvened, that we could begin now the process of identifying those projects that will out of necessity be undertaken some time over the course of the next four or five years, and accelerate the start of those projects in order to begin to reap the benefit in terms of jobs today.

We could take up the offer of Ipsco to provide pipe for the Lake Diefenbaker to Regina water pipeline in order that we could get that under way now and put those workers to work. We could begin to put in place at a much more accelerated rate the east-west pipeline, which we have all spoken of, in order to guarantee, not only for Ipsco but for other companies, the opportunity to produce the pipe, and also to get those jobs in place now. We could begin, if we really wanted to, the new dock development which is so necessary in a number of major ports in this country in order to prepare ourselves for both the export and import movement which will undoubtedly occur in the future. We are going to need these docks desperately and we are going to have to build them anyway, probably with more expensive dollars. We could canvass every municipality, every province, and we could ask them to look at all of those projects which they believe will be necessary, and begin the process now of funding those in order to get the work started when we have this major unemployment. We could begin a special program of low, even no interest rate loans to farmers, so they could replace the farm machinery they require to get the farm machinery workers back to work. We could enter into an arrangement with the auto industry so that we could begin to encourage Canadians, either by reduction in taxes, by reduction in prices or by rebates, to purchase automobiles which they will need today in order to put those unemployed auto workers back to work. We could begin to build housing at a rate that would start to meet the projected needs as established by every single housing expert. For every piece of accommodation we build in Canada today we generate approximately 2.4 jobs. If we built the 100,000 housing units that we need, we could create 240,000 jobs in this country, both on site and in the industry, putting Canadians back to work. We could take action to lower interest rates. We could begin at every level of government a systematic analysis of all the purchases made and make the effort to find in Canada the suppliers that we require. Having done that, we then have to start to restructure the fundamental economy of this country to take advantage of the natural resource potential that we have to build a manufacturing sector in Canada which will put us in the forefront of world developments, which will guarantee that we know what is going on within the new technological environment, and we could then establish in Canada a future for Canadians.

• (2100)

It would not be put in the hands of those who made the mess in the first place, like the executives of the banks, executives of Dome Petroleum, Chrysler and Massey-Ferguson. It would be put into the hands of the people who care about this country, who live in this country and who want to see this country grow. We will put in their hands the opportunity to build for Canada a future that we can be proud of.

Some Hon. Members: Hear, hear!

Mr. Roger Simmons (Burin-St. George's): Mr. Speaker, I would like to take a few minutes to outline some of the steps the Government is taking and has taken to keep Canadians working during these very difficult times. Without a doubt the most successful undertaking to date to prevent temporary layoffs has been the Government's work-sharing program. When the Minister of Employment and Immigration (Mr. Axworthy) reactivated the program last December, we really had no idea it would generate the widespread response it has. Today work-sharing agreements are in effect in every province, in virtually every type of industrial enterprise. It has caught on with small firms, large firms and with their workers. It is interesting to note that the number of unionized firms with

work-sharing agreements is representative of the ratio of unionized workers in the country as a whole.

The theory behind work-sharing is quite straightforward: it is preferable to keep people working even if they have to accept a reduction in pay, rather than have them added to the unemployment rolls. This calls for a co-operative approach by all concerned so the greatest number of people can benefit from a program which, admittedly, calls on all participants to make some sacrifices. This kind of program could not go forward without the generous spirit of Canadian workers. Many long-time employees whose seniority might have spared them from being laid off have agreed to a work-sharing arrangement in order that more junior workers would not find their wages drastically reduced during the lay-off period. They, Mr. Speaker, have epitomized the term "sharing", not as it applies to sharing of work but rather to the concept of pulling together to get us all through these hard times.

Most workers on a work-sharing arrangement receive about 90 per cent of their regular wages. As Members of this House will know, their employer pays them for their day's work and they receive unemployment insurance benefits for the rest of what would have been their normal work week. The latest figures indicate that 172,000 people sharing work have prevented some 74,000 of their fellow workers from being laid off. I have been pleased to read and hear directly from workers that most of them would accept a work-sharing arrangement again in the future if the necessity arose.

Earlier I made reference in passing, Mr. Speaker, to the widespread support for work-sharing. This is clearly indicated in the Government's budget figures. When the Minister first introduced the program, it had a budget of only $10 million. As Hon. Members will know, the funds for work-sharing come from the Unemployment Insurance Fund, and as applications poured into the Government it was soon apparent that additional funds would be needed, and earlier this year the Government budgeted an extra $20 million, bringing the total to $30 million. It then upped the amount to $90 million, and subsequently to $190 million for the program this year. Next year it is intended to carry on with the program. Indeed, $150 million has been set as a ceiling for the work-sharing program for the next fiscal year.

Now, Mr. Speaker, I realize it must come as very bad news indeed to the Tories that we have prevented the lay-off of 74,000 workers across this country with this work-sharing program. I realize that must come as bad news indeed to Members of the New Democratic Party because they and the Tories have absolute nightmares in technicolour every time a Government program works or even appears to be working. They live in constant fear that the economic situation—

An Hon. Member: That is better.

Mr. Simmons: I just wanted to get the Hon. Member's attention. He is awake, Mr. Speaker.

They live in constant fear that the economic situation will get better. They absolutely dread the thought of more employment opportunities being created because, Mr. Speaker, they are smart enough to know—

Mr. Blenkarn: You are on the way out.

Mr. Simmons: They are in good favour in the polls only as long as everything appears to be going wrong with the economy. Mr. Speaker, what a back-handed compliment. What a way to gain favour in the polls. Their claim to fame is not that they ever had any ideas of their own, not that they stand in this House and promote ideas which would improve the situation.

Mr. Blenkarn: You are never in the House to find out.

Mr. Simmons: I see the Hon. Member for Mississauga South (Mr. Blenkarn) is back. He looks as if he had dined well.

Their claim to fame is not that they have any ideas which they promote for the improvement of the economy. No, no. That is not their concern at all. They fully realize, Mr. Speaker, that to maintain their position in the polls they have to perpetuate in the public mind the notion that everything is wrong with the economy, everything is going wrong. Preaching gloom and doom is their stock in trade, Mr. Speaker. That is what they are good at. The Leader of the Opposition (Mr. Clark) and his merry band of Tories—

Mr. Siddon: Why don't you say something positive.

Mr. Simmons: Now we are hitting nerves, Mr. Speaker. They are now realizing that the jig is up.

The Leader of the Opposition and his merry band of Tories have practised long and hard saying things like this: oh, the job program is a fraud. It is too little, too late. It will result in other lay-offs. And so on and so on, ad nauseam. This is because mischief is their game, and they play it well. They play it despicably well.

Mr. Blenkarn: How about the UIC payments? You want them up again, Roger?

Mr. Simmons: They do so because for them the political stakes are so big. Little they care, Mr. Speaker, that they aggravate the problem by further eroding confidence in the country's ability to come to grips with its problems. Precious little they care that every time they open their mouths they dash the hopes of men and women across this country who desperately need, not more predictions of gloom and doom, but some sign that we as politicians, whatever our political stripe, are prepared to work together to find solutions which will benefit those who ask only for some indication that as a group here, as Parliamentarians representing all political stripes, we are prepared to get our act together, to work together for the common good.

Mr. Blenkarn: It is about time you got your act together.

Mr. Simmons: Mr. Speaker, we on this side have had our act together for a long time. Now, I am sure the gentleman

from Mississauga South will get an opportunity to say what is on his mind, and I am sure it will not take very long.

Now, Mr. Speaker, we have the latest concrete initiative taken by this Government called, for simplicity, NEED, the new job-creation program outlined in broad brush form by my good friend, the Minister of Finance (Mr. Lalonde). You will hear more details from the Minister of Employment and Immigration in a matter of a few days. Suffice it to say, as you have heard, the Government is putting in something of the order of $500 million to help create jobs around the country. That alone will not solve the problem, or even come close to solving the problem, so we are not just putting in the $500 million but we are asking the provincial Governments to get involved in what is their problem as well. They, too, have been elected to help provide for good economic times for the people of Canada. As you will have seen from the press reports, Mr. Speaker, we have had a good response from many of the provincial leaders in the country. There is an encouraging indication that they are willing to put their money where their mouths are and that they are willing to get involved in the job-creation program.

• (2110)

Unfortunately—and I say this as a Newfoundlander—one of the Premiers, the Premier of Newfoundland and Labrador, has said that he will not co-operate in the program.

Mr. Blenkarn: You cut back his transfer payments, that is why!

Mr. Simmons: I find that very sad, especially in view of the fact that his Province and my Province is the one that has by far the highest rate of unemployment in the country. If one Province in Canada needs some job stimulus more than any other, it is the Province of Newfoundland and Labrador. I would have been much more encouraged and reassured if the Premier of Newfoundland and Labrador had said what the problem is.

It is not that he does not want to co-operate, although I am sure he wants to play politics; we all have been known to do that. But aside from that, I am sure it is not that he does not want to co-operate, but, rather, that he cannot find the money to co-operate. Had he been candid in saying that ten and a half years of Tory rule in Newfoundland has brought the Province almost to the doorstep of bankruptcy and that if they borrow another dollar tomorrow, their credit rating will fall even lower when they already have the lowest credit rating in Canada, that would have been one thing. Why could he not have been more candid and have left politics out for once? He could have said to the federal Government, as other Premiers have, "We would like to participate but our particular problem in Newfoundland and Labrador is that we cannot find the matching money". I am sure that the federal Government, which is known for having solutions custom made for problems in particular parts of the country in the past, would tailor a particular solution to address the Newfoundland and Labrador situation.

If the Premier of Newfoundland and Labrador will not co-operate, if he is determined not to become involved in the Program, then I say to him and the people of Newfoundland and Labrador that they will not suffer; they will get their fair share of the Program.

If the Government of Newfoundland is prepared to facilitate its implementation as other provincial Governments are, then the Federal Government will find ways to ensure that a fair share of the $500 million finds its way into the paycheques of the people who are now unemployed. That is what this particular Program is all about.

We will not rest until we have seen to it that the money is distributed fairly and squarely across the country in such a manner as will alleviate unemployment to the greatest possible degree. That is why the money was provided, and mere partisan politics, whether they emanate from someone in this House or a leader at the provincial level, will not prevent us from seeing to it that the people who most desperately need jobs will have an opportunity of getting them, no matter where they live in this country.

I got away from the subject of work sharing as such a moment ago, Mr. Speaker, when I was led into that rather lengthy digression about what the Opposition is up to these days. I suppose I said nothing new on that subject, because the country sees more clearly than we sometimes give them credit for what the Opposition is up to on a continuing basis.

I will return to the good things I was saying about this work-sharing Program that has caught fire across the country. It has grown by leaps and bounds, from an expenditure of $10 million to $30 million to $90 million to $130 million, and next year it will go to something in the order of $150 million, Mr. Speaker. The Government has been quite flexible in setting the limit for the length of this work-sharing arrangement anything from 6 to 26 weeks. It is interesting to note that most of the agreements have been for the maximum 26-week period. That is another indication of the manner in which this Program is being embraced across the country.

When the Program was first introduced there was no suggestion that it ought to be extended. It was originally envisioned as a temporary measure to help workers cope until the economy improved. As we all know, the economy is beginning to turn around, but high unemployment will be with us until the end of 1984. As work sharing has proved, it can be helpful in keeping people off the unemployment rolls. For that reason, because it is having a salutory effect and because it is helpful in doing what it was intended to do, the Government has decided to grant those extensions. They will be increased to 12 weeks. Applicants will also have until May 27 next year to apply for these programs.

As I mentioned earlier, most of the agreements are for 26 weeks. Many of the earlier agreements are about to expire. Unfortunately, a significant number of firms will not be able to return to normal production immediately. By granting extensions, the Minister of Employment and Immigration has made it possible for the some 12,000 workers so affected, to

get through the tough winter months ahead without a reduction in their present incomes. They will not have to go on unemployment insurance at this time and, we hope, not in the future.

As I have also indicated, there has been a considerable amount of consultation on the working-sharing program. Last April the Minister convened a conference on work sharing and, as he reported, management and labour representatives provided a great deal of useful input.

Time does not permit me to talk about the many initiatives that the Government continues to take in order to address the desperately high unemployment situation in the country, a situation which is not unique to this country, although that is no excuse for allowing it to continue. We do not intend to allow it to continue to the extent that we can avoid doing so.

By way of example, I would mention two programs. The work-sharing program is a magnificent program and is showing results beyond the wildest dreams of even the Government that contrived and crafted it in the first place.

I have also mentioned NEED, the new job-creation program which you will hear more about and which has had a positive response from the labour community, the business community and the provincial Governments. This program will reach out to help the people who most desperately need it at this time.

These are two examples of what can be done when we put partisanship aside, Mr. Speaker. After all, in reaching out the hand of collaboration to the provincial Governments we were not particularly reaching out to Governments of our Party stripe—anything but—but to NDP, Social Credit, PQ and Tory Governments. In all cases we invited them—

Mr. Crombie: Oh, Oh!

Mr. Simmons: Mr. Speaker, the Hon. Member for Rosedale (Mr. Crombie) has finally got the point. That is what I said a few moments ago, that we are reaching out to anything but Governments of our Party stripe. Our overriding concern is to ensure that people out there without jobs or without a possibility of getting a job, would at least have a glimmer of hope. We as governments have a responsibility to these people, whatever our political stripe or wherever we are located, be it in British Columbia, or Newfoundland or wherever in between. After all, they are not only consitutents of federal Members; they are equally constituents of provincial Members. We reached out because we wanted to ensure that they would have an opportunity. These programs will give them that opportunity. Also I predict that in the days ahead we will hear of other such programs to address what has become a very serious problem, a problem at which we intend to punch away until we have the beginnings of a solution.

• (2120)

Some Hon. Members: Hear, hear!

Mr. Tom McMillan (Hillsborough): Mr. Speaker, no subject could be more urgent than that of the motion we are debating tonight—Canada's current unemployment crisis. Every other issue in the country, however important, pales by comparison. Indeed, the unemployment crisis is a tragic reflection of everything that is wrong with the Canadian economy.

The current Prime Minister (Mr. Trudeau) has been in office for 14 years now. During that period, he has plunged an essentially strong, vibrant, buoyant economy to the very depths of recession. No other country on earth in modern times has experienced such a sharp fall in its fortunes. In 1968, when the Prime Minister took office, Canada ranked second only to the United States in economic strength among major industrialized democracies. Today we rank second last. During the same 14-year period, unemployment has tripled from 351,000 to 1.3 million, inflation has more than doubled from 4.2 per cent to 10.6 per cent, conventional mortgage rates have nearly doubled from 9.25 per cent to 17.5 per cent, the accumulated national debt has quadrupled from $30.5 billion to $134 billion and is rising, and the dollar has lost something like 13 cents in value relative to the U.S. currency. Even worse, Canadians have lost confidence in their governmental and economic institutions because they know in their heart of hearts that a country with our bountiful resources should be doing a great deal better.

Now the Prime Minister tells Canadians in three nationally televised presentations at prime time, courtesy of the CBC, that everyone else is to blame for Canada's economic mess—the international economy is to blame, other Canadians are to blame, even providence is to blame, but not himself or his Government. No one will deny—and I certainly will not—that Canada's current economic problems, including massive unemployment, are related to the depressed state of the world economy of which Canada is a part. But Canada has contributed more than its share to that situation.

Is the Canadian economy likely to improve in the foreseeable future? On the contrary, the trend is clearly downhill. Our country is fast becoming what the Science Council of Canada has described as "deindustrialized." Traditionally, unemployment has risen because we have not been able to create enough jobs to keep pace with the expanding work force. Today that is true also, but more than that, unemployment is rising because existing jobs are disappearing all over the place at a rapid rate. There has been a net loss of more than half a million jobs in Canada since August of 1981. A quarter million jobs have been lost in the manufacturing sector alone. Jobs are being lost in Canada at the rate of 1,900 a day.

In my own region, the Atlantic Provinces—Prince Edward Island, Nova Scotia, New Brunswick and Newfoundland—some 140,000 people are out of work. In my own Province of Prince Edward Island, the work force is in the neighbourhood of 46,000 people, and 7,000 people are currently jobless in that Province with a tiny population. That is 13.4 per cent seasonally adjusted compared with the national average of 12.2 per cent.

Although the Federal Government has mismanaged the economy from the day the current Prime Minister took office in 1968, he and his Government have outdone even themselves these last three years in terms of sheer economic incompetence

and mismanagement. The Government has wasted billions of taxpayers' precious dollars to bail out its friends among the corporate giants. It has scared away billions of dollars in both domestic and foreign investment through its National Energy Program, the Foreign Investment Review Agency and other avenues. It has poisoned the atmosphere for Federal-Provincial co-operation by centralizing power in Ottawa, building up a huge bureaucracy insensitive to the real needs and aspirations of Canadians, and by imposing its will on both the Provinces and the private sector. It has stripped Parliament of its powers, once very strong, to scrutinize Government spending and otherwise keep Government accountable. It has utterly failed to develop or to follow any kind of economic strategy, preferring instead to lurch from one disastrous budget to another in the vain hope of shoring up its sagging popularity across the country.

Worst of all, the Government simply does not know what it is doing. Nowhere is that fact more apparent than in its deficit. Less than 12 months ago—11 to be exact—the Government projected a deficit of $10.5 billion. Only seven months later, fewer than it takes to have a baby, it had to admit that the deficit would be twice that much, a whopping $19.6 billion. Now, another four months later, the new Minister of Finance (Mr. Lalonde), in his economic statement in the House of Commons last week, was forced to concede that the deficit will be $23.6 billion, twice the size of the total budget of the Federal Government in the first year of the Prime Minister's stewardship.

Statistics, though important, though scary, though worrisome, do not tell the whole story. They cannot express the human suffering borne by every man and woman across the country who has lost his or her job. In the run of a month, as is the case with other Members I am sure, I speak with dozens of unemployed people in my Province—in my riding office, on the street, in shopping centres, and even in their homes. Nothing in life robs an individual of his or her dignity quite like losing a job. I personally think that we in society, probably we in most countries, tend to place too much stock in what an individual does for a living. We do not try to get to know an individual as he or she is. Instead we ask almost automatically, what does he or she do? When the answer has to be nothing because the worker's job has been wiped out, is it any wonder that the person feels like nothing? Is it any wonder, either, that such an individual then becomes resentful of the very system that has served him or her so poorly?

What is the answer that the NDP proposes, in the amended motion tonight, to address the crucial economic problems of the land, in particular unemployment? It proposes to impose a surtax on so-called upper-income earners, those making over $40,000 a year. We in this Party, in the Progressive Conservative Official Opposition, do not oppose the idea that every Canadian should pay his or her fair share of income tax. But we do not believe, we never have and we never will, in simplistic solutions. We believe that any tax changes should be made on the basis of the principle of a progressive tax system, not by isolating any group in society and hitting them with a discriminatory surcharge.

• (2130)

And what is the Government's response to the unemployment crisis? It allots $500 million for a hodge-podge job-creation program about which it is not able to answer even the most basic, simplest, questions in the House of Commons. That $500 million is scarcely $400 for every unemployed person in the country. Coincidentally, it is the exact amount the Government is prepared to spend to bail out Dome Petroleum. It is $200 million less than the Government has lavished on the whitest of white elephants, Mirabel Airport since 1975.

The Government can find hundreds of millions of dollars for Chrysler, for Massey-Ferguson and for Pratt & Whitney, but it can find only $500 million for the average man and woman trying to put bread on the table in the depths of a recession that is the worst in half a century.

It may be a long while before the Government knows how it is going to allocate the $500 million under its new job-creation program. The Government does not have a clue. It cannot answer questions in the House of Commons about the program. The Government is not even able to reply to the most basic questions about how this program is going to work. But, on the basis of what has already been said, and that has been precious little, I fear that the money will not be of maximum benefit, and probably will be of very little benefit, to Prince Edward Island or to the other Provinces in Atlantic Canada. I have five reasons for saying that.

First, the program is designed primarily to help those whose unemployment insurance benefits have expired. In Prince Edward Island, that is the case of a rapidly increasing number of workers. In 1981, 6,000 people received $52.9 million in UIC benefits on P.E.I. Few of them have been able to find work since then, and their benefits are quickly running out, if they have not already done so. But the federal Government has made it clear that its new job-creation program, called NEED, will not be in place before January. Perhaps it will not be in full swing until April or May or later. I ask you, Sir, what is to happen in the meantime? For many, the only recourse will be social assistance. Therefore, there is a problem of timing.

Second, because the Program is geared to helping UIC exhaustees, as they are called, it will not likely assist those people—for example, the young—who have been unable to find a first job and thus have never been able to qualify for UIC benefits. Nor will this Program assist people re-entering the labour force—women, for example—who also do not qualify for such benefits because they have no recent period of insurable employment. Such restrictions repeat the bias in the way funds are allocated to each riding under the Federal Government's Canada Community Development Projects, a three-year-old job-creation program also administered by the Department of Employment and Immigration. Those are two failings in the $500 million program.

There is a third. The Government has hinted broadly that the Province will be asked to supplement federal funding under the program. We do not know for sure. We do not know what the details are. But there are broad hints that the whole thing will be funded on a cost-shared basis. Canadian Press has conjectured that some sort of matching formula will be imposed. If so, regional disparities will be widened, not narrowed, by this Program because a province like my own, Prince Edward Island and other Provinces in Atlantic Canada, cannot afford, nor will they be able to afford, to match federal funding; they will find it difficult even to participate. Only the stronger Provinces, such as Ontario, Quebec and British Columbia, will be able to take maximum advantage of the Program.

I call upon the Government now, whatever may be the details it is working on, to dispel any suggestion that this program will be administered on a cost-shared basis.

Fourth, the Government's new $500 million job-creation program will likely ignore the fact that in provinces like P.E.I., however bad the job situation is now—and it is bad enough at that—unemployment will be a lot worse down the line after the funds have been designated. The largest single employer outside of government in Prince Edward Island, Canada Packers, Inc. has just announced that it will shut down permanently next fall. At one fell swoop 300 jobs will be lost, including 225 union jobs. On the Island, a lay-off of that proportion is equivalent to a shutdown of a plant employing 2,500 or 3,000 people in Quebec or Ontario. An annual payroll of close to $6 million will be taken out of the P.E.I. economy, thereby affecting everyone, not just the employees themselves, but retailers and others. The economy will be devastated because of the withdrawal of that kind of income. Most of the workers concerned have been employed at Canada Packers for 15 to 25 years. Many of them have been there since first starting to work. They have never been laid off before, nor have they worked anywhere else.

Last year, Canada Packers killed and processed something like 135,000 hogs and 7,000 cattle on the Island. Almost all of that livestock was produced in the Province. Consequently, the demise of Canada Packers will devastate the Island's farm community too.

It is absolutely imperative that the federal Government view the Canada Packers shutdown as an emergency. Immediate action is required to keep the plant open or to find ways to retain a major livestock killing facility in the Province, if not under the auspices of Canada Packers, then under some other auspices. I am convinced, Sir—without being unduly partisan—that if the same crisis had occurred in Central Canada, the Government already would have acted, as it has done in many similar situations in Quebec and Ontario. Canada's birthplace, Prince Edward Island, deserves to be treated just as fairly.

I believe I have two or three minutes remaining in my allotted time. In that time I want to stress a fifth problem with the program. The Government intends to supplement its $500 million job-creation program with—and I do not believe this, but we will take the Government at its word—a $400-million rail improvement program in the west where it promises eventually to create 400,000 jobs as a result of railway spending. That policy brings little solace to us in Atlantic Canada, and to us in particular in Prince Edward Island, who have seen the Government steadily chipping away at what little is left of our own rail system.

In the next few days, the Canadian Transport Commission will be conducting hearings on Prince Edward Island on the proposed abandonment of important rail lines throughout the eastern part of the Island. I have inside information that Canadian National has also made a decision to remove the Charlottetown Carload Centre as part of a consolidation of rail services within the region. That measure will render Prince Edward Island the only Province in all Canada without a centre of its own for the administration of heavy freight to, from and within the Province. Obviously Canadian National, with the acquiescence of this Government, is hellbent on stripping the Island of every last railway job in the Province. CN had enough money to splurge on a recent $65,000 advertisement to wish Canadian Pacific Railway happy birthday on the occasion of its one hundredth anniversary. But it does not have enough money, according to the Government, to keep any kind of rail presence in the very Province that initially came into Confederation to save its railway.

• (2140)

May I conclude by saying that the Government could be doing much more than it is to maintain existing jobs. It could be flexible with regard to landing rights so that fish plants in Atlantic Canada could reopen, instead of the Government being so intransigent as it has been in the past. It could create centres of excellence, including making Prince Edward Island a centre for marine and veterinary research and training with the establishment of a veterinary college in Charlottetown which would thereby enable that Province to grow and sustain a measure of self-sufficiency.

The Government should prevent CN and other Crown corporations from slicing large chunks away from the economic base of Canada outside the industrial heartland. Not only has that practice eliminated direct jobs, it has also done away with services that are essential for the maintenance of other jobs.

As long as the country lacks an economic plan and an overall strategy in which even the smallest province has a role to play, we will continue to lurch from one disastrous budget to another in a feigned effort to shore up our economy in the face of absolute and utter devastation.

The Prime Minister is right in saying that there are no magical solutions. But there are some solutions. What we require is the resolve to find them. Over the past 14 years, this Government has been bereft of either the will or the imagination to conduct the needed search.

Some Hon. Members: Hear, hear!

BUSINESS OF THE HOUSE

Mr. Nielsen: Mr. Speaker, I rise on a point of order. The Government House Leader is in his place. I wonder If I could ask a question with respect to tomorrow's business. In view of the uncertainty that has now arisen in connection with the Prime Minister's remarks last Friday, saying that back-to-work legislation with respect to the B.C. ports would be introduced today—at least, he left us with that impression—can the Government House Leader tell me whether he is going to seek consent to introduce that legislation today? If not, will we be proceeding tomorrow with back-to-work legislation or with the legislation dealing with the interest rebates on farm loans?

[*Translation*]

Mr. Pinard: Mr. Speaker, I would not want to prevent the hon. member from addressing the House during the last seconds remaining, but I would like to point out that if I have a specific announcement to make I will advise my Hon. colleague accordingly. The Right Hon. Prime Minister (Mr. Trudeau) said that if there was no settlement by midnight tonight, the government would not hesitate to take responsible action and to consider the matter in the light of the events that have taken place. So in the circumstances, if any notice is to be given tomorrow, we shall do so in due time. If it is necessary to notify and negotiate with the opposition, we shall of course do so, and if submitting legislation to the opposition would facilitate negotiations, we shall certainly bear such a possibility in mind. For the time being, however, nothing has changed and the order of business for tomorrow is still the same. If there are any changes, I shall notify my colleagues in due time.

* * *

[*English*]

BUSINESS OF SUPPLY

ALLOTTED DAY S.O. 58—NON-CONFIDENCE MOTION—GOVERNMENT ECONOMIC POLICIES

The House resumed consideration of the Motion of Mr. Crombie:

That this House condemns the Government for its insistence on pursuing oppressive and inhuman policies causing tragically record high unemployment, bringing depression and despair to every region of Canada and deeply eroding the confidence of Canadians in their future.

The Acting Speaker (Mr. Blaker): May I draw to the attention of the two Hon. Members standing that there is approximately 30 seconds before 9.45 p.m. If it is the wish of Hon. Members, I will recognize one or the other. I have to look to my right, the Liberal side, as the previous speaker was on my left, the Conservative side.

Mr. Norman Kelly (Scarborough Centre): Mr. Speaker, that was the shortest speech on record and perhaps, given the calibre of debate this evening, one of the wisest.

The Acting Speaker (Mr. Blaker): The Chair would like to express its thanks to the Hon. Member for Scarborough Centre (Mr. Kelly) for certainly making the shortest speech and possibly one of the most effective.

It being 9.45 p.m. it is my duty to interrupt these proceedings and put every question necessary to dispose of the Supply proceedings now before the House under the provisions of Standing Order 58(9). The question is now on the amendment. All those in favour of the amendment, please say yea.

Some Hon. Members: Yea.

The Acting Speaker (Mr. Blaker): All those opposed, please say nay.

Some Hon. Members: Nay.

The Acting Speaker (Mr. Blaker): In my opinion, the nays have it.

And more than five Members having risen:

The Acting Speaker (Mr. Blaker): Call in the Members.

The House divided on the amendment (Mr. Riis) which was negatived on the following division:

(*Division No. 256*)

YEAS

Messrs.

Althouse	Jewett (Miss)	Ogle
Benjamin	Keeper	Orlikow
Blackburn	Knowles	Parker
Blaikie	Kristiansen	Riis
Broadbent	Lewycky	Robinson (Burnaby)
Deans	Manly	Rose
de Jong	McDonald (Miss) (Broadview-Greenwood)	Sargeant
Fulton	Miller	Skelly
Hovdebo	Murphy	Waddell
Ittinuar	Nystrom	Young—30.

NAYS

Messrs.

Allmand	Campbell (LaSalle)	Daudlin
Andre	Campbell (Cardigan)	Dawson
Appolloni (Mrs.)	Chénier	De Bané
Axworthy	Chrétien	de Corneille
Bachand	Clark (Yellowhead)	Demers
Baker (Gander-Twillingate)	Clarke (Vancouver Quadra)	Deniger
Baker (Nepean-Carleton)	Collenette	Desmarais
Beatty	Comtois	Dingwall
Beauchamp-Niquet (Mrs.)	Cook	Dion
Bégin (Miss)	Cooper	Dionne (Chicoutimi)
Berger	Corbett	Dionne (Northumberland-Miramichi)
Blais	Corbin	Dubois
Blaker	Corriveau	Duclos
Blenkarn	Cosgrove	Dupont
Bloomfield	Cossitt (Mrs.)	Dupras
Bockstael	Côté (Mrs.)	Duquet
Bosley	Cousineau	Elzinga
Bossy	Crombie	Epp
Bradley	Crosbie (St. John's West)	Erola (Mrs.)
Breau	Crosby (Halifax West)	Ethier
Bujold	Crouse	Evans
Burghardt	Cullen	Ferguson
Caccia	Cyr	Fisher
Campbell (Miss) (South West Nova)	Darling	Fleming
		Flis
		Forrestall
		Foster

Messrs.

Fox
Francis
Fretz
Friesen
Frith
Garant
Gauthier
Gendron
Gilchrist
Gimaïel
Gingras
Gourd
(Argenteuil-Papineau)
Gourde
(Lévis)
Gray
Greenaway
Guilbault
Gurbin
Gustafson
Halliday
Hamilton
(Qu'Appelle-Moose Mountain)
Hamilton
(Swift Current-Maple Creek)
Hargrave
Harquail
Hees
Henderson
Herbert
Hervieux-Payette
(Mrs.)
Hopkins
Howie
Hudecki
Huntington
Irwin
Isabelle
Jarvis
Jelinek
Johnston
Joyal
Kaplan
Kelly
Kempling
Killens (Mrs.)
King
Korchinski
Lachance
Lajoie
Lalonde
Lambert
Lamontagne
Landers
Lang
Laniel
Lapointe
(Charlevoix)
Lapointe
(Beauce)
La Salle
LeBlanc
Leduc
Lefebvre
Lewis
Loiselle
Lumley
MacBain
MacDonald (Miss)
(Kingston and the Islands)
MacDougall
MacEachen
MacGuigan
Mackasey
MacLaren
MacLellan
Malépart
Malone
Maltais
Marceau
Massé
Masters
Mayer
Mazankowski
McCain
McCuish
McDermid
McKenzie
McKinnon
McKnight
McLean
McMillan
McRae
Mitges
Munro
(Esquimalt-Saanich)
Munro
(Hamilton East)
Murta
Neil
Nicholson
(Miss)
Nickerson
Nielsen
Nowlan
Olivier
Ostiguy
Ouellet
Paproski
Parent
Patterson
Pelletier
Penner
Pepin
Peterson
Pinard
Portelance
Prud'homme
Regan
Reid
(St. Catharines)
Reid
(Kenora-Rainy River)
Roberts
Robinson
(Etobicoke-Lakeshore)
Roche
Rompkey
Rooney
Rossi
Roy
Savard
Schellenberger
Schroder
Scott
(Hamilton-Wentworth)
Siddon
Simmons
Smith
Stevens
Stewart
Tardif
Taylor
Tessier
Thacker
Thomson
Tobin
Tousignant
Towers
Trudeau
Turner
Veillette
Watson
Wenman
Whelan
Wilson
Wise
Wright
Yanakis—219.

● (2220)

Madam Speaker: I declare the amendment lost.

Amendment (Mr. Riis) negatived.

Madam Speaker: The question is on the main motion. Is it the pleasure of the House to adopt the motion?

Some Hon. Members: Agreed.

Some Hon. Members: No.

Madam Speaker: All those in favour will please say yea.

Some Hon. Members: Yea.

Madam Speaker: All those opposed will please say nay.

Some Hon. Members: Nay.

Madam Speaker: In my opinion the nays have it.

And more than five Members having risen:

Madam Speaker: Call in the Members. May we dispense with the bells?

Some Hon. Members: Agreed.

The House divided on the motion (Mr. Crombie), which was negatived on the following division:

(*Division No. 257*)

YEAS

Messrs.

Althouse
Andre
Baker
(Nepean-Carleton)
Beatty
Benjamin
Blackburn
Blaikie
Blenkarn
Bosley
Bradley
Broadbent
Clark
(Yellowhead)
Clarke
(Vancouver Quadra)
Cook
Cooper
Corbett
Cossitt (Mrs.)
Crombie
Crosbie
(St. John's West)
Crosby
(Halifax West)
Crouse
Darling
Deans
de Jong
Elzinga
Epp
Forrestall
Fretz
Friesen
Fulton
Gilchrist
Greenaway
Gurbin
Gustafson
Halliday
Hamilton
(Qu'Appelle-Moose Mountain)
Hamilton
(Swift Current-Maple Creek)
Hargrave
Hees
Hovdebo
Howie
Huntington
Ittinuar
Jarvis
Jelinek
Jewett (Miss)
Keeper
Kempling
King
Knowles
Korchinski
Kristiansen
Lambert
La Salle
Lewis
Lewycky
MacDonald (Miss)
(Kingston and the Islands)
MacDougall
Malone
Manly
Mayer
Mazankowski
McCain
McCuish
McDermid
McDonald (Miss)
(Broadview-Greenwood)
McKenzie
McKinnon
McKnight
McLean
McMillan
Miller
Mitchell
(Mrs.)
Mitges
Munro
(Esquimalt-Saanich)
Murphy
Murta
Neil
Nickerson
Nielsen
Nowlan
Nystrom
Ogle
Orlikow
Paproski
Parker
Patterson
Reid
(St. Catharines)
Riis
Robinson
(Burnaby)
Roche
Rose
Sargeant
Schellenberger
Scott
(Hamilton-Wentworth)
Siddon
Skelly
Stevens
Stewart
Taylor
Thacker
Thomson
Towers
Waddell
Wenman
Wilson
Wise
Wright
Young—109.

NAYS

Messrs.

Allmand
Appolloni
(Mrs.)
Axworthy
Bachand
Baker
(Gander-Twillingate)
Beauchamp-Niquet
(Mrs.)
Bégin (Miss)
Berger
Blais
Blaker
Bloomfield
Bockstael
Bossy
Breau
Bujold
Burghardt
Caccia
Campbell
(Miss)
(South West Nova)
Campbell
(LaSalle)
Campbell
(Cardigan)
Chénier
Chrétien
Collenette
Comtois
Corbin
Corriveau
Cosgrove
Côté (Mrs.)
Cousineau
Cullen
Cyr
Daudlin
Dawson
De Bané
de Corneille
Demers
Deniger
Desmarais
Dingwall
Dion
Dionne
(Chicoutimi)
Dionne
(Northumberland-Miramichi)
Dubois
Duclos
Dupont
Dupras
Duquet
Erola (Mrs.)
Ethier
Evans
Ferguson
Fisher
Fleming
Flis
Foster
Fox
Francis
Frith
Garant
Gauthier
Gendron
Gimaïel
Gingras

Messrs.

Gourd (Argenteuil-Papineau)
Gourde (Lévis)
Gray
Guilbault
Harquail
Henderson
Herbert
Hervieux-Payette (Mrs.)
Hopkins
Hudecki
Irwin
Isabelle
Johnston
Joyal
Kaplan
Kelly
Killens (Mrs.)
Lachance
Lajoie
Lalonde
Lamontagne
Landers
Lang
Laniel
Lapierre
Lapointe (Charlevoix)
Lapointe (Beauce)
LeBlanc
Leduc
Lefebvre
Loiselle
Lumley
MacBain
MacEachen
MacGuigan
Mackasey
MacLaren
MacLellan
Malépart
Maltais
Marceau
Massé
Masters
McRae
Munro (Hamilton East)
Nicholson (Miss)
Olivier
Ostiguy
Ouellet
Parent
Pelletier
Penner
Pepin
Peterson
Pinard
Portelance
Prud'homme
Regan
Reid (Kenora-Rainy River)
Roberts
Robinson (Etobicoke-Lakeshore)
Rompkey
Rooney
Rossi
Roy
Savard
Schroder
Simmons
Smith
Tardif
Tessier
Tobin
Tousignant
Trudeau
Turner
Veillette
Watson
Whelan
Yanakis—142.

[*Translation*]

Madam Speaker: I declare the motion lost.

Motion (Mr. Crombie) negatived.

[*English*]

Mr. Fulton: Madam Speaker, I rise on a point of order. I wonder whether the Hon. Leader of the Opposition (Mr. Clark) would care to comment on how he could defeat the Government with 24 Members absent.

Some Hon. Members: Hear, hear!

Some Hon. Members: Oh, oh!

Mr. Clark: Madam Speaker, I noted the influence of the Hon. Member in Timiskaming. He asked for a solution to the country's problems. The solution to the country's problems would be for 20 Members of the Liberal Party to offer their resignations. That would force byelections and there would then be a new national Government.

Some Hon. Members: Hear, hear!

[*Translation*]

Madam Speaker: It being past ten o'clock, I do now leave the chair, pursuant to Standing Order 2(1).

At 10.25 p.m. the House adjourned, without question put, pursuant to Standing Order.

HOUSE OF COMMONS

Tuesday, November 2, 1982

The House met at 2 p.m.

• (1405)

MOTIONS UNDER S.O. 43

[*English*]

LABOUR CONDITIONS

WORK STOPPAGE AT WEST COAST PORTS

Mr. Chuck Cook (North Vancouver-Burnaby): Madam Speaker, I rise under the provisions of Standing Order 43 on the most tragic and important issue facing Canada at this moment, about which something could be done. Negotiations broke down completely in the Port of Vancouver work stoppage on Sunday afternoon. The Government should have moved immediately, on Monday morning, with negotiations broken off. It did not, and it has not moved till this time.

This work stoppage is costing Canada thousands of dollars while I stand here talking. This work stoppage means a loss to Canada of $1 million or more an hour; $8 million is being lost in wheat sales every day and more millions in other bulk shipments, as well as the human tragedies of lost work. As of 5.30 this morning, 86 ships were waiting in Vancouver—

Madam Speaker: Order, please. I am afraid the Hon. Member is arguing the question. If he could just put his motion that would be sufficient.

Mr. Cook: Madam Speaker, it is urgent and pressing, but I accept your restraint. How many hours and millions of dollars will the Government continue to waste through inaction? I therefore move, seconded by every Member of this Party, but more particularly by the Hon. Member for Surrey-White Rock-North Delta (Mr. Friesen):

That the House condemn the Government for allowing the continuing hemorrhage of jobs, commodity shipments and economic activity in the Port of Vancouver and other ports in British Columbia.

Madam Speaker: Is there unanimous consent for this motion?

Some Hon. Members: Agreed.

Some Hon. Members: No.

INCOME TAX

DELAY IN INTRODUCTION OF LEGISLATION

Mr. Don Blenkarn (Mississauga South): Madam Speaker, despite the Finance Committee report to the Minister, and despite the fact that his officials and his Parliamentary Secretary sat through all the hearings concerning the income tax amendments, the Minister of Finance has still not made up his mind about the further changes he will make to the November 12 budget of nearly a year ago. The delay and uncertainty caused by the Minister's failure to come forward with concrete legislation concerning tax changes are a principal reason militating against new investment in Canada. I therefore move, seconded by the Hon. Member for Brampton-Georgetown (Mr. McDermid):

That the House direct the Minister of Finance to produce forthwith to this House income tax legislation so that the House can consider in detail the proposals so that the business community and the country in general can know where they stand with respect to taxation.

Madam Speaker: Is there unanimous consent for this motion?

Some Hon. Members: Agreed.

Some Hon. Members: No.

* * *

LABOUR CONDITIONS

WORK STOPPAGE AT WEST COAST PORTS—SUGGESTED DESIGNATION OF ESSENTIAL SERVICES

Mr. Charles Mayer (Portage-Marquette): Madam Speaker, the work stoppage at the major ports on the West Coast has, to date, cost grain producers over $100 million in lost sales. Sales are not being deferred, they are being lost. Our reputation as a reliable grain supplier to international markets is once again in jeopardy. To date the work stoppage has caused over 6,000 Canadians to be out of work.

Since 1972 Parliament has had to intervene in related grain handling and transportation disputes because it was recognized that labour and management difficulties simply do not justify the damage inflicted on the total economy. I move, under the provision of Standing Order 43, seconded by the Hon. Member for Swift Current-Maple Creek (Mr. Hamilton):

That this House consider designating the grain handling and transportation sectors as they affect grain exports, as essential services.

Madam Speaker: Is there unanimous consent for this motion?

Some Hon. Members: Agreed.

Some Hon. Members: No.

* * *

NORTHERN AFFAIRS

HIGH COST OF FOOD AND DRY GOODS

Mr. Peter Ittinuar (Nunatsiaq): Madam Speaker, I rise under the provisions of Standing Order 43 on a matter of the most urgent and pressing necessity. A recent survey conducted by my office revealed that basic food prices in northern communities were, on average, 80 per cent higher than those in Ottawa. Another survey, just completed, shows that dry goods prices in the Hudson's Bay store in Frobisher Bay are, on average, 28 per cent higher than those same goods in the Bay's Ottawa store, despite a commitment made two years ago by Bay officials that the differential would not exceed 10 per cent. I therefore move, seconded by the Hon. Member for Hamilton Mountain (Mr. Deans):

That the House call upon the Government to initiate a task force immediately to investigate all aspects of the cost of living crisis in the Far North.

Madam Speaker: Is there unanimous consent for this motion?

Some Hon. Members: Agreed.

Some Hon. Members: No.

IMPLEMENTATION OF MEASURES RECOMMENDED BY YUKON RESIDENTS

Mr. Thomas Siddon (Richmond-South Delta): Madam Speaker, in view of the fact that the economy of Yukon is in a state of collapse because of the widespread unemployment in the Yukon mining industry, and whereas the Minister of Indian Affairs and Northern Development has failed to respond to the constructive recommendations advanced one month ago by the Yukon Legislative Assembly, mining unions and employers, I move, seconded by the Hon. Member for Yukon (Mr. Nielsen):

That the Minister of Indian Affairs and Northern Development tell the people of Yukon immediately how he proposes to implement the measures they have recommended, in order to stem the mass exodus of northerners from Yukon before the economy of Canada's north is irreversibly destroyed.

Madam Speaker: Is there unanimous consent for this motion?

Some Hon. Members: Agreed.

Some Hon. Members: No.

[*Translation*]

CANADIAN HOME INSULATION PROGRAM

ALLEGED THEFT OF SUBSIDIES

Mr. Alexandre Cyr (Gaspé): Madam Speaker, I rise under Standing Order 43 on a matter of pressing and urgent necessity.

In view of the fact that the Minister of Energy, Mines and Resources (Mr. Chrétien) has twice recognized in the House that some people are misusing the Canadian Home Insulation Program, that the officials of his Department have been aware of such illegal practice for over six months, that some businesses are taking advantage of the shortcomings in the regulations to swindle the government and since thousands of dollars are fraudulently paid out day in and day out and that contractors and salesmen rather than homeowners are deriving benefit from such grants, I move, seconded by the Hon. Member for Laval (Mr. Roy).

That this House suggest to the Minister of Energy, Mines and Resources that he suspend temporarily the implementation of the Home Insulation Program and order him to issue new regulations that will put an end to fraudulent practices by professional profiteers.

Madam Speaker: Is there unanimous consent for this motion?

Some Hon. Members: Agreed.

Some Hon. Members: No.

* * *

• (1410)

[*English*]

AUTOMOTIVE INDUSTRY

ADOPTION OF PROTECTIVE MEASURES

Mr. Joe Reid (St. Catharines): Madam Speaker, years of neglect and mismanagement of our economy by Liberal governments have brought on the worst depression since the 1930s and brought our once strong and vibrant auto industry to its knees. A recent study has called for an end to the Government's finger in the dike approach to that industry by recommending that the Government simply let the industry die rather than poke it to death. In view of the fact that one job in five is dependent upon the auto industry, I move, seconded by the Hon. Member for Etobicoke Centre (Mr. Wilson):

That the Government publicly respond to that study and take immediate steps to formulate and implement a strategy for the auto industry that would provide for Canadian content requirements and would protect the industry from artificially low-priced automobile imports.

Madam Speaker: Is there unanimous consent for this motion?

Some Hon. Members: Agreed.

Some Hon. Members: No.

VETERANS AFFAIRS

CALL FOR MINISTERIAL STATEMENT

Mr. Dan McKenzie (Winnipeg-Assiniboine): Madam Speaker, there are at least a dozen outstanding areas of serious concern to our aging disabled veteran population and, to date, the Minister has made no announcement to the House on how and when he will deal with these serious problems. I move, seconded by the Hon. Member for Moose Jaw (Mr. Neil):

That the Minister of Veterans Affairs make a statement on motions to give the details of when he will be presenting the necessary legislation to deal with these outstanding issues of importance.

Madam Speaker: Is there unanimous consent for this motion?

Some Hon. Members: Agreed.

Some Hon. Members: No.

* * *

THE LEADER OF THE OPPOSITION

Mr. Vic Althouse (Humboldt-Lake Centre): Madam Speaker, after last night's appalling lack of support by his own caucus, the Leader of the Official Opposition (Mr. Clark) called on 20 Liberal Members for support. This was quite surprising since his previous analysis of what was wrong with our weak economy has been a lack of confidence in Liberals. Therefore I move, seconded by the Hon. Member for Skeena (Mr. Fulton):

That this House urges the Leader of the Official Opposition to demonstrate his own Party's managerial abilities by providing the House with a clear analysis of his own lack of confidence situation: tell us whether it is a work to rule situation, a wildcat strike or a lockout of a big chunk of his own caucus, and tell us what he is proposing to do to get Conservative Members back to work.

Madam Speaker: Is there unanimous consent for this motion?

Some Hon. Members: Agreed.

Some Hon. Members: No.

* * *

SCIENCE AND TECHNOLOGY

CONGRATULATIONS TO CANADARM DEVELOPERS

Mr. Gordon Gilchrist (Scarborough East): Madam Speaker, seven Canadians, Jack Thurston, Garry Lindberg, Karl Doetch, Art Hunter, John MacNaughton, Terry Ussher and Claus Wagner-Bartak, are to be honoured and decorated on Wednesday by the United States National Aeronautics and Space Administration for their outstanding contribution to the space program, in the development of the highly successful remote manipulator system, the Canadarm. As a permanent record of their achievement, and that of their many colleagues, in the Parliament of Canada, I move, seconded *par le député D'Argenteuil-Papineau* (Mr. Gourde) and the Hon. Member for Hamilton Mountain (Mr. Deans):

That the Speaker convey to Jack Thurston, Garry Lindberg, Karl Doetch, Art Hunter, John MacNaughton, Terry Ussher and Claus Wagner-Bartak, the esteem and congratulations of this House and the nation, for their outstanding achievement in the development of the highly successful remote manipulator system, the Canadarm, and for the example they have given to their countrymen that, whenever Canadians put their minds and their efforts into the creative areas of science and technology, they are unsurpassed in the world.

Madam Speaker: Is there unanimous consent for this motion?

Some Hon. Members: Agreed.

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

Some Hon. Members: Agreed.

Motion agreed to.

* * *

[*Translation*]

HOUSE OF COMMONS

PRESENCE IN GALLERY OF PRESIDENT AND SPEAKERS OF LEGISLATIVE ASSEMBLIES

Madam Speaker: I have the honour to draw the attention of the House to the distinguished presence in our gallery of Legislative Assembly Presidents and Speakers, namely Mr. James Walding of Manitoba, Deputy Speaker Moore from New Brunswick, Speaker Russell from Newfoundland, President Vaillancourt from Quebec, Speaker Donahoe from Nova Scotia, and Deputy Speaker Muller from Saskatchewan—

• (1415)

ORAL QUESTION PERIOD

[*English*]

LABOUR CONDITIONS

WORK STOPPAGE AT WEST COAST PORTS—GOVERNMENT POSITION

Right Hon. Joe Clark (Leader of the Opposition): Madam Speaker, my question is for the Prime Minister. It relates to the ports dispute on the West Coast. The Prime Minister will recall that he said in the House:

—That if the parties had not settled their dispute through the process of free collective bargaining by Monday night this Government would ensure in some way that the strike would be ended—

That repeated an undertaking given six days ago by the Minister of Finance. Can the Prime Minister tell us when the Government will be acting to open the ports, and what form that action will take?

Right Hon. P. E. Trudeau (Prime Minister): Yes, I would be happy to answer the question asked by the Right Hon.

Leader of the Opposition, Madam Speaker. We are sorry the process of free collective bargaining has not brought this regretful strike to an end. Today the House Leader will be giving notice of legislation—

Mrs. Mitchell: It's a lockout.

Mr. Trudeau: I beg your pardon, it is a lockout and it is a regrettable one. My point remains that we are sorry the parties have not been able to find a ground on which they could accommodate each other's points of view. Therefore, we will be giving notice today. We hope to be able to get the consent of the House to proceed with the legislation tomorrow. It would be the hope of this Government that there will be co-operation from all Parties to pass the legislation as soon as possible, hopefully dealing with all three stages within a day.

As a first stage the lockout would be ended and work could resume in the ports on the West Coast. Failing that, if the legislation has to be proceeded with, then the Government would intend applying the spirit of the six and five legislation.

REQUEST FOR QUICK LEGISLATIVE ACTION

Right Hon. Joe Clark (Leader of the Opposition): Madam Speaker, the Prime Minister would know that this dispute is costing Canada at least $8 million a day. He is talking about introducing something today for action tomorrow. We on this side of the House would be prepared to deal today with legislation brought in today, and to deal with it in all stages.

Some Hon. Members: Hear, hear!

Mr. Clark: In that light, will the Prime Minister agree to bring in that legislation today to seek agreement, which I hereby give on behalf of my party, to have it proceeded with today so that we will not waste $8 million and another day? Can we act today?

Right Hon. P. E. Trudeau (Prime Minister): Madam Speaker, I am happy with the spirit of co-operation extended to Parliament by the Leader of the Opposition. I would expect that he would want Members of his own Party and Members of the New Democratic Party at least to know what the content of the legislation is before agreeing to pass it through all stages today.

Some Hon. Members: Oh, oh!

Mr. Trudeau: That is why I thought it preferable to give a general indication of the content of the legislation which, once again, would entail an immediate return to work and an application of the six and five type of guidelines that were in the June budget, for this particular bargaining group. It is still our hope, in the knowledge that this is the intention of the Government and now of the Official Opposition, to introduce and pass this legislation in all stages, perhaps tomorrow, but I would still hope that this further delay, with the notice of the legislation and its general content, would permit both parties to return to the bargaining table and to reach an agreement by the process of collective bargaining.

• (1420)

Mr. Clark: The Prime Minister speaks of what would be preferable. What would be preferable is to act today to resolve the dispute today and stop another $8 million, at least, of loss to the Canadian economy. That is what would be preferable today.

Some Hon. Members: Hear, hear!

QUERY RESPECTING PREPARATION OF LEGISLATION

Right Hon. Joe Clark (Leader of the Opposition): Will the Prime Minister tell the House whether this legislation of which he speaks is ready now, at 20 minutes after two o'clock, to be introduced in the House of Commons? Will he tell the House of Commons whether there are any negotiations proceeding between the Government and any political party in the House respecting the nature of that legislation?

Right Hon. P. E. Trudeau (Prime Minister): Madam Speaker, I know of no negotiations proceeding at this time but I would hope that the announcement that I made in answer to a question from the Leader of the Opposition would incite the parties to return to the bargaining table and to reach an agreement through the process of free collective bargaining.

This Government would rather not legislate. We would want to see the strike end as soon as tomorrow, once again—

An Hon. Member: Lockout.

Mr. Trudeau: The lockout end as soon as tomorrow. It will if we have co-operation from all sides. We are still hopeful, and we find it preferable not—as the Leader of the Opposition suggests—to slam on a piece of legislation that he has not seen, his Party has not seen, that the New Democratic Party has not seen, and that the parties to the dispute have not seen.

I repeat to the Leader of the Opposition that to impose six and five on the bargaining parties is something that we would rather not do, but they are under notice now that we will do it with the obvious enthusiastic support of the Conservative Party if they cannot reach an agreement within a very short period of time.

Some Hon. Members: Hear, hear!

READINESS OF LEGISLATION

Right Hon. Joe Clark (Leader of the Opposition): Madam Speaker, I do not understand why the Government is stalling. The Minister of Finance gave a clear commitment that there would be action by Monday. The Prime Minister gave a clear commitment there would be action by Monday. Monday has passed. It is now Tuesday. Nothing has been done. The Prime Minister has indicated that he intends to do nothing today. Will the Prime Minister answer the question that I put earlier?

Is the legislation ready to be presented to Parliament today? Is it ready now?

Right Hon. P. E. Trudeau (Prime Minister): Yes, Madam Speaker, the legislation is ready. I would be happy to know right now from the Leader of the Oppposition if he is prepared to debate this legislation unconditionally, sight unseen. If he is, we will be ready to proceed.

Some Hon. Members: Hear, hear!

* * *

GRAIN

MOVEMENT THROUGH CHURCHILL—UPGRADING OF RAILWAY FACILITIES

Mr. Doug Neil (Moose Jaw): Madam Speaker, in the absence of the Minister of Transport I will address my question to the Prime Minister. I am sure that the grain producers in western Canada are disappointed at the answers he has given to the Leader of the Opposition. The Prime Minister is well aware of the disastrous effect that the tie-up of the west coast ports is having on western agriculture. With low grain prices and losses in sales in the neighbourhood of $8 million a day, as well as the effect the port closure has on our credibility as an exporter, the time has come to examine the expansion of port facilities at Churchill in order to increase our export capacity and to act as a buffer in the event of strikes.

Can the Prime Minister advise the House whether or not the Minister of Transport has discussed the question of upgrading the facilities at Churchill with Canadian National Railways with a view to upgrading the line to handle hopper cars to carry grain and other commodities from western Canada?

Right Hon. P. E. Trudeau (Prime Minister): Madam Speaker, as I understand the question, it is not directly related to the question of the lockout. I will take notice of it on behalf of the Minister of Transport.

REQUEST THAT TASK FORCE STUDY FARMERS' LOSSES

Mr. Doug Neil (Moose Jaw): Madam Speaker, my supplementary question is also directed to the Prime Minister. He must be aware that whenever there is a tie-up in the ports, either on the West Coast or at Thunder Bay, the farmers who suffer a substantial loss have no recourse to recover any of that loss. I am wondering if the Prime Minister would consider setting up a task force comprised of Members of the Senate and the House of Commons to consider what can be done to ensure that farmers in western Canada will have recourse in order to make up the losses that they suffer from these disastrous strikes.

• (1425)

Right Hon. P. E. Trudeau (Prime Minister): Madam Speaker, as the Hon. Member knows, the Minister of Transport has announced and is presently engaged in the following through of a policy, including these very aspects, which will involve some $3.5 billion spent for transportation in the west, and that policy is in the process of discussion now. If the Hon. Member thinks it could serve the purpose of implementation of that policy to form a further task force or House committee, I will refer the suggestion to the Minister of Finance.

* * *

MINES AND MINING

IRON ORE COMPANY CLOSING IN SCHEFFERVILLE, P.Q.

Hon. Edward Broadbent (Oshawa): Madam Speaker, my question is directed to the Minister of State for Mines. At the outset I just wanted to say that the recession the people of Canada are facing is bad in general, but it is particularly bad for one industry towns like Faro, like Sudbury, the Minister's home city, like Port Alberni, and like a number of communities which are totally dependent on one firm.

Mr. Paproski: Like Oshawa.

[*Translation*]

Mr. Broadbent: Today, the Iron Ore Company has announced the end of its operations at Schefferville. It is a disaster for that community.

Here is my question to the Minister: what long- and short-term programs has the government worked out for the people of that area?

[*English*]

Hon. Judy Erola (Minister of State (Mines)): Madam Speaker, this morning I held long discussions with the Iron Ore Company concerning the plight of the workers in Schefferville. I am happy to report that of the 285 workers who will be directly affected, at least 72 of whom will be taking pensions or early retirement, and perhaps more. The remaining workers will be receiving a very generous settlement, including two weeks' pay for every year of service, full vacation and extended vacation. They will be invited to stay on in their homes for the remainder of the winter and every effort will be made to help. We are co-ordinating a committee with the Department of Employment and Immigration to relocate these workers with full maximum use of government grants.

Some Hon. Members: Hear, hear!

SITUATION IN FARO, Y.T.

Hon. Edward Broadbent (Oshawa): Madam Speaker, I would like to ask the Minister a question concerning another community which has been devasted by a shutdown. This time I refer to Faro in the Yukon. This community is experiencing a lay-off which has continued since June. It will continue on for many more months into the coming year. Men and women are without jobs, and there is a total absence of a financial base for

that community. Considering that a number of groups in that community have approached the Minister to ask the Government to take specific action to restore some operations in that mine, is the Government now prepared to take an equity position in the mine's operations? Beyond that, what other programs or set of actions is the Government prepared to undertake to bring some help to that terribly devastated community?

Hon. John C. Munro (Minister of Indian Affairs and Northern Development): Madam Speaker, if I may answer the Leader of the New Democratic Party with regard to Cyprus Anvil, let me just tell him that so far there has been a tripartite approach in an attempt to re-open the operation by this spring, at the latest.

An Hon. Member: A four-way approach.

Mr. Munro (Hamilton East): It involves the United Steelworkers of America, the Yukon Government, ourselves, and the management of Cyprus Anvil. Up to the present time there has been an all-party type of agreement to put forward an action plan which I could take to my colleagues in Cabinet for approval. The action plan involves various elements, but certainly one of them is a commitment by Cyprus Anvil to re-open by a specific date, the sooner the better, and, as well, the union and management have agreed to get under way with serious negotiations in order to get a collective agreement. Therefore, I and everyone else interested in the question will have some cost figures on what is involved, but we cannot have them without some indication of what the final labour agreement will be.

• (1430)

As far as their share is concerned, the unions also agree to contribute undertakings with respect to improved productivity. The Yukon Government has also indicated it is prepared to divy up or inject certain beneficial elements to the pot.

I do not believe the action plan will be ready for at least another week or two, hopefully sooner. While that action plan is being put together, the Government, with the help of my colleague, the Secretary of State for External Affairs, has been making representations in Japan with the desire that the Japanese enter into commitments regarding the purchase of Cyprus Anvil lead and zinc. As Hon. Members know, Madam Speaker, that situation is very tenuous.

Madam Speaker: Order. I do not want us to get out of the marvellous pattern which seems to have been set today. The questions all seem to be relatively short and the answers, therefore, should be short also.

RECOMMENDATION THAT SPECIAL FUND BE ESTABLISHED

Hon. Edward Broadbent (Oshawa): Madam Speaker, I have a final question for the Minister of State (Mines), but I would hope that the Minister who just replied would elaborate outside the House, perhaps, later, and tell us what action the Government plans to take. Is it prepared to take an equity position in Cyprus Anvil, or is it not? He did not answer that.

My supplementary question is for the Minister of State (Mines). Just yesterday the Government's task force report on one-industry towns came down and it contained a number of recommendations, at least some of which are good. Among these was the suggestion that a special fund be created whereby companies may put a portion of their profits in good years into this fund, so when there is a turndown in the economy the fund may then be used to bring some stability and decency to the communities that are badly hurt during this period.

Considering, for example, that the Iron Ore Company of Canada in the past 11 months paid out a dividend of some $108 million to its shareholders, is the Minister now prepared to announce to the House of Commons and, more important, to the people in these communities, that the Government using federal powers will insist that a fund be created of this kind, and companies like the Iron Ore Company of Canada will be required to put a portion of their profits into that fund to help those people when it is needed?

Hon. Judy Erola (Minister of State (Mines)): Madam Speaker, I am delighted that the Leader of the New Democratic Party has seen fit to read the task force recommendations. I agree, also, they are excellent recommendations. Unfortunately, the latter one to which he referred was just made yesterday and it would be very premature of me to suggest that such a fund be set up immediately. It would also require the co-operation of the Provinces involved.

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BROADCASTING

GOVERNMENT REACTION TO APPLEBAUM-HÉBERT REPORT

Hon. Perrin Beatty (Wellington-Dufferin-Simcoe): Madam Speaker, my question is for the Minister of Communications and it arises from an October 14 Cabinet document outlining the Government's national broadcasting strategy and which discusses the possibility of having a parliamentary committee struck to look into the particular strategy. How can Parliament take seriously his talk of Parliamentary input in the process when the document also explains that the Minister has suppressed the Applebaum-Hébert report for a month and a half, that he is planning to spend up to $175,000 on a media blitz designed to sell his particular proposals, and that the plans call for giving the information to the Americans before it is made available to Parliament or to the Provinces of Canada?

Hon. Francis Fox (Minister of Communications): Madam Speaker, the Hon. Member speaks in riddles. It is true I have in my hands a copy of the Applebaum-Hébert report. It is an advance copy. It is presently being reviewed in order to be published. I have just come from a meeting with Mr. Applebaum and Mr. Hébert and they inform me they expect to make their report public on November 16. I should also tell the Hon. Member I am still working on the final Cabinet

documents outlining the national strategy and I have made changes in it as late as this morning.

DURATION OF PARLIAMENTARY COMMITTEE HEARINGS

Hon. Perrin Beatty (Wellington-Dufferin-Simcoe): Madam Speaker, this is interesting timing. The Minister says the Applebaum-Hébert report is to be released on November 16. This document indicates the Minister plans to unveil his proposals at a nationally publicized press conference by satellite, and at the CAB conference in Toronto as well, the day before. Therefore, how can anyone take him seriously when he talks about Applebaum-Hébert?

Some Hon. Members: Hear, hear!

Mr. Beatty: May I ask the Minister this question? In view of the fact the CBC remains as the underpinning foundation for the national broadcasting strategy, how can the Minister be taken seriously when he talks about either Applebaum-Hébert or about a Parliamentary inquiry, when the proposal here would have the parliamentary inquiry conduct its hearings and wrap up within three months, and he intends only to have the CBC study itself and have its report after six months, three months after the parliamentary committee has been wrapped up? How can he be taken seriously?

Hon. Francis Fox (Minister of Communications): Madam Speaker, the Hon. Member is speaking from a document which I just indicated is certainly not finalized. I instructed my officials to bring some changes to it as late as this morning. The Hon. Member is also out of touch as far as my intentions are concerned regarding the release of a proposed national broadcasting strategy.

While it is true I am indeed addressing the members of the Canadian Association of Broadcasters on November 15 in Toronto, I will not at that stage be revealing the contents of the Government's position on the national broadcasting strategy. I have indicated time and again that I want to benefit from the Applebaum-Hébert report in this respect, as in others. A number of the recommendations of Applebaum-Hébert will, no doubt, be far-reaching, and I am sure that Members of Parliament on all sides of the House will want to have the opportunity of expressing their points of view on those recommendations before the Government takes its final position.

REQUEST THAT MINISTER CANCEL PLANNED INTERVIEWS

Mr. John Bosley (Don Valley West): Madam Speaker, the Minister says he has changed the plans he had on October 14 when he knew that Applebaum-Hébert was to report on October 16. He then said he would report on November 15. May I ask him whether other proposals in the earlier documents have also been changed? To wit, will he tell the House today he does not plan, as he indicated in the October 14 document, to give interviews on his broadcast strategy six weeks in advance of the publication of the Applebaum-Hébert report? Will he indicate to the House today that his proposal to Cabinet to spend $100,000 on audio-visual materials "to build a constituency of support for federal proposals" will not be proceeded with? Will he commit himself to not conducting the interviews he proposed to conduct with selected journalists and selected media in advance of the report being made public? Will he today say that the process is important, and abandon this plan to blatantly manipulate the media and the Canadian public?

Hon. Francis Fox (Minister of Communications): Madam Speaker, obviously the process is important, and when the Government comes to terms with its recommendations for broadcasting strategy, it will want to lay those recommendations before Parliament for due consideration. As to communication plans, as I indicated before, there is no final decision by Cabinet on these matters. Obviously, from time to time, the Minister of Communications, as do other Ministers, does give speeches outlining his vision of how he sees things evolving. I will continue to do so and will be pleased to brief an obviously out of touch Tory caucus on the subject, at their convenience.

TAXATION OF CABLE COMPANIES

Mr. John Bosley (Don Valley West): Madam Speaker, I did not use the phrase "communications plan", but it happens to be the title of Appendix C to the Minister's proposal.

The Minister is considering rejecting certain portions of what he earlier proposed to Cabinet. May I ask him, Madam Speaker, a question about the six and five program of which the Government is so proud? The Minister in August proposed an 8 per cent tax on cable companies. In October he proposed a six per cent tax on cable companies, which would put the cable subscriber revenues above the six and five program. May I ask the Minister this question: in a time of restraint why does he propose to increase taxes on Canadians? Why does he propose to use those revenues through a Government-administered program to create Canadian programming? Will he now abandon that proposal and understand that the best way to create Canadian content and Canadian television programming is greater tax incentives for the Canadian private sector which can do a better job, in any event?

Hon. Francis Fox (Minister of Communications): Madam Speaker, obviously, as far as this Minister is concerned, my position on the six and five program is quite clear. I can think of the Bell Canada rate regulations which were brought into effect in late summer, in the course of limiting increases by cable companies of the rates charged to their clients. Where the Hon. Member is absolutely right is that on this side of the House we are indeed most interested in seeing the private sector participate fully in setting up a viable, dynamic, aggressive Canadian program production industry.

• (1440)

MULTICULTURALISM

REPORT OF FILES ON ETHNIC LEADERS IN QUEBEC

Mr. Marcel Prud'homme (Saint-Denis): Madam Speaker, my question is addressed to the Minister of State for Multiculturalism. In view of the news report in today's *Toronto Star* that the Government of Quebec keeps secret files on ethnic leaders and groups in the Province of Quebec, will the Minister advise whether he is aware of this, and will he condemn out of hand this very reprehensible practice?

Hon. Jim Fleming (Minister of State (Multiculturalism)): Madam Speaker, I have just become aware through that newspaper report of this apparent collection of confidential information regarding ethnic leaders in Quebec. Of course I condemn such activity. The federal Government would not do anything like this.

Some Hon. Members: Oh, oh!

Mr. Fleming: I checked to ensure that there is no such list of ethnic leaders or any compilation of material on their backgrounds or political interests.

Mr. Prud'homme: Ten o'clock.

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PIPELINES

PROPOSED WATER PIPELINE FROM LAKE DIEFENBAKER TO REGINA, SASK.

Mr. Simon de Jong (Regina East): Madam Speaker, my question is directed to the Prime Minister. It concerns the proposed water pipeline from Lake Diefenbaker to the Buffalo Pound pumping station. On October 27 the Prime Minister, in response to a question from my colleague, the Hon. Member for Hamilton Mountain, stated in the House that the federal Government would be anxious to discuss the pipeline with the Province of Saskatchewan if the Province considers the pipeline a priority. This past weekend one of his Ministers met with the Minister of Finance for Saskatchewan. Can the Prime Minister tell the House if the pipeline from Lake Diefenbaker was discussed, if the Saskatchewan Government considers the pipeline a priority, and if we can expect an announcement soon that the project will proceed?

Right Hon. P. E. Trudeau (Prime Minister): Madam Speaker, I imagine the Hon. Member is referring to the Minister of Employment and Immigration. I do know he had very successful meetings with five of his counterparts in the Provinces. As a matter of fact he gave a general report this morning to a committee of Cabinet, indicating a very welcome willingness on the part of those Provinces to join with the federal Government in implementing certain joint projects. He did not give any details that would permit me to answer that particular question right now. I will refer .he matter to the Minister of Employment and Immigration and take notice for him on his behalf.

REQUEST FOR ASSURANCE OF EMPLOYMENT

Mr. Simon de Jong (Regina East): Madam Speaker, it is somewhat dismaying, and in fact the people of Regina are becoming somewhat angry with the procrastinations of both the federal Government and the provincial Government on this issue. Regina and Moose Jaw desperately need good, clean safe water. There is an obvious need for it. In this particular project, both business and the unions are willing to co-operate. The company is willing to sell the steel at cost. The City of Regina is committed to the project. Over 600 jobs will be created in the manufacturing of the pipe. Some 570 new jobs will be created in laying the pipe—

Madam Speaker: Order. Does the Hon. Member have a question or does he have other figures to give us?

Mr. de Jong: My question is very simple. Can the Prime Minister give any assurance to those workers in Regina that there will be some prospect of employment before Christmas?

Right Hon. P. E. Trudeau (Prime Minister): Madam Speaker, I just answered the question of the Hon. Member in so far as that particular project is concerned. I told him that many projects had been discussed with five different Provinces and I do not have the answer to that. I undertook to take notice of the question. It seems passing strange that the Hon. Member would make such a case for urgent action in an important provincial capital that does not have clean water when an NDP government held sway in that province for the past eight years.

Some Hon. Members: Hear, hear!

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MINES AND MINING

RELEASE OF TASK FORCE REPORT ON MINING COMMUNITIES

Mr. Thomas Siddon (Richmond-South Delta): Madam Speaker, my question is for the Minister of State for Mines. Twice in the last two days the Minister of State for Mines has made reference to the task force report on mining communities, of which she released the executive summary and recommendations at a press conference yesterday to which she did not invite Opposition spokesmen in the mining areas. As it is quite probable that the report of the task force on mining communities makes specific reference to the mining industry of northern Quebec, and as it would probably offer much constructive advice in addition to the final recommendations on how the Government might help restore hope for those disappointed people in Schefferville, Quebec, is the Minister now prepared to release the entire report so that all Members of Parliament might study it, deliberate upon the findings of the task force that visited northern Quebec, and determine if in

fact the federal Government is fulfilling its duty to meet the serious crisis developing in that area?

Hon. Judy Erola (Minister of State (Mines)): Yes, Madam Speaker, the entire report will be released shortly.

ASSISTANCE FOR SCHEFFERVILLE MINERS

Mr. Thomas Siddon (Richmond-South Delta): Madam Speaker, I suggest that as the Minister has extracted from that report she should table it today, and I hope she will do so. The Minister earlier referred to the positive and very helpful initiatives that the Iron Ore Company is taking to relieve the desperation to be experienced by the several hundred residents of Schefferville who will have to relocate and find alternate employment as a result of the closing of their mine. Indeed, the President of the Iron Ore Company, Mr. Brian Mulroney, has been courteous enough to provide the Leader of this Party and other Members of this House with a detailed outline of the proposals that they are making to minimize the burden on their employees. The interesting thing about this documentation—

Madam Speaker: Order. The Hon. Member will please ask his question right away.

Mr. Siddon: This statement makes specific requests of the federal Government—

Madam Speaker: Order. I have to ask the Hon. Member to put his question right away.

Mr. Siddon: Will the Minister respond to these specific requests advanced by the Iron Ore Company for federal assistance to the ailing mine workers of Schefferville, Quebec?

Hon. Judy Erola (Minister of State (Mines)): Madam Speaker, obviously the Hon. Member was not listening when I first responded to a question in this House. The answer is yes, every federal program will be made available to those workers in the Schefferville area. In fact that area has already been designated an ILAP area, so there are extra measures available to them.

* * *

VETERANS AFFAIRS

PENSION RECOMMENDATION MADE BY UNITED VETERANS ORGANIZATION

Mr. Dan McKenzie (Winnipeg-Assiniboine): Madam Speaker, my question is for the Minister of Veterans Affairs. In June of this year the Minister said that he was giving very active consideration to the recommendation made by the United Veterans Organization which would ensure that veterans' pension increases would reflect the greater of the CPI or the average increase given to the five lowest categories of civil servants. When is the Minister going to present the necessary legislative changes to Section 58 of the Pension Act so that veterans will be spared the task of going cap-in-hand to the Governement for their annual increases?

Hon. W. Bennett Campbell (Minister of Veterans Affairs): Madam Speaker, I have never considered the question of the veterans' association approaching my Ministry or the Government as cap in hand. As I indicated in June, we are reviewing the recommendation that has been put forward. I might suggest to the Hon. Member that, as a result of the very responsive action by this Government in maintaining the true cost of living adjustments for veterans' pensions over the next couple of years, in fact not only will veterans' pensions keep in line with the five categories of the Public Service but in some cases will surpass them, as is the situation in some cases at the moment. I can also indicate that we still have that matter under consideration and, just as soon as a decision is made, I will be happy to advise him.

INTRODUCTION OF LEGISLATION

Mr. Dan McKenzie (Winnipeg-Assiniboine): Madam Speaker, has the Minister had any discussions with the Government House Leader as to when he can fit this veterans' legislation into our schedule for this year? It would be appropriate if we dealt with it this year. It is not a contentious issue. All that is required is one speaker from each Party. Has the Minister had any discussions with the Government House Leader?

Hon. W. Bennett Campbell (Minister of Veterans Affairs): The answer is no, Madam Speaker.

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CANADA POST CORPORATION

DEFINITION OF LETTER—REQUEST FOR REFERRAL TO ALL-PARTY COMMITTEE

Mr. Bud Bradley (Haldimand-Norfolk): Madam Speaker, my question is for the Minister responsible for Canada Post Corporation. The Minister is aware that the definition of "letter" and its amendments has been referred to the Governor in Council for deliberation. He is also aware that some 300 briefs were presented by Canadian business organizations opposed to that definition, and which still oppose it even with the amendments.

• (1450)

In light of the Prime Minister's call for trust and co-operation, is the Minister prepared to trust those 300 business organizations, and is he willing to co-operate with the two Parties on this side of the House, deny that definition, and refer the whole issue to a Committee of all Parties of the House?

[*Translation*]

Hon. André Ouellet (Minister of Consumer and Corporate Affairs): Madam Speaker, the matter is now being considered by Cabinet.

[*English*]

REQUEST FOR MINISTER'S RESIGNATION

Mr. Bud Bradley (Haldimand-Norfolk): Madam Speaker, we on this side are used to getting the answer that the Minister would refer the whole matter to the President of the Corporation for his consideration. I am surprised that we did not get that this time as well.

Surely the Minister is aware of the tremendous cost burden being borne by corporations, small business, municipalities and individuals because of this definition, which definition will cause more bankruptcies and loss of jobs. I fail to see why the Minister cannot refer this matter to a committee, or what he has to lose by doing so.

If the Minister wants to refer to the President of the Corporation, Madam Speaker, I ask whether he is prepared to put his resignation on a piece of paper and refer that to the President of the Corporation for his consideration?

[*Translation*]

Hon. André Ouellet (Minister of Consumer and Corporate Affairs): Madam Speaker, I am surprised at the rhetoric being displayed by the hon. critic for the Canada Post Corporation. If he had read the Act, he would realize that all regulations must first be made public through publication in the Canada Gazette, to give the public an opportunity to react to the proposals within sixty days following publication. After representations by the public, the Corporation may amend its proposal before the end of the 60-day period. That is what happened, and now everything has been submitted to cabinet, where the proposal must be either accepted or rejected. This procedure was agreed to unanimously by all members of this House, and since the official critic of the Progressive Conservative Party at the time was strongly in favour of the procedure, I am surprised that the party has now changed its mind. The procedure followed by the Canada Post Corporation is entirely in accordance with the legislation passed by this Parliament.

* * *

[*English*]

AGRICULTURE

UNITED STATES BAN ON MEAT IMPORTS

Mr. Maurice Foster (Algoma): Madam Speaker, my question is directed to the Minister of Agriculture. In view of the lower prices for beef cattle this year at fall sales, can the Minister say what action he plans to take in light of the United States ban on Canadian meat imports?

Hon. E. F. Whelan (Minister of Agriculture): Madam Speaker, we knew that the U.S. would cut off imports when we reached 121.1 million pounds, and we reached that quicker than we thought. We discussed it with the Canada Meat Packers Council and the Canadian Cattlemen's Association. It is because of the heavy imports from Australia and other Oceanic sources that they were going to trigger their meat import law, but through negotiations we were able to raise the limit from 101 million pounds to 121 million pounds.

It will affect some packing firms in Canada, but live cattle are still free to go into the United States. The restriction is on carcass meat and broken beef.

* * *

FISHERIES

PEARSE COMMISSION RECOMMENDATION TO REDUCE FLEET

Mr. Ted Miller (Nanaimo-Alberni): Madam Speaker, in the absence of the Minister of Fisheries and Oceans I would like to direct my question to the Right Hon. Prime Minister. A report entitled "Turning the Tide", into the west coast fishing industry by Dr. Peter Pearse, has proposed that the fishing fleet be reduced by 50 per cent. A reduction of that nature would throw 5,000 fishermen out of work and affect many thousands of others in the industry.

Is it the intention of this Government to create another rationalized industry such as the mining, forest and manufacturing industries, and will the Prime Minister give some guarantee that in order to rationalize this industry we are not again placing the blame on the fishing community itself?

Mr. Brian Tobin (Parliamentary Secretary to Minister of Fisheries and Oceans): Madam Speaker, I want to assure the Hon. Member that the Minister of Fisheries and Oceans and the Government of Canada take very seriously their responsibility to rationalize the fishing industry on both the West Coast and the East Coast. As the Hon. Member knows, a major report on both coasts is now before the Government and currently under consideration. I want to assure the Hon. Member, who is very much interested in the fishery on both coasts, as I know from many conversations with him, that before any action resulting in restructuring is taken, as the Hon. Member says—perhaps too dramatic a word at this time—there will be consultation with the Hon. Member, with the public, and this kind of action would have to result in legislation in this House of Commons.

I would just say the Minister is available—

Mr. Crosbie: Where?

Mr. Tobin: —to discuss with Hon. Members opposite the report on both coasts.

GOVERNMENT POSITION

Mr. Ted Miller (Nanaimo-Alberni): Madam Speaker, again to the Prime Minister, the office of Minister of Fisheries and Oceans indicated he would be in the House yesterday and today to answer questions. He has not been available in the last two days.

If the recommendations in this report were implemented it would mean the loss of 5,000 jobs in the fishing industry, and perhaps 20,000 or 30,000 associated jobs considering the associated manufacturing, ship repair, shore work, and the well-being of coastal communities such as Alert Bay, Tofino, Bamfield, and Prince Rupert. Is that the kind of proposal we are going to get on the East Coast as well, which would indicate this Government is not concerned with jobs or with coastal communities and the lifestyle they have enjoyed?

Mr. Brian Tobin (Parliamentary Secretary to Minister of Fisheries and Oceans): Madam Speaker, I want to assure all Hon. Members opposite that this Government is concerned with preserving the fishery, the way of life and the cultural aspects of the fishery on both the East and the West Coast. I further want to tell the Hon. Member that, rather than a negative attitude, he should remember that to do nothing at this time on the West Coast or the East Coast, that simply to sit back and debate forever with the resulting inaction because of partisan politics on this issue, would be a disaster for our people on both coasts. We intend to act responsibly, Madam Speaker, and we intend to listen, even to the Hon. Member opposite.

* * *

INDUSTRY

REQUEST FOR INTRODUCTION OF TAX INCENTIVES

Hon. George Hees (Northumberland): Madam Speaker, my question is for the Prime Minister. As Statistics Canada has just reported that industrial production in Canada has declined by 13 per cent between June, 1981, and August, 1982, by far the most disastrous decline of any of the 16 principal industrialized countries of the world, would the Prime Minister and his Government now at long last give serious consideration to introducing tax incentives to be paid in direct proportion to increases in productivity and research and development, to lower costs and thereby lower selling prices, and improve quality and design?

Right Hon. P. E. Trudeau (Prime Minister): Madam Speaker, I am sure the Hon. Member realizes in his ardent search for methods to increase our productivity that tax incentives would mean once again increasing the budget deficit, and that of course is a policy contrary to that adopted by his Party. That is why, at this stage, I would not comment on such a suggestion which involves a fiscal decision properly dealt with in the budget.

However, I would remind the Hon. Member that by adopting the six and five policy the Government has taken a very large step, supported I would think by a great majority of Canadians, to decrease our cost structure and therefore make ourselves more productive and therefore more competitive with OECD countries and others.

• (1500)

GOVERNMENT POLICY

Hon. George Hees (Northumberland): Madam Speaker, I have a supplementary question. Does the Prime Minister not realize that such a program, enabling Canadians to sell a far greater volume of goods and thereby employ a far greater number of people, would do three things? First, it would cut down greatly on unemployment insurance payments; second, more people would be working and paying income tax and, third, cutting down costs would make more profits to tax. This would be a plus for the Government and not a minus.

In light of the Prime Minister's cavalier attitude toward this question of increasing productivity, I would ask him, in view of the fact that the only suggestion he put forward for saving the country was to trust each other, if he believes that Canadians will trust someone who fought a whole election campaign against wage and price controls, remember—"zap . . . you're frozen"—and right after the election brought in those same price and wage controls.

Right Hon. P. E. Trudeau (Prime Minister): Madam Speaker, the Hon. Member is making a good case, of course, for increasing the deficit in the hope that eventually—

Mr. Hees: No, this is—

Mr. Trudeau: Madam Speaker, I am dealing with the Hon. Member's question. He wants to reduce taxes in certain areas and I am telling him that this would mean increasing the deficit. He will recall the 1979 election campaign, when we heard a great deal about the stimulative deficit. I am sure that is what the Hon. Member has in mind. He would like the Government to consider increasing the deficit even more in the hope that—

Madam Speaker, the Hon. Member shakes his head "no".

Mr. Hees: What I said was that you would reduce the deficit by reducing the number of unemployed, thereby increasing taxes.

Mr. Trudeau: I would like to have the Hon. Member explain how you can cut taxes and not increase the deficit. When he does that I will be prepared to deal with the question.

* * *

[*Translation*]

PETITIONS

TABLING OF REPORTS OF CLERK OF PETITIONS

Madam Speaker: I have the honour to inform the House that the Clerk of the House has laid upon the Table the reports

of the Clerk of Petitions stating that he has examined the petitions presented by Hon. Members on Monday, November 1, 1982, and finds that the petitions meet the requirements of the Standing Orders as to form.

* * *

[*English*]

PRIVILEGE

MR. SIDDON—RESPONSE OF MRS. EROLA DURING QUESTION PERIOD

Mr. Thomas Siddon (Richmond-South Delta): Madam Speaker, after the Question Period yesterday I gave notice that I would wish to raise a question of privilege today under the provisions of Standing Order 17, arising out of an answer given to a question I put to the Minister of State (Mines) (Mrs. Erola) at that time.

The question to which I would draw your attention is recorded at page 20232 of *Hansard*. In reviewing the transcript of the Hon. Minister's response, I think there are two aspects that demand your examination. I should like to lay those out as succintly and briefly as I can.

The first point relates to the response the hon. lady gave to the question whether she was prepared to support the request for subsidy or stock-piling initiatives in order to keep the Inco mine operating. In her reply the Minister stated as follows:

> Madam Speaker, it is unfortunate that the Hon. Member was not present this morning when the Task Force on Mining Communities made its report.

Further along in her reply the Minister also stated as follows:

> If the Hon. Member had been present this morning he would have known that we were discussing job creation projects—

The implication of those two statements is that I, as a Member of this House, should have been made aware of a meeting at which she was present; indeed, a meeting which the Hon. Minister called of her own volition apparently on Monday morning, about which none of the offices of Opposition spokesmen were made aware. No notice was sent to my office. It was not a meeting that was widely advertised. The implication is—

Madam Speaker: Order, please. Will the Hon. Member tell me what his question of privilege is? I have read his notice very carefully and I see nothing in it that would lead me to feel that he has a question of privilege. He has to tell me right away exactly what constitutes the question of privilege. If it is that he objects to what the Hon. Minister has said, as he knows, that is not a question of privilege. A lot of things are said in the House to which Hon. Members object, but they are not questions of privilege.

Mr. Siddon: Madam Speaker, I beg your indulgence for a moment. There are two aspects to the question of privilege. I will summarize the first aspect immediately.

The point is the implication in the Minister's reply that I, as an Opposition spokesman in the area of mines, was negligent in not being aware of, or present at, a certain meeting that she called. That implication of negligence reflects adversely on the exercise of my duties and responsibilities in the service of my constituents. In fact, Madam Speaker, it is typical of the way she has been responding to questions in the House. I feel that the Hon. Minister means well, but far too often she is wont to give a flippant and specious response to try to put down the questioner without dealing with the question.

I appreciate that this aspect may not be acceptable to you and I will accept your ruling.

I want to move to the second point in my question of privilege. This relates to the Minister's reference to the Task Force on Mining Communities having made its report. In fact, Madam Speaker, as I probed the Minister earlier during Question Period today, it makes one wonder why there was no report released yesterday but only the executive summary of such a report and a list of recommendations. The important question of privilege is whether the Minister has misled the House into believing that in fact the report was presented, from which she either cited or excerpted certain content in order to support her argument.

Madam Speaker: Order, please. I am afraid I must interrupt the Hon. Member because I can see that he is going into an argumentation about the satisfaction he has about an answer, the manner in which the Hon. Minister answered him and the kind of implications that were possibly included in the Minister's answer. He might have been insulted or aggrieved by it, but that does not constitute a question of privilege. A question of privilege has to do with the Hon. Member being absolutely unable to perform his functions as a Member as a result of some action that might have taken place. I am afraid that the Hon. Member does not have a question of privilege.

Mr. Siddon: Madam Speaker—

Madam Speaker: The Hon. Member does not have a question of privilege. I have heard the two points.

Mr. Siddon: You have not heard the second point.

Mr. Sid Parker (Kootenay East-Revelstoke): Madam Speaker, on that question of privilege, I am the mining critic for the New Democratic Party and I feel that my privilege has been breached as well. If the committee structure is going to work efficiently and properly, we must be notified that these meetings are going to take place.

Madam Speaker: I am sorry. That could be a grievance and the Hon. Member is probably right in expressing it, but he cannot do so under the guise of a question of privilege.

ROUTINE PROCEEDINGS

[*English*]

LAW REFORM COMMISSION

TABLING OF REPORT "CONTEMPT OF COURT: L'OUTRAGE AU TRIBUNAL"

Hon. Mark MacGuigan (Minister of Justice): Madam Speaker, in accordance with Standing Order 41(2) I wish to lay on the Table of the House a copy in both official languages of the Law Reform Commission Report entitled "Contempt of Court: L'Outrage au Tribunal".

* * *

PETITIONS

MR. GURBIN—SHIFT IN MANUFACTURERS' SALES TAX

Mr. G. M. Gurbin (Bruce-Grey): Madam Speaker, I would like to present a petition on behalf of residents of Ontario, many of whom reside in my constituency of Bruce-Grey.

At a time when Canadians face serious economic distress, inflation runs rampant and governments' share of the gross national product is approximately 45 per cent—higher than at any time since World War II—it is inappropriate for additional taxation of several billions of dollars to be imposed. Notwithstanding the Minister of Finance's recent deferral and in response to his stated desire for further assessment with possible future imposition, on behalf of Canadian businessmen and consumers this petition requests the Government to cancel the proposal to shift the federal sales tax from the manufacturing to the wholesale level.

MR. RIIS—CALL FOR GENERAL ELECTION

Mr. Nelson A. Riis (Kamloops-Shuswap): Madam Speaker, I have the privilege today of presenting to the House a petition signed by nearly 2,000 constituents who are so concerned about the state of the Canadian economy that they are asking Parliament to urge the Prime Minister of Canada (Mr. Trudeau) to ask the Governor General for the dissolution of Parliament in order that a general election may be held.

* * *

POINT OF ORDER

MR. NIELSEN—WEST COAST WORK STOPPAGE—REQUEST PROPOSED LEGISLATION BE TABLED

Madam Speaker: Introduction of Bills.

Hon. Erik Nielsen (Yukon): Madam Speaker, under this item of Routine Proceedings may I ask the Government House Leader whether he is prepared to table now the back-to-work legislation which the Prime Minister has just finished telling us is ready. Would he table it now so that Members on this side of the House will have an opportunity to see what it contains? Indeed, the Prime Minister has already partially told us what it contains and this raises the question of whether there is an obligation to table that legislation now.

• (1510)

In any event, we do not want to deal with notice. We would like to see the legislation, and for our part we give the Government whatever consent is necessary to enable it to table the legislation immediately. We are certain that in the same spirit of co-operation the New Democratic Party will also consent to that process.

Mr. Deans: Madam Speaker, I do not think the Government needs consent to do it, but if it wants to table the legislation, I would like to see it.

[*Translation*]

Hon. Yvon Pinard (President of the Privy Council): Madam Speaker, I wish to inform the House that we do not intend to table a bill before giving notice. However, the Hon. Member's suggestion seems quite reasonable. I intend to have a meeting with the House leaders within the next few hours, when we could consider the request for tabling the legislation in advance. However, I do not intend to table the bill before giving notice, and notice has not yet been given.

[*English*]

Mr. Nielsen: Madam Speaker, it would appear that the only House leader not agreeing to the immediate tabling of this vital legislation is the Government House Leader. We need no meetings to agree to the immediate tabling of this very urgent and vital legislation: he has that agreement now. Obviously he has it from the NDP House Leader, so why can he not table it now? The Prime Minister says that it is ready.

[*Translation*]

Mr. Pinard: Madam Speaker, draft legislation arising from the last budgets was tabled and submitted to the two House leaders in order to simplify negotiations, and this has had no positive effects whatsoever. In the circumstances, a few hours more or less . . . I informed the Hon. Member that we wish to respect the practice in this House of giving prior notice and subsequently discussing with the House leaders whether there is a case for tabling legislation in advance. I informed him that his suggestion was quite sensible. I am prepared to consider it, and I intend to meet with the House leaders later today. If the Hon. Member is saying that he is not interested in having a meeting, that is something else again, but as far as I am concerned, I shall be inviting him to a meeting later today, some time within the next few hours.

S.O. 26

MOTION TO ADJOURN UNDER S.O. 26

[*English*]

Madam Speaker: I have notice of a request for a debate under Standing Order 26 from the Hon. Member for Portage-Marquette (Mr. Mayer).

* * *

LABOUR CONDITIONS

WEST COAST WORK STOPPAGE

Mr. Charles Mayer (Portage-Marquette): Madam Speaker, I seek leave to move the adjournment of the House under the provisions of Standing Order 26, seconded by the Hon. Member for Kindersley-Lloydminster (Mr. McKnight), to debate a specific and important matter which I believe all Canadians would agree requires immediate consideration, namely, the work stoppage at the Port of Vancouver and at other ports on the west coast.

Since October 19 this work stoppage has had, and continues to have, a serious and negative effect on the total Canadian economy; it is not simply isolated to the west coast. The Minister of Finance (Mr. Lalonde) said some six days ago that he intended to see that the ports on the west coast were operating today. We now know that the Government—or at least it appears so—does not intend to introduce legislation today. Thus the strike or the work stoppage will continue. Last Friday the Finance Minister said that he would move quickly to see that the work stoppage is concluded.

This truly is a national emergency. Our national institution is Parliament. I urge you, Madam Speaker, to recognize that it is a national emergency and that Parliament be allowed to address this very important issue. I separate Parliament and the Government, in that we be allowed under the provisions of Standing Order 26 to use the parliamentary system to attempt to convince the Government that it should accept its responsibility to all Canadians to ensure that this very unfortunate and foolish work stoppage on the west coast ceases. Both parties, labour and management, are purported to have said that they would accept back-to-work legislation.

In conclusion, Madam Speaker, if you find this application for a debate acceptable, I would be very pleased to move the appropriate motion at the appropriate time.

Some Hon. Members: Hear, hear!

Madam Speaker: Of course, the House will recall that I had a similar request on Thursday, October 28, and that at that time I came to the conclusion that in spite of the obvious importance of the impact of this particular situation on the country, I could not allow an emergency debate under Standing Order 26 because there was an opportunity to discuss this question under the different proceedings taking place in the House.

Those circumstances have not changed. As a matter of fact, they are quite similar. This afternoon we will be discussing the borrowing Bill, and Hon. Members know that yesterday they could have discussed the question in the course of the day reserved for the Opposition. Also there will be on next Friday another supply day set aside so that the Opposition may take the opportunity to discuss that particular question. We all know that some legislation is impending.

Therefore, I cannot escape the conclusion that there was an opportunity yesterday and that there will be an opportunity tomorrow and this afternoon to discuss this particular matter. I remind Hon. Members that the Chair is concerned with the urgency of the debate, not at all with the substance of the matter or the urgency of a settlement in the matter. Only the urgency of the debate concerns the Chair. Obviously Hon. Members will be able to debate the question. I am sorry to say that under the circumstances I cannot allow an emergency debate on this very important matter today.

* * *

QUESTIONS ON THE ORDER PAPER

(Questions answered orally are indicated by an asterisk.)

Mr. David Smith (Parliamentary Secretary to President of the Privy Council): Madam Speaker, the following questions will be answered today: Nos. 3,970 to 4,025 inclusive and 4,314.

[*Text*]

FULL-TIME AND PART-TIME PSYCHOLOGISTS AT FEDERAL INSTITUTIONS

Question No. 3,970—**Mr. Lawrence:**

For the years 1976 to 1980, what was the number of (a) full-time (b) part-time psychologists at the Dorchester Penitentiary, Dorchester and, in each case, what was his/her (i) educational qualification (ii) previous work experience in Canada and abroad (iii) salary?

Hon. Bob Kaplan (Solicitor General): In so far as the Correctional Service of Canada is concerned:

(a) Number of full-time psychologists as of December 31—

1976—3
1977—3
1978—2
1979—3
1980—3

* (i) The minimum educational requirement for a psychologist hired through the Public Service Commission is a master's degree in psychology from a recognized university.

* (ii) Previous work experience in the Federal Government:

1976— #1 Psychologist with the CSC since October, 1974
#2 Psychologist with the CSC since July, 1975
Parole Officer from November, 1970 to July, 1975
#3 Psychologist with the CSC from August, 1969

1977— #1 same as 1976
#2 same as 1976
#3 A new psychologist with no previous work experience in the federal government was hired in January, 1977.

1978— #1 same as 1976
#2 Psychologist with the CSC since January, 1977.

1979— same as 1978
1980— #1 same as 1976
#2 same as 1978
#3 Psychologist with CSC since March, 1980
Psychologist with Transport Canada from June, 1978 to March, 1980
Psychologist with the CSC from July, 1975 to June, 1978
Parole Officer from November, 1970 to July, 1975

(iii) 1976—$17,884—25,566
1977—$19,288—27,573
1978—$20,156—28,814
1979—$21,168—30,975
1980—$23,510—33,608

(b) Nil.

*Information provided is for previous work experience in the Federal Public Service only. The provision of any additional information on individuals regarding previous work experience outside the Federal Public Service and personal educational qualifications is of a personal and confidential nature, the disclosure of which is governed under the Canadian Human Rights Act, Part IV.

Question No. 3,971—**Mr. Lawrence:**

For the years 1976 to 1980, what was the number of (a) full-time (b) part-time psychologists at the Pie IX Centre, Montreal and, in each case, what was his/her (i) educational qualification (ii) previous work experience in Canada and abroad (iii) salary?

Question No. 3,972—**Mr. Lawrence:**

For the years 1976 to 1980, what was the number of (a) full-time (b) part-time psychologists at the Benoit XV Centre, Montreal and, in each case, what was his/her (i) educational qualification (ii) previous work experience in Canada and abroad (iii) salary?

Hon. Bob Kaplan (Solicitor General): In so far as the Correctional Service of Canada is concerned: (a) and (b) There were no full-time or part-time psychologists employed at the following Centres: Benoît XV Centre, Pie IX Centre, Community and contract psychological services were provided to Community Correctional Centre inmates as required.

(i), (ii) and (iii) Not applicable.

Question No. 3,973—**Mr. Lawrence:**

For the years 1976 to 1980, what was the number of (a) full-time (b) part-time psychologists at the Cowansville Institution, Cowansville and, in each case, what was his/her (i) educational qualification (ii) previous work experience in Canada and abroad (iii) salary?

Hon. Bob Kaplan (Solicitor General): In so far as the Correctional Service of Canada is concerned:

(a) Number of full-time psychologists as of December 31— 1976—2
1977—2
1978—2
1979—2
1980—3

* (i) The minimum educational requirement for a psychologist hired through the Public Service Commission is a master's degree in psychology from a recognized university.

* (ii) Previous work experience in the Federal Government:

1976— Two psychologists with no previous work experience in the Federal Government were hired in March, 1975

1977— same as 1976

1978— same as 1976
1979— #1 Psychologist with the CSC since March, 1975
#2 A new psychologist with no previous work experience in the Federal Government was hired in September, 1979

1980— same as 1979

(iii) 1976—$17,884—25,566
1977—$19,288—27,573
1978—$20,156—28,814
1979—$21,168—30,975
1980—$23,510—33,608

(b) Nil.

*Information provided is for previous work experience in the Federal Public Service only. The provision of any additional information on individuals regarding previous work experience outside the Federal Public Service and personal educational qualifications is of a personal and confidential nature, the disclosure of which is governed under the Canadian Human Rights Act, Part IV.

Question No. 3,974—**Mr. Lawrence:**

For the years 1976 to 1980, what was the number of (a) full-time (b) part-time psychologists at the Sherbrooke Centre, Montreal and, in each case, what was his/her (i) educational qualification (ii) previous work experience in Canada and abroad (iii) salary?

Question No. 3,975—**Mr. Lawrence:**

For the years 1976 to 1980, what was the number of (a) full-time (b) part-time psychologists at the Martineau Centre, Montreal and, in each case, what was his/her (i) educational qualification (ii) previous work experience in Canada and abroad (iii) salary?

Question No. 3,976—**Mr. Lawrence:**

For the years 1976 to 1980, what was the number of (a) full-time (b) part-time psychologists at the Ogilvie Centre, Montreal and, in each case, what was his/her (i) educational qualification (ii) previous work experience in Canada and abroad (iii) salary?

Hon. Bob Kaplan (Solicitor General): In so far as the Correctional Service of Canada is concerned: (a) and (b) There were no full-time or part-time psychologists employed at the following Centres: Martineau Centre, Ogilvie Centre, Sherbrooke Centre. Community and contract psychological services were provided to Community Correctional Centre inmates as required.

(i), (ii) and (iii) Not applicable.

Question No. 3,977—**Mr. Lawrence:**

For the years 1976 to 1980, what was the number of (a) full-time (b) part-time psychologists at the Federal Training Centre, Laval and, in each case, what was his/her (i) educational qualification (ii) previous work experience in Canada and abroad (iii) salary?

Order Paper Questions

Hon. Bob Kaplan (Solicitor General): In so far as the Correctional Service of Canada is concerned:

(a) Number of full-time psychologists as of December 31—
1976—3
1977—3
1978—2
1979—2
1980—2

* (i) The minimum educational requirement for a psychologist hired through the Public Service Commission is a master's degree in psychology from a recognized university.

* (ii) Previous work experience in the Federal Government:

1976— #1 Psychologist with the CSC since August, 1975
#2 Psychologist with the CSC since July, 1975
#3 Psychologist with the CSC since May, 1975

1977— same as 1976

1978— #1 Psychologist with the CSC since August, 1975
#2 A new psychologist with no previous work experience in the Federal Government was hired in May, 1978

1979— #1 Psychologist with the CSC since May, 1978
#2 Psychologist with the CSC since January, 1975

1980— #1 Psychologist with the CSC since January, 1979
#2 Psychologist with the CSC since November, 1980
Parole Officer from February 1979 to November, 1980

(iii) 1976—$17,884—25,566
1977—$19,288—27,573
1978—$20,156—28,814
1979—$21,168—30,975
1980—$23,510—33,608

(b) Nil.

*Information provided is for previous work experience in the Federal Public Service only. The provision of any additional information on individuals regarding previous work experience outside the Federal Public Service and personal educational qualifications is of a personal and confidential nature, the disclosure of which is governed under the Canadian Human Rights Act, Part IV.

Question No. 3,978—**Mr. Lawrence:**

For the years 1976 to 1980, what was the number of (a) full-time (b) part-time psychologists at the Leclerc Institution, Laval and, in each case, what was his/her (i) educational qualification (ii) previous work experience in Canada and abroad (iii) salary?

Hon. Bob Kaplan (Solicitor General): In so far as the Correctional Service of Canada is concerned:

(a) Number of full-time psychologists as of December 31—
1976—1
1977—2
1978—2
1979—2
1980—2

* (i) The minimum educational requirement for a psychologist hired through the Public Service Commission is a master's degree in psychology from a recognized university.

* (ii) Previous work experience in the Federal Government:

1976— Psychologist with the CSC since January, 1975

1977— #1 Same as 1976
#2 Psychologist with the CSC since February, 1977
Classification Officer from November 1975 to February, 1977

1978— #1 Psychologist with the CSC since May, 1975
#2 same as #2 in 1977

1979— same as 1978

1980— #1 Psychologist with the CSC since February, 1977
Classification Officer from November 1975 to February, 1977
#2 A new psychologist with no previous work experience in the Federal Government was hired in February, 1980

(iii) 1976—$17,884—25,566
1977—$19,288—27,573
1978—$20,156—28,814
1979—$21,168—30,975
1980—$23,510—33,608

(b) Nil.

*Information provided is for previous work experience in the Federal Public Service only. The provision of any additional information on individuals regarding previous work experience outside the Federal Public Service and personal educational qualifications is of a personal and confidential nature, the disclosure of which is governed under the Canadian Human Rights Act, Part IV.

Question No. 3,979—**Mr. Lawrence:**

For the years 1976 to 1980, what was the number of (a) full-time (b) part-time psychologists at the Archambault Institution, Sainte-Anne-des-Plaines and, in each case, what was his/her (i) educational qualification (ii) previous work experience in Canada and abroad (iii) salary?

Hon. Bob Kaplan (Solicitor General): In so far as the Correctional Service of Canada is concerned:

(a) Number of full-time psychologists as of December 31—
1976—2
1977—3
1978—3
1979—3
1980—3

* (i) The minimum educational requirement for a psychologist hired through the Public Service Commission is a master's degree in psychology from a recognized university.

* (ii) Previous work experience in the Federal Government:

1976— Two psychologists with no previous work experience in the Federal Government were hired in May, 1975

1977— #1 Psychologist with the CSC since May, 1975
#2 Two new psychologists with no previous experience in the Federal Government were hired in April and June, 1977

1978— same as 1977

1979— same as 1977

1980— #1 Psychologist with the CSC since April, 1977
#2 Psychologist with the CSC since June, 1977

#3 A new psychologist with no previous work experience in the Federal Government was hired in November 1980

(iii) 1976—$17,884—25,566
1977—$19,288—27,573
1978—$20,156—28,814
1979—$21,168—30,975
1980—$23,510—33,608

(b) Nil.

*Information provided is for previous work experience in the Federal Public Service only. The provision of any additional information on individuals regarding previous work experience outside the Federal Public Service and personal educational qualifications is of a personal and confidential nature, the disclosure of which is governed under the Canadian Human Rights Act, Part IV.

Question No. 3,980—**Mr. Lawrence:**

For the years 1976 to 1980, what was the number of (a) full-time (b) part-time psychologists at the Correctional Development Centre, Laval and, in each case, what was his/her (i) educational qualification (ii) previous work experience in Canada and abroad (iii) salary?

Hon. Bob Kaplan (Solicitor General): In so far as the Correctional Service of Canada is concerned:

(a) Number of full-time psychologists as of December 31— 1976—1
1977—1
1978—2
1979—2
1980—2

* (i) The minimum educational requirement for a psychologist hired through the Public Service Commission is a master's degree in psychology from a recognized university.

* (ii) Previous work experience in the Federal Government:

1976— A new psychologist with no previous work experience in the Federal Government was hired in June, 1976

1977— same as 1976

1978— #1 Psychologist with the CSC since June, 1976
#2 A new psychologist with no previous work experience in the Federal Government was hired in January, 1978

1979— same as 1978

1980— same as 1978

(iii) 1976—$17,884—25,566
1977—$19,288—27,573
1978—$20,156—28,814
1979—$21,168—30,975
1980—$23,510—33,608

(b) Nil.

*Information provided is for previous work experience in the Federal Public Service only. The provision of any additional information on individuals regarding previous work experience outside the Federal Public Service and personal educational qualifications is of a personal and confidential nature, the disclosure of which is governed under the Canadian Human Rights Act, Part IV.

Question No. 3,981—**Mr. Lawrence:**

For the years 1976 to 1980, what was the number of (a) full-time (b) part-time psychologists at the Regional Reception Centre, Sainte-Anne-des-Plaines and, in each case, what was his/her (i) educational qualification (ii) previous work experience in Canada and abroad (iii) salary?

Hon. Bob Kaplan (Solicitor General): In so far as the Correctional Service of Canada is concerned:

(a) Number of full-time psychologists as of December 31, 1976 to December 31— 1980—2

* (i) The minimum educational requirement for a psychologist hired through the Public Service Commission is a master's degree in psychology from a recognized university.

* (ii) Previous work experience in the federal Government:

1976— #1 Psychologist with the CSC since May, 1975
#2 Psychologist with the CSC since June, 1975

1977— same as 1976

1978— same as 1976

1979— #1 Psychologist with the CSC since May, 1975
#2 A new psychologist with no previous work experience in the Federal Government was hired in January, 1979

1980— #1 Psychologist with the CSC since January, 1979
#2 A new psychologist with no previous work experience in the Federal Government was hired in January, 1980

(iii) 1976—$17,884—25,566
1977—$19,288—27,573
1978—$20,156—28,814
1979—$21,168—30,975
1980—$23,510—33,608

(b) Nil.

*Information provided is for previous work experience in the Federal Public Service only. The provision of any additional information on individuals regarding previous work experience outside the Federal Public Service and personal educational qualifications is of a personal and confidential nature, the disclosure of which is governed under the Canadian Human Rights Act, Part IV.

Question No. 3,982—**Mr. Lawrence:**

For the years 1976 to 1980, what was the number of (a) full-time (b) part-time psychologists at the Portsmouth Centre, Kingston and, in each case, what was his/her (i) educational qualification (ii) previous work experience in Canada and abroad (iii) salary?

Question No. 3,983—**Mr. Lawrence:**

For the years 1976 to 1980, what was the number of (a) full-time (b) part-time psychologists at the Keele Street Centre, Toronto and, in each case, what was his/her (i) educational qualification (ii) previous work experience in Canada and abroad (iii) salary?

Question No. 3,984—**Mr. Lawrence:**

For the years 1976 to 1980, what was the number of (a) full-time (b) part-time psychologists at the Montgomery Centre, Toronto and, in each case,

what was his/her (i) educational qualification (ii) previous work experience in Canada and abroad (iii) salary?

Hon. Bob Kaplan (Solicitor General): In so far as the Correctional Service of Canada is concerned: (a) and (b) There were no full-time or part-time psychologists employed at the following Centres: Keele Street Centre, Montgomery Centre, Portsmouth Centre. Community and contract psychological services were provided to Community Correctional Centre inmates as required.

(i), (ii) and (iii) Not applicable.

Question No. 3,985—**Mr. Lawrence:**

For the years 1976 to 1980, what was the number of (a) full-time (b) part-time psychologists at the Frontenac Institution farm, Kingston and, in each case, what was his/her (i) educational qualification (ii) previous work experience in Canada and abroad (iii) salary?

Hon. Bob Kaplan (Solicitor General): In so far as the Correctional Service of Canada is concerned: (a) and (b) If the inmate population of a minimum security institution was not large enough, psychological services were provided by the nearest major institution. Warkworth Institution most often provided these services to the inmates of Beaver Creek. However, inmates were returned to the institutions from which they were transferred to receive psychological services if these were not available at Warkworth.

Question No. 3,986—**Mr. Lawrence:**

For the years 1976 to 1980, what was the number of (a) full-time (b) part-time psychologists at the Bath Institution, Bath and, in each case, what was his/her (i) educational qualification (ii) previous work experience in Canada and abroad (iii) salary?

Hon. Bob Kaplan (Solicitor General): In so far as the Correctional Service of Canada is concerned: (a) and (b) If the inmate population of a minimum security institution was not large enough, psychological services were provided by the nearest major institution. Millhaven Institution provided these services to the inmates of Bath Institution.

Question No. 3,987—**Mr. Lawrence:**

For the years 1976 to 1980, what was the number of (a) full-time (b) part-time psychologists at the Pittsburg Institution farm, Joyceville and, in each case, what was his/her (i) educational qualification (ii) previous work experience in Canada and abroad (iii) salary?

Hon. Bob Kaplan (Solicitor General): In so far as the Correctional Service of Canada is concerned: (a) and (b) If the inmate population of the minimum security institution was not large enough, psychological services were provided by the nearest major institution. Joyceville institution provided these services to the inmates of Pittsburg.

Question No. 3,988—**Mr. Lawrence:**

For the years 1976 to 1980, what was the number of (a) full-time (b) part-time psychologists at the Frontenac Institution farm, Kingston and, in each case, what was his/her (i) educational qualification (ii) previous work experience in Canada and abroad (iii) salary?

Hon. Bob Kaplan (Solicitor General): In so far as the Correctional Service of Canada is concerned: (a) and (b) If the inmate population of a minimum security institution was not large enough, psychological services were provided by the nearest major institution. Collins Bay Institution provided these services to the inmates of Frontenac Institution.

Question No. 3,989—**Mr. Lawrence:**

For the years 1976 to 1980, what was the number of (a) full-time (b) part-time psychologists at the Warkworth Institution, Campbellford and, in each case, what was his/her (i) educational qualification (ii) previous work experience in Canada and abroad (iii) salary?

Hon. Bob Kaplan (Solicitor General): In so far as the Correctional Service of Canada is concerned:

(a) Number of full-time psychologists as of December 31—
1976—4
1977—4
1978—3
1979—2
1980—2

* (i) The minimum educational requirement for a psychologist hired through the Public Service Commission is a master's degree in psychology from a recognized university.

* (ii) Previous work experience in the Federal Government:

1976 #1 Psychologist with the CSC since March, 1975
#2 Psychologist with the CSC since November, 1971
#3 Psychologist with the CSC since October, 1972
#4 Psychologist with the CSC since September, 1975

1977 #1 same as 1976
#2 same as 1976
#3 same as 1976
#4 A new psychologist with no previous work experience in the Federal Government was hired in September, 1977

1978 #1 same as 1976
#2 same as 1976
#3 Psychologist with the CSC since September, 1977

1979 #1 same as 1976
#2 same as #3 in 1978

1980 same as 1979

(iii) 1976—$17,884—25,566
1977—$19,288—27,573
1978—$20,156—28,814
1979—$21,168—30,975
1980—$23,510—33,608

(b) Nil.

*Information provided is for previous work experience in the Federal Public Service only. The provision of any additional information on individuals regarding previous work experience outside the Federal Public Service and personal educational qualifications is of a personal and confidential nature, the disclosure of which is governed under the Canadian Human Rights Act, Part IV.

Question No. 3,990—**Mr. Lawrence:**

For the years 1976 to 1980, what was the number of (a) full-time (b) part-time psychologists at the Joyceville Institution, Joyceville and, in each case,

what was his/her (i) educational qualification (ii) previous work experience in Canada and abroad (iii) salary?

Hon. Bob Kaplan (Solicitor General): In so far as the Correctional Service of Canada is concerned:

(a) Number of full-time psychologists as of December 31—
1976—1
1977—3
1978—3
1979—3
1980—3

* (i) The minimum educational requirement for a psychologist hired through the Public Service Commission is a master's degree in psychology from a recognized university.

* (ii) Previous work experience in the Federal Government:

1976— Psychologist with the CSC since September, 1972

1977— #1 same as 1976
#2 Psychologist with the CSC since September, 1974
#3 Psychologist with the CSC since September, 1973

1978— Same as 1977

1979— Same as 1977

1980— Same as 1977

(iii) 1976—$17,884—25,566
1977—$19,288—27,573
1978—$20,156—28,814
1979—$21,168—30,975
1980—$23,510—33,608

(b) Nil.

*Information provided is for previous work experience in the Federal Public Service only. The provision of any additional information on individuals regarding previous work experience outside the Federal Public Service and personal educational qualifications is of a personal and confidential nature, the disclosure of which is governed under the Canadian Human Rights Act, Part IV.

Question No. 3,991—**Mr. Lawrence:**

For the years 1976 to 1980, what was the number of (a) full-time (b) part-time psychologists at the Collins Bay Institution, Kingston and, in each case, what was his/her (i) educational qualification (ii) previous work experience in Canada and abroad (iii) salary?

Hon. Bob Kaplan (Solicitor General): In so far as the Correctional Service of Canada is concerned:

(a) Number of full-time psychologists as of December 31—
1976—3
1977—3
1978—2
1979—2
1980—2

* (i) The minimum educational requirement for a psychologist hired through the Public Service Commission is a master's degree in psychology from a recognized university.

* (ii) Previous work experience in the Federal Government:

1976— #1 Psychologist with the CSC since April, 1974
#2 Psychologist with the CSC since October, 1973
#3 Psychologist with the CSC since February, 1972

1977— same as 1976

1978— #1 Psychologist with the CSC since July, 1978
Living Unit specialist from 1975 to 1978
Psychologist with the CSC from 1972 to 1975
#2 Psychologist with the CSC since June, 1978

1979— same as 1978

1980— same as 1978

(iii) 1976—$17,884—25,566
1977—$19,288—27,573
1978—$20,156—28,814
1979—$21,168—30,975
1980—$23,510—33,608

(b) Nil.

*Information provided is for previous work experience in the Federal Public Service only. The provision of any additional information on individuals regarding previous work experience outside the Federal Public Service and personal educational qualifications is of a personal and confidential nature, the disclosure of which is governed under the Canadian Human Rights Act, Part IV.

Question No. 3,992—**Mr. Lawrence:**

For the years 1976 to 1980, what was the number of (a) full-time (b) part-time psychologists at the Millhaven Institution, Bath and, in each case, what was his/her (i) educational qualification (ii) previous work experience in Canada and abroad (iii) salary?

Hon. Bob Kaplan (Solicitor General): In so far as the Correctional Service of Canada is concerned:

(a) Number of full-time psychologists as of December 31—
1976—4
1977—3
1978—4
1979—3
1980—2

* (i) The minimum educational requirement for a psychologist hired through the Public Service Commission is a master's degree in psychology from a recognized university.

* (ii) Previous work experience in the Federal Government:

1976— #1 Psychologist with the CSC since July, 1972
#2 Psychologist with the CSC since October, 1972
#3 Psychologist with the CSC since October, 1973
#4 Psychologist with the CSC since February, 1976

1977— #1 Psychologist with the CSC since July, 1972
#2 Psychologist with the CSC since October, 1972
#3 Psychologist with the CSC since February, 1976

1978— #1 Psychologist with the CSC since July, 1972
#2 Psychologist with the CSC since February, 1976
#3 Psychologist with the CSC since October, 1972
#4 A new psychologist with no previous work experience in the Federal Government was hired in August, 1978

1979— #1 Psychologist with the CSC since August, 1978
#2 Psychologist with the CSC since February, 1976
#3 A new psychologist with no previous work experience in the Federal Government was hired in April, 1979

1980— #1 Psychologist with the CSC since August, 1978
#2 Psychologist with the CSC since April, 1974

(iii) 1976—$17,884—25,566
1977—$19,288—27,573
1978—$20,156—28,814
1979—$21,168—30,975
1980—$23,510—33,608

(b) Nil.

*Information provided is for previous work experience in the Federal Public Service only. The provision of any additional information on individuals regarding previous work experience outside the Federal Public Service and personal educational qualifications is of a personal and confidential nature, the disclosure of which is governed under the Canadian Human Rights Act, Part IV.

Question No. 3,993—**Mr. Lawrence:**

For the years 1976 to 1980, what was the number of (a) full-time (b) part-time psychologists at the Prison For Women, Kingston and, in each case, what was his/her (i) educational qualification (ii) previous work experience in Canada and abroad (iii) salary?

Hon. Bob Kaplan (Solicitor General): In so far as the Correctional Service of Canada is concerned:

(a) Number of full-time psychologists as of December 31— 1976—1
1977—1
1978—1
1979—1
1980—1

* (i) The minimum educational requirement for a psychologist hired through the Public Service Commission is a master's degree in psychology from a recognized university.

* (ii) Previous work experience in the Federal Government:

1976—1979 Psychologist with the CSC since May, 1974
1980 Psychologist with the CSC since July, 1976

(iii) 1976—$17,884—25,566
1977—$19,288—27,573
1978—$20,156—28,814
1979—$21,168—30,975
1980—$23,510—33,608

(b) Nil.

*Information provided is for previous work experience in the Federal Public Service only. The provision of any additional information on individuals regarding previous work experience outside the Federal Public Service and personal educational qualifications is of a personal and confidential nature, the disclosure of which is governed under the Canadian Human Rights Act, Part IV.

Question No. 3,994—**Mr. Lawrence:**

For the years 1976 to 1980, what was the number of (a) full-time (b) part-time psychologists at the Regional Psychiatric Centre, Kingston and, in each case, what was his/her (i) educational qualification (ii) previous work experience in Canada and abroad (iii) salary?

Hon. Bob Kaplan (Solicitor General): In so far as the Correctional Service of Canada is concerned:

(a) Number of full-time psychologists as of December 31— 1976—4
1977—5
1978—5
1979—5
1980—5

* (i) The minimum educational requirement for a psychologist hired through the Public Service Commission is a master's degree in psychology from a recognized university.

* (ii) Previous work experience in the Federal Government:

1976— All four psychologists were hired in 1976 and none had any previous work experience in the Federal Government.

1977— #1 Psychologist with the CSC since August, 1976
#2 Psychologist with the CSC since September, 1976
#3 Psychologist with the CSC since September, 1976
#4 Psychologist with the CSC since September, 1976
#5 A new psychologist with no previous work experience in the Federal Government was hired in January, 1977

1978— #1 same as #1 in 1977
#2 same as #2 in 1977
#3 same as #3 in 1977
#4 Psychologist with the CSC since January, 1977
#5 A new psychologist with no previous work experience in the Federal Government was hired in May, 1978

1979— same as 1978

1980— same as 1978

(iii) 1976—$17,884—25,566
1977—$19,288—27,573
1978—$20,156—28,814
1979—$21,168—30,975
1980—$23,510—33,608

(b) Nil.

*Information provided is for previous work experience in the Federal Public Service only. The provision of any additional information on individuals regarding previous work experience outside the Federal Public Service and personal educational qualifications is of a personal and confidential nature, the disclosure of which is governed under the Canadian Human Rights Act, Part IV.

Question No. 3,995—**Mr. Lawrence:**

For the years 1976 to 1980, what was the number of (a) full-time (b) part-time psychologists at the Regional Reception Centre, Kingston and, in each case, what was his/her (i) educational qualification (ii) previous work experience in Canada and abroad (iii) salary?

Hon. Bob Kaplan (Solicitor General): In so far as the Correctional Service of Canada is concerned:

(a) Number of full-time psychologists as of December 31—
1976—3
1977—3
1978—3
1979—1
1980—2

* (i) The minimum educational requirement for a psychologist hired through the Public Service Commission is a master's degree in psychology from a recognized university.

* (ii) Previous work experience in the Federal Government:

1976— #1 Psychologist with the CSC since September, 1974
#2 Psychologist with the CSC since July, 1975
#3 Psychologist with the CSC since July, 1975

1977— same as 1976

1978— same as 1976

1979— Full-time psychologist with the CSC since May, 1976

Part-time psychologist with the CSC from November, 1974 to May, 1976

1980— #1 Full-time psychologist with the CSC since May, 1976

Part-time psychologist with the CSC from November, 1974 to May, 1976
#2 Psychologist with the CSC since September, 1977

(iii) 1976—$17,884—25,566
1977—$19,288—27,573
1978—$20,156—28,814
1979—$21,168—30,975
1980—$23,510—33,608

(b) For the year 1976, there was one part-time psychologist employed through the Public Service Commission. For the years 1977, 1978, 1979 and 1980: Nil

* (i) The educational requirement is the same as that of a full-time psychologist.

(ii) The person was employed as a part-time psychologist with the CSC since November, 1974 and had no previous work experience in the Federal Government.

(iii) A part-time psychologist with the CSC was paid an hourly rate of $9.14 for work performed.

*Information provided is for previous work experience in the Federal Public Service only. The provision of any additional information on individuals regarding previous work experience outside the Federal Public Service and personal educational qualifications is of a personal and confidential nature, the disclosure of which is governed under the Canadian Human Rights Act, Part IV.

Question No. 3,996—**Mr. Lawrence:**

For the years 1976 to 1980, what was the number of (a) full-time (b) part-time psychologists at the Robson Centre, Vancouver and, in each case, what was his/her (i) educational qualification (ii) previous work experience in Canada and abroad (iii) salary?

Question No. 3,997—**Mr. Lawrence:**

For the years 1976 to 1980, what was the number of (a) full-time (b) part-time psychologists at the Pandora Centre, Victoria and, in each case, what was his/her (i) educational qualification (ii) previous work experience in Canada and abroad (iii) salary?

Hon. Bob Kaplan (Solicitor General): In so far as the Correctional Service of Canada is concerned: (a) and (b) There were no full-time or part-time psychologists employed at the following Centres: Pandora Centre, Robson Centre. Community and contract psychological services were provided to Community Correctional Centre inmates as required.

(i), (ii) and (iii) Not applicable.

Question No. 3,998—**Mr. Lawrence:**

For the years 1976 to 1980, what was the number of (a) full-time (b) part-time psychologists at the Elbow Lake forestry camp, Harrison Mills and, in each case, what was his/her (i) educational qualification (ii) previous work experience in Canada and abroad (iii) salary?

Hon. Bob Kaplan (Solicitor General): In so far as the Correctional Service of Canada is concerned: (a) and (b) If the inmate population of a minimum security institution was not large enough, psychological services were provided by the nearest major institution. Mountain Institution most often provided these services to the inmates of Elbow Lake. However, outside psychologists were utilized when Mountain Institution was not able to meet the demand.

Question No. 3,999—**Mr. Lawrence:**

For the years 1976 to 1980, what was the number of (a) full-time (b) part-time psychologists at the Ferndale Institution, Mission and, in each case, what was his/her (i) educational qualification (ii) previous work experience in Canada and abroad (iii) salary?

Hon. Bob Kaplan (Solicitor General): In so far as the Correctional Service of Canada is concerned: (a) and (b) If the inmate population of a minimum security institution was not large enough, psychological services were provided by the nearest major institution. Up to December 31, 1976 these services were provided to the inmates of Ferndale by Matsqui Institution and after that date, these services were provided by Mission Institution.

Question No. 4,000—**Mr. Lawrence:**

For the years 1976 to 1980, what was the number of (a) full-time (b) part-time psychologists at the Matsqui Trailer Unit and, in each case, what was his/her (i) educational qualification (ii) previous work experience in Canada and abroad (iii) salary?

Hon. Bob Kaplan (Solicitor General): In so far as The Correctional Service of Canada is concerned: (a) and (b) If the inmate population of a minimum security institution was not large enough, psychological services were provided by the nearest major institution. Matsqui Institution or the Regional Psychiatric Centre provided these services to the inmates of the Matsqui Trailer Unit.

Question No. 4,001—**Mr. Lawrence:**

For the years 1976 to 1980, what was the number of (a) full-time (b) part-time psychologists at the Mission Institution, Mission and, in each case,

what was his/her (i) educational qualification (ii) previous work experience in Canada and abroad (iii) salary?

Hon. Bob Kaplan (Solicitor General): In so far as the Correctional Service of Canada is concerned: Mission Institution opened in 1977.

(a) Number of full-time psychologists as of December 31—
1977—1
1978—1
1979—1
1980—1

* (i) The minimum educational requirement for a psychologist hired through the Public Service Commission is a master's degree in psychology from a recognized university.

* (ii) Previous work experience in the Federal Government:

1977— Psychologist with the CSC since April, 1977

1978— Psychologist with the CSC since April, 1978

1979— same as 1978

1980— same as 1978

(iii) 1977—$19,288—27,573
1978—$20,156—28,814
1979—$21,168—30,975
1980—$23,510—33,608

(b) Nil.

*Information provided is for previous work experience in the Federal Public Service only. The provision of any additional information on individuals regarding previous work experience outside the Federal Public Service and personal educational qualifications is of a personal and confidential nature, the disclosure of which is governed under the Canadian Human Rights Act, Part IV.

Question No. 4,002—**Mr. Lawrence:**

For the years 1976 to 1980, what was the number of (a) full-time (b) part-time psychologists at the William Head Institution, Victoria and, in each case, what was his/her (i) educational qualification (ii) previous work experience in Canada and abroad (iii) salary?

Hon. Bob Kaplan (Solicitor General): In so far as the Correctional Service of Canada is concerned: (a) and (b) Psychological services for the inmate population of William Head Institution were provided by either Matsqui Institution or the Pacific Regional Psychiatric Centre.

Question No. 4,003—**Mr. Lawrence:**

For the years 1976 to 1980, what was the number of (a) full-time (b) part-time psychologists at the Mountain Institution, Agassiz and, in each case, what was his/her (i) educational qualification (ii) previous work experience in Canada and abroad (iii) salary?

Hon. Bob Kaplan (Solicitor General): In so far as the Correctional Service of Canada is concerned:

(a) Number of full-time psychologists as of December 31, 1976 to December 31, 1980—1.

* (i) The minimum educational requirement for a psychologist hired through the Public Service Commission is a master's degree in psychology from a recognized university.

* (ii) Previous work experience in the Federal Government:

Psychologist with the CSC since 1959

(iii) 1976—$17,884—25,566
1977—$19,288—27,573
1978—$20,156—28,814
1979—$21,168—30,975
1980—$23,510—33,608

(b) Nil.

*Information provided is for previous work experience in the Federal Public Service only. The provision of any additional information on individuals regarding previous work experience outside the Federal Public Service and personal educational qualifications is of a personal and confidential nature, the disclosure of which is governed under the Canadian Human Rights Act, Part IV.

Question No. 4,004—**Mr. Lawrence:**

For the years 1976 to 1980, what was the number of (a) full-time (b) part-time psychologists at the Matsqui Institution, Abbotsford and, in each case, what was his/her (i) educational qualification (ii) previous work experience in Canada and abroad (iii) salary?

Hon. Bob Kaplan (Solicitor General): In so far as the Correctional Service of Canada is concerned:

(a) Number of full-time psychologists as of December 31—
1976—3
1977—3
1978—3
1979—3
1980—3

* (i) The minimum educational requirement for a psychologist hired through the Public Service Commission is a master's degree in psychology from a recognized university.

* (ii) Previous work experience in the Federal Government:

#1 Psychologist with the CSC since March, 1969
#2 Psychologist with the CSC since January, 1975
Administrative trainee with the Department of Communications from June, 1974 to January, 1975
#3 Psychologist with the CSC since November, 1965

(iii) 1976—$17,884—25,566

1977—$19,288—25,573

1978—$20,156—28,814

1979—$21,168—30,975

1980—$23,510—33,608

(b) Nil.

*Information provided is for previous work experience in the Federal Public Service only. The provision of any additional information on individuals regarding previous work experience

outside the Federal Public Service and personal educational qualifications is of a personal and confidential nature, the disclosure of which is governed under the Canadian Human Rights Act, Part IV.

Question No. 4,005—**Mr. Lawrence:**

For the years 1976 to 1980, what was the number of (a) full-time (b) part-time psychologists at the Kent Institution, Agassiz and, in each case, what was his/her (i) educational qualification (ii) previous work experience in Canada and abroad (iii) salary?

Hon. Bob Kaplan (Solicitor General): In so far as the Correctional Service of Canada is concerned: Kent Institution opened in 1979.

(a) Number of full-time psychologists as of December 31—1979—1, 1980—1.

* (i) The minimum educational requirement for a psychologist hired through the Public Service Commission is a master's degree in psychology from a recognized university.

* (ii) Previous work experience in the Federal Government: Psychologist with the CSC since April, 1979

(iii) 1979—$21,168—30,975
1980—$23,510—33,608

(b) Nil.

* Information provided is for previous work experience in the Federal Public Service only. The provision of any additional information on individuals regarding previous work experience outside the Federal Public Service and personal educational qualifications is of a personal and confidential nature, the disclosure of which is governed under the Canadian Human Rights Act, Part IV.

Question No. 4,006—**Mr. Lawrence:**

For the years 1976 to 1980, what was the number of (a) full-time (b) part-time psychologists at the Regional Psychiatric Centre, Abbotsford and, in each case, what was his/her (i) educational qualification (ii) previous work experience in Canada and abroad (iii) salary?

Hon. Bob Kaplan (Solicitor General): In so far as the Correctional Service of Canada is concerned:

(a) Number of full-time psychologists as of December 31, 1976 to December 31, 1980—3.

* (i) The minimum educational requirement for a psychologist hired through the Public Service Commission is a master's degree in psychology from a recognized university.

* (ii) Previous work experience in the federal Government:

1976— #1 Psychologist with the CSC since December, 1970
#2 Psychologist with the CSC since July, 1976
#3 Psychologist with the CSC since July, 1976

1977— same as 1976

1978— #1 Psychologist with the CSC since December, 1970
#2 Psychologist with the CSC since January, 1978
Director, Official Languages, Public Service Commission from September, 1976 to January, 1978
Acting Director, Official Languages, Public Service Commission from January, 1976 to September, 1976
#3 Psychologist with the CSC since October, 1978

1979— same as 1978

1980— same as 1978

(iii) 1976—$17,884—25,566
1977—$19,288—27,573
1978—$20,156—28,814
1979—$21,168—30,975
1980—$23,510—33,608

(b) Nil.

*Information provided is for previous work experience in the Federal Public Service only. The provision of any additional information on individuals regarding previous work experience outside the Federal Public Service and personal educational qualifications is of a personal and confidential nature, the disclosure of which is governed under the Canadian Human Rights Act, Part IV.

Question No. 4,007—**Mr. Lawrence:**

For the years 1976 to 1980, what was the number of (a) full-time (b) part-time psychologists at the Carlton Centre, Halifax and, in each case, what was his/her (i) educational qualification (ii) previous work experience in Canada and abroad (iii) salary?

Hon. Bob Kaplan (Solicitor General): In so far as the Correctional Service of Canada is concerned: (a) and (b) There are no full-time or part-time psychologists employed at the above-mentioned Centre. Community and contract psychological services were provided to Community Correctional Centre inmates as required.

(i), (ii) and (iii) Not applicable.

Question No. 4,008—**Mr. Lawrence:**

For the years 1976 to 1980, what was the number of (a) full-time (b) part-time psychologists at the Shulie Lake Camp, Parrsboro and, in each case, what was his/her (i) educational qualification (ii) previous work experience in Canada and abroad (iii) salary?

Hon. Bob Kaplan (Solicitor General): In so far as the Correctional Service of Canada is concerned:

(a) and (b) If the inmate population of a minimum security institution was not large enough, psychological services were provided by the nearest major institution. Springhill Institution provided these services to Shulie Lake Camp.

Order Paper Questions

Question No. 4,009—**Mr. Lawrence:**

For the years 1976 to 1980, what was the number of (a) full-time (b) part-time psychologists at the Springhill Institution, Springhill and, in each case, what was his/her (i) educational qualification (ii) previous work experience in Canada and abroad (iii) salary?

Hon. Bob Kaplan (Solicitor General): In so far as the Correctional Service of Canada is concerned:

(a) Number of full-time psychologists as of December 31—
1976—2
1977—3
1978—3
1979—3
1980—3

* (i) The minimum educational requirement for a psychologist hired through the Public Service Commission is a master's degree in psychology from a recognized university.

* (ii) Previous work experience in the Federal Government:

1976— #1 Psychologist with the CSC since May, 1969
#2 Psychologist with the CSC since October, 1970
On educational leave from September, 1967 to May, 1970
Classification Officer with the CSC from November, 1965 to September, 1967

1977— #1 same as 1976

#2 same as 1976

#3 A new psychologist with no previous work experience in the federal Government was hired in September, 1977

1978— same as 1977

1979— same as 1977

1980— same as 1977

(iii) 1976—$17,884—25,566
1977—$19,288—27,573
1978—$20,156—28,814
1979—$21,168—30,975
1980—$23,510—33,608

(b) Nil.

*Information provided is for previous work experience in the Federal Public Service only. The provision of any additional information on individuals regarding previous work experience outside the Federal Public Service and personal educational qualifications is of a personal and confidential nature, the disclosure of which is governed under the Canadian Human Rights Act, Part IV.

Question No. 4,010—**Mr. Lawrence:**

For the years 1976 to 1980, what was the number of (a) full-time (b) part-time psychologists at the Parrtown Centre, Saint John and, in each case, what was his/her (i) educational qualification (ii) previous work experience in Canada and abroad (iii) salary?

Hon. Bob Kaplan (Solicitor General): In so far as the Correctional Service of Canada is concerned: (a) and (b) There are no full-time or part-time psychologists employed at the above-mentioned Centre. Community and contract psychological services were provided to Community Correctional Centre inmates as required.

(i), (ii) and (iii) Not applicable.

Question No. 4,011—**Mr. Lawrence:**

For the years 1976 to 1980, what was the number of (a) full-time (b) part-time psychologists at the Westmorland Institution farm, Dorchester and, in each case, what was his/her (i) educational qualification (ii) previous work experience in Canada and abroad (iii) salary?

Hon. Bob Kaplan (Solicitor General): In so far as the Correctional Service of Canada is concerned:

Years 1976 to September, 1980: Until September, 1980, psychological services were provided by Dorchester Penitentiary because the inmate population of Westmorland Institution was not large enough to warrant a full-time psychologist.

As of December 31, 1980

(a) Number of full-time psychologists: One

* (i) The minimum educational requirement for a psychologist hired through the Public Service Commission is a master's degree in psychology from a recognized university.

* (ii) Previous work experience with the federal Government: Psychologist with the CSC since May, 1970. On educational leave from September, 1967 to May, 1970. Classification Officer with the CSC from November, 1965 to September, 1967.

(iii) $23,510—$33,608

(b) Nil.

*Information provided is for previous work experience in the Federal Public Service only. The provision of any additional information on individuals regarding previous work experience outside the Federal Public Service and personal educational qualifications is of a personal and confidential nature, the disclosure of which is governed under the Canadian Human Rights Act, Part IV.

Question No. 4,012—**Mr. Lawrence:**

For the years 1976 to 1980, what was the number of (a) full-time (b) part-time psychologists at the Osborne Centre, Winnipeg and, in each case, what was his/her (i) educational qualification (ii) previous work experience in Canada and abroad (iii) salary?

Hon. Bob Kaplan (Solicitor General): In so far as the Correctional Service of Canada is concerned: (a) and (b) There are no full-time or part-time psychologists employed at the above-mentioned Centre. Community and contract psychological services were provided to Community Correctional Centre inmates as required.

(i), (ii) and (iii) Not applicable.

Question No. 4,013—**Mr. Lawrence:**

For the years 1976 to 1980, what was the number of (a) full-time (b) part-time psychologists at the Rockwood Institution farm, Stony Mountain and, in each case, what was his/her (i) educational qualification (ii) previous work experience in Canada and abroad (iii) salary?

Hon. Bob Kaplan (Solicitor General): In so far as the Correctional Service of Canada is concerned:

(a) and (b) If the inmate population of a minimum security institution was not large enough, psychological services were provided by the nearest major institution. Stony Mountain Institution provided these services to the inmates of Rockwood Institution.

Question No. 4,014—**Mr. Lawrence:**

For the years 1976 to 1980, what was the number of (a) full-time (b) part-time psychologists at the Stony Mountain Institution, Stony Mountain and, in each case, what was his/her (i) educational qualification (ii) previous work experience in Canada and abroad (iii) salary?

Hon. Bob Kaplan (Solicitor General): In so far as the Correctional Service of Canada is concerned:

(a) Number of full-time psychologists as of December 31—
1976—3
1977—3
1978—2
1979—2
1980—2

* (i) The minimum educational requirement for a psychologist hired through the Public Service Commission is a master's degree in psychology from a recognized university.

* (ii) Previous work experience in the Federal Government:

1976— #1 Psychologist with the CSC since August, 1970
#2 Psychologist with the CSC since July, 1970
#3 Psychologist with the CSC since May, 1976

1977— same as 1976

1978— #1 Psychologist with the CSC since August, 1970
#2 Psychologist with the CSC since July, 1970

1979— same as 1978

1980— same as 1978

(iii) 1976—$17,884—25,566
1977—$19,288—27,573
1978—$20,156—28,814
1979—$21,168—30,975
1980—$23,510—33,608

(b) Nil.

*Information provided is for previous work experience in the Federal Public Service only. The provision of any additional information on individuals regarding previous work experience outside the Federal Public Service and personal educational qualifications is of a personal and confidential nature, the disclosure of which is governed under the Canadian Human Rights Act, Part IV.

Question No. 4,015—**Mr. Lawrence:**

For the years 1976 to 1980, what was the number of (a) full-time (b) part-time psychologists at the Oskana Centre, Regina and, in each case, what was his/her (i) educational qualification (ii) previous work experience in Canada and abroad (iii) salary?

Hon. Bob Kaplan (Solicitor General): In so far as the Correctional Service of Canada is concerned: (a) and (b) There are no full-time or part-time psychologists employed at the above-mentioned Centre. Community and contract psychological services were provided to Community Correctional Centre inmates as required.

(i), (ii) and (iii) Not applicable.

Question No. 4,016—**Mr. Lawrence:**

For the years 1976 to 1980, what was the number of (a) full-time (b) part-time psychologists at the Saskatchewan Institution farm, Prince Albert and, in each case, what was his/her (i) educational qualification (ii) previous work experience in Canada and abroad (iii) salary?

Hon. Bob Kaplan (Solicitor General): In so far as the Correctional Service of Canada is concerned:

(a) and (b) In the inmate population of a minimum security institution was not large enough, psychological services were provided by the nearest major institution. Saskatchewan Penitentiary provided these services to the inmates of the Saskatchewan Farm Annex.

Question No. 4,017—**Mr. Lawrence:**

For the years 1976 to 1980, what was the number of (a) full-time (b) part-time psychologists at the Saskatchewan Penitentiary, Prince Albert and, in each case, what was his/her (i) educational qualification (ii) previous work experience in Canada and abroad (iii) salary?

Hon. Bob Kaplan (Solicitor General): In so far as the Correctional Service of Canada is concerned:

(a) Number of full-time psychologists as of December 31—
1976—1
1977—2
1978—2
1979—3
1980—3

* (i) The minimum educational requirement for a psychologist hired through the Public Service Commission is a master's degree in psychology from a recognized university.

* (ii) Previous work experience in the Federal Government:

1976— Psychologist with the CSC since May, 1975
On educational leave from September, 1973 to May, 1975
Psychologist with the CSC from May, 1971 to September, 1973

1977— #1 Psychologist with the CSC since May, 1977
#2 Psychologist with the CSC since December, 1977

1978— #1 Psychologist with the CSC since December, 1977
#2 A new psychologist with no previous work experience in the federal Government was hired in July, 1978

1979— #1 Psychologist with the CSC since December, 1977
#2 Psychologist with the CSC since July, 1978
#3 A new psychologist with no previous work experience in the federal Government was hired in November, 1979

1980— #1 Psychologist with the CSC since December, 1977
#2 Psychologist with the CSC since July, 1978
#3 Psychologist with the CSC since November, 1979

(iii) 1976—$17,884—25,566
1977—$19,288—25,573
1978—$20,156—28,814
1979—$21,168—30,975
1980—$23,510—33,608

(b) Nil.

*Information provided is for previous work experience in the Federal Public Service only. The provision of any additional information on individuals regarding previous work experience outside the Federal Public Service and personal educational qualifications is of a personal and confidential nature, the disclosure of which is governed under the Canadian Human Rights Act, Part IV.

Question No. 4,018—**Mr. Lawrence:**

For the years 1976 to 1980, what was the number of (a) full-time (b) part-time psychologists at the Regional Psychiatric Centre, Saskatoon and, in each case, what was his/her (i) educational qualification (ii) previous work experience in Canada and abroad (iii) salary?

Hon. Bob Kaplan (Solicitor General): In so far as the Correctional Service of Canada is concerned:

The Regional Psychiatric Centre opened in 1978. However, one psychologist was recruited in 1977 prior to the official opening.

(a) Number of full-time psychologists as of December 31—
1977—1
1978—1
1979—3
1980—2

* (i) The minimum educational requirement for a psychologist hired through the Public Service Commission is a master's degree in psychology from a recognized university.

* (ii) Previous work experience in the Federal Government:

1977— Psychologist with the CSC since May, 1976

1978— same as 1977

1979— #1 Psychologist with the CSC since May, 1976
#2 Psychologist with the CSC since October, 1979
#3 Psychologist with the CSC since October, 1979
Parole Officer from May, 1976 to October, 1979

1980— #1 Psychologist with the CSC since May, 1976
#2 Psychologist with the CSC since October, 1979

(iii) 1977—$19,288—27,573
1978—$20,156—28,814
1979—$21,168—30,975
1980—$23,510—33,608

(b) Nil.

*Information provided is for previous work experience in the Federal Public Service only. The provision of any additional information on individuals regarding previous work experience outside the Federal Public Service and personal educational qualifications is of a personal and confidential nature, the disclosure of which is governed under the Canadian Human Rights Act, Part IV.

Question No. 4,019—**Mr. Lawrence:**

For the years 1976 to 1980, what was the number of (a) full-time (b) part-time psychologists at the Altadore Centre, Calgary and, in each case, what was his/her (i) educational qualification (ii) previous work experience in Canada and abroad (iii) salary?

Question No. 4,020—**Mr. Lawrence:**

For the years 1976 to 1980, what was the number of (a) full-time (b) part-time psychologists at the Portal House, Calgary and, in each case, what was his/her (i) educational qualification (ii) previous work experience in Canada and abroad (iii) salary?

Question No. 4,021—**Mr. Lawrence:**

For the years 1976 to 1980, what was the number of (a) full-time (b) part-time psychologists at the Grierson Centre, Edmonton and, in each case, what was his/her (i) educational qualification (ii) previous work experience in Canada and abroad (iii) salary?

Hon. Bob Kaplan (Solicitor General): In so far as the Correctional Service of Canada is concerned: (a) and (b) There were no full-time or part-time psychologists employed at the following Centres: Altadore Centre, Grierson Centre, Portal House. Community and contract psychological services were provided to Community Correctional Centre inmates as required.

(i), (ii) and (iii) Not applicable.

Question No. 4,022—**Mr. Lawrence:**

For the years 1976 to 1980, what was the number of (a) full-time (b) part-time psychologists at the Drumheller Trailer Unit and, in each case, what was his/her (i) educational qualification (ii) previous work experience in Canada and abroad (iii) salary?

Hon. Bob Kaplan (Solicitor General): In so far as the Correctional Service of Canada is concerned:

(a) and (b) If the inmate population of a minimum security institution was not large enough, psychological services were provided by the nearest major institution. Drumheller Institution provided these services to the inmates of the Drumheller Trailer Unit.

Question No. 4,023—**Mr. Lawrence:**

For the years 1976 to 1980, what was the number of (a) full-time (b) part-time psychologists at the Bowden Institution, Innisfail and, in each case, what was his/her (i) educational qualification (ii) previous work experience in Canada and abroad (iii) salary?

Hon. Bob Kaplan (Solicitor General): In so far as the Correctional Service of Canada is concerned:

(a) Number of full-time psychologists as of December 31—
1976—1
1977—1
1978—1
1979—1
1980—1

* (i) The minimum educational requirement for a psychologist hired through the Public Service Commission is a master's degree in psychology from a recognized university.

* (ii) Previous work experience in the Federal Government:

1976— A new psychologist with no previous work experience in the Federal Government was hired in November, 1976

1977— Psychologist with the CSC since November, 1976

1978— Psychologist with the CSC since May, 1977

1979— same as 1978

1980— same as 1978

(iii) 1976—$17,884—25,566
1977—$19,288—27,573
1978—$20,156—28,814
1979—$21,168—30,975
1980—$23,510—33,608

(b) Nil.

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Question No. 4,024—**Mr. Lawrence:**

For the years 1976 to 1980, what was the number of (a) full-time (b) part-time psychologists at the Drumheller Institution, Drumheller and, in each case, what was his/her (i) educational qualification (ii) previous work experience in Canada and abroad (iii) salary?

Hon. Bob Kaplan (Solicitor General): In so far as the Correctional Service of Canada is concerned:

(a) Number of full-time psychologists as of December 31— 1976—1
1977—2
1978—1
1979—1
1980—1

* (i) The minimum educational requirement for a psychologist hired through the Public Service Commission is a master's degree in psychology from a recognized university.

* (ii) Previous work experience in the Federal Government:

1976— Psychologist with the CSC since September, 1973

1977— Two new psychologists with no previous work experience in the federal Government were hired in January and May, 1977

1978— Psychologist with the CSC since January, 1977

1979— same as 1978

1980— Psychologist with the CSC since September, 1980

On educational leave from 1978 to 1980

Classification Officer with the CSC from 1976 to 1978

(iii) 1976—$17,884—25,566
1977—$19,288—27,573
1978—$20,156—28,814
1979—$21,168—30,975
1980—$23,510—33,608

(b) Nil.

*Information provided is for previous work experience in the Federal Public Service only. The provision of any additional information on individuals regarding previous work experience outside the Federal Public Service and personal educational qualifications is of a personal and confidential nature, the disclosure of which is governed under the Canadian Human Rights Act, Part IV.

Question No. 4,025—**Mr. Lawrence:**

For the years 1976 to 1980, what was the number of (a) full-time (b) part-time psychologists at the Edmonton Institution, Edmonton and, in each case, what was his/her (i) educational qualification (ii) previous work experience in Canada and abroad (iii) salary?

Hon. Bob Kaplan (Solicitor General): In so far as the Correctional Service of Canada is concerned: Edmonton Institution opened in 1978.

(a) As of December 31—number of full-time psychologists	1978	1979	1980
	2	2	2

* (i) The minimum educational requirement for a psychologist hired through the Public Service Commission is a master's degree in psychology from a recognized university.

* (ii) Previous work experience in the Federal Government:

#1 Psychologist with the CSC since November, 1976
#2 Psychologist with the CSC since May, 1977

(iii) 1978—$20,156—28,814
1979—$21,168—30,975
1980—$23,510—33,608

(b) Nil.

*Information provided is for previous work experience in the Federal Public Service only. The provision of any additional information on individuals regarding previous work experience outside the Federal Public Service and personal educational qualifications is of a personal and confidential nature, the disclosure of which is governed under the Canadian Human Rights Act, Part IV.

"O CANADA OUR NATIONAL ANTHEM" CARD

Question No. 4,314—**Mr. Neil:**

1. Did the Department of the Secretary of State discontinue distribution of the card "O Canada Our National Anthem" because it showed the name of the former rather than the present Secretary of State of Canada and, if so, how many copies remain in stock?

2. What disposition will be made of the copies and, if they are to be destroyed, what will be the cost of such destruction to the taxpayer?

Hon. Serge Joyal (Secretary of State): 1. The Department of the Secretary of State continued to distribute copies of the card entitled "O Canada—Our National Anthem", showing the name of the former minister, for a period of six months following the change of Ministers. This caused some confusion

for the general public and resulted in subsequent requests for the card being directed to the office of the Honourable Francis Fox, Minister of Communications.

2. In March, 1982, the remaining stock of 146,590 cards was transferred to the Department of Communications, for use in responding to enquiries directed there.

[*English*]

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

[*Translation*]

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

[*English*]

Mr. McKenzie: Madam Speaker, I should like to ask the Parliamentary Secretary to look into a question which I placed on the Order Paper a year ago. The question reads:

Did the (a) Minister of Supply and Services (b) Minister of Industry, Trade and Commerce (c) Minister of Indian Affairs and Northern Development take a Jetstar flight to Winnipeg for the official opening of General Aluminum Forgings Incorporated—

It seems that a year is ample time in which to research a question such as this one. I would appreciate it if the Parliamentary Secreatry would check into it.

Mr. Smith: Madam Speaker, I would be happy to look into that matter on behalf of the Hon. Member.

Mr. MacKay: Madam Speaker, I would like to ask the Parliamentary Secretary if he could check the reason for the delay in answering question No. 3,750, which I placed on the Order Paper on February 9, 1982, concerning the Canadian practice of hiring local staff at our embassies in Communist countries. To date I have received no answer. Given the seriousness of the matter for national security and for the well-being of visitors at our embassies in eastern Europe, I was wondering why the Government is not more forthcoming.

At the same time I would also like to know the reason for the delay in answering question No. 4,178 which has been on the Order Paper since March 25, 1982, concerning the RCMP policy for paid informers.

Mr. Smith: Madam Speaker, I would be happy to look into both these matters on behalf of the Hon. Member.

[*Translation*]

Madam Speaker: Shall the remaining questions be allowed to stand?

Some Hon. Members: Agreed.

GOVERNMENT ORDERS

[*English*]

SUPPLEMENTARY BORROWING AUTHORITY ACT, 1982-83 (NO. 2)

MEASURE TO ESTABLISH

The House resumed, from Friday, October 29, consideration of the motion of Mr. Cosgrove (for the Minister of Finance) that Bill C-128, to provide supplementary borrowing authority (No. 2), be read the second time and referred to a Committee of the Whole.

Mr. John Evans (Ottawa Centre): Madam Speaker, it is a pleasure for me to resume the debate on the borrowing authority Bill which was introduced by the Minister of Finance (Mr. Lalonde) at the time of the presentation of his financial statement. Just prior to ending my remarks on Friday, I was indicating that there was a definite procedure and process being followed by the Government in the discussion by the Prime Minister (Mr. Trudeau) with the people on television, moving to the financial statement of the Minister of Finance to set the stage, give the people the facts and put the information before them.

• (1520)

That would then be followed, of course, by a Speech from the Throne which would set the general policy thrust of the Government over the coming session of Parliament. That would be followed, as the Minister of Finance has already indicated, by a budget very early on in the new year to set forward specific policies implementing the policy thrust set out in the Speech from the Throne.

When I concluded those remarks last Friday I then proceeded to analyse some ideas that were placed before this House during this period of debate on the borrowing authority bill. Specifically, I was very interested in the comments put forward by the Leader of the New Democratic Party (Mr. Broadbent). Apart from the issues put forward by the Minister of Finance in his financial statement, they are really the only concrete alternative proposals put forward by the Opposition Parties concerning other policy prescriptions which could be followed by Government and which might provide some relief and respite for the Canadian people. I had intended to discuss these points very briefly in an objective way, trying to be non-partisan in analysing what it was the Leader of the New Democratic Party had put forward. I had intended to look at these from the perspective of their potential to resolve the problems facing the country today.

I will do that now in two ways. First is the proposal that the Government should introduce new job creation to the extent of $2.2 billion, to be financed by raising the taxes of the so-called rich, and also by cutting expenditures in other areas, if I am not mistaken. Some of those areas were laid out by the Leader of the New Democratic Party.

In my reading of tax policy and the financial figures over the last several years, the amount of money that it was indicated would be available from a tax on the rich was, I believe, $1.1 billion, if all people earning over $40,000 per year were subjected to a 5 per cent surtax. As the Minister of Finance has pointed out, my analysis of the figures indicates that those figures are quite high. I would think that an order of magnitude of half of that is what is possible, although I would like to see the figures before I make a final judgment.

Mr. Riis: A point of order, Mr. Speaker.

Mr. Deputy Speaker: The Hon. Member is rising not from his seat and, therefore, cannot be recognized.

Mr. Riis: Yes, I am, Mr. Speaker.

Mr. Deputy Speaker: Has the Hon. Member changed his seat?

Mr. Riis: Yes, Mr. Speaker.

Mr. Deputy Speaker: The Hon. Member for Kamloops-Shuswap.

Mr. Riis: Mr. Speaker, six months ago I moved to this seat.

My point of order concerns a point which the Hon. Member was making involving a surtax which the New Democratic Party has suggested be placed on individual income earners receiving in excess of $40,000. We suggested that a 2 per cent surtax to be placed on those making $40,000 to $50,000 annually be graduated upwards so that people making $200,000 plus would be paying 9 per cent additional tax. Perhaps the Hon. Member in his calculations has not allowed for this graduated increase and that is why his figures differ somewhat from my leader's.

Mr. Evans: Mr. Speaker, I thank the Hon. Member for Kamloops-Shuswap (Mr. Riis) for the clarification he has just made. I will factor the information into my calculations. Moving up the income scale, the number of people affected obviously declines dramatically as income rises. If, in fact, that balancing of 2 per cent on $40,000 to $50,000, increasing to 9 per cent, is correct, I would expect that rather than increasing the volume of revenue it would actually decrease the volume of revenue. However, I will check into that and talk to the Hon. Member for Kamloops-Shuswap on that point.

Some analysis has been made to the effect that if the Government were to tax every dime of income over $30,000 in this country, in any one year it would amount to somewhere in the range of $400 per man, woman and child. If we are talking about taxing the rich to solve all our problems that, I am afraid, is illusory. I am afraid that kind of policy would cut off incentive and entrepreneurship completely, which would mean that the revenue expected probably could not be realized.

More importantly, even if you impose a 100 per cent surtax on everything over $30,000, the amount you would get is about $400 per man, woman and child. Therefore, there is not that much revenue to be had, contrary to the point put forward and what some would have us believe about the vast wealth, in terms of income flow in any one year, of those who are termed to be rich.

Another interesting point that was raised by the Leader of the New Democratic Party concerned a new kind of industrial policy which would be put forward. This concept is quite new for the New Democratic Party; certain firms chosen to be the industries of the future—I think that is putting it fairly—would receive tax breaks. In other words, those firms would pay a lower tax rate than the general corporate citizens in our country and all of those who are not considered to be industries of the future or industries that generate long-term, good jobs for Canadians would be subject to the equivalent of a surtax. Their tax would rise. The rate would go from 36 per cent federal to 46 per cent or 48 per cent federal, and if you factor in both federal and provincial taxes, a tax rate of about 62 per cent or 63 per cent would result on all of those corporations not deemed to be industries of the future; that is not worthly of encouragement.

I can guarantee that many of those firms that we are talking about as those that might not be the big firms or the potential firms of the future are indeed the high labour content firms. They are the pulp and paper firms, the footwear firms, the textile firms, perhaps firms in the automobile industry and firms in some other industries which have a very high labour-to-capital ratio.

The Leader of the New Democratic Party is saying that his party would increase taxes on firms with a very high labour content. As a result of having a high labour content in a country with high wage rates relative to some underdeveloped countries, these firms would be on the decline in Canada. The number of capital intensive firms would be on the rise in Canada and the number of labour intensive firms would tend to be on the decline because of competition from low labour cost firms in low labour cost countries. Therefore, increasing the tax rate on those firms which now employ a large number of people would simply speed up the process of their demise. This would result in a great many people being thrown out of work in order to encourage another group of firms that would probably be more capital intensive in nature. Perhaps not, but at least they would be more capital intensive than the firms being penalized by the higher tax rate. That to me indicates an interesting change of strategy from the point of view of what has traditionally been the position of the New Democratic Party.

There is another point on this particular topic that I would like to discuss. In the past this Party, our Government, has been criticized very strongly for introducing what the Hon. Member for Oshawa has called loopholes, which are nothing more than tax incentives to encourage firms to invest and create jobs in the traditional sense. I think Hon. Members from the Conservative Party are agreeing, nodding their heads, smiling and looking for more.

Mr. Kempling: They are laughing.

• (1530)

Mr. Evans: The point is that the appropriateness of providing selective incentives has been a contentious issue among Members in the House of different Parties. Personally, I do not like selective incentives. I think that it is more appropriate to have lower tax rates than selective incentives. However, we are not discussing that argument at this point.

Let us consider the incentive issue. The New Democratic Party has traditionally been opposed to selective incentives which would reward firms. That has not been a traditional position, as far as I know. However, we now find that their position has changed. Objectively speaking, it appears that there has been a rather dramatic change in policy which effectively proposes that incentives will be given to the firms which have the greatest probability of success in the future.

Incentives given to innovative and creative firms seem to me like reverse welfare. Who will be paying the heavier taxes? It will be those firms on their way out and that do not have a great future. Who will benefit from these incentives? It will be the firms which do have a great future and which have an opportunity to make a great deal of money and generate a great deal of wealth. It seems to me that we are talking about taking form the poor to give to the rich at the corporate level. That is not a policy which has traditionally been held by the New Democratic Party.

Apparently what is being requested is a replacement of those tax incentives which have traditionally been accepted by the Liberal Party or the Conservative Party, when it was in power, by those types of tax incentives which now happen to be in favour with the New Democratic Party. There does not seem to be any great difference in policy or philosophy in this case. It is simply a matter of deciding which firms with the greatest future will be rewarded with tax incentives. That seems to be the thrust of their suggestion.

Mr. Riis: Mr. Speaker, I rise on a point of order. Would it be appropriate to clarify a point which the Hon. Member has obviously misstated?

Mr. Deputy Speaker: With respect to the Hon. Member, he will have an opportunity to participate in the debate. The Hon. Member for Ottawa Centre should be permitted to continue his speech.

Mr. Evans: Thank you, Mr. Speaker. Frankly, if we were to change the rules of the House to allow interchanges such as this, I think it would be a great stride forward for Parliament. While I am giving a speech such as this, I could perhaps speak for 10 or 15 minutes and Hon. Members opposite could then ask questions and I would have an obligation to answer those questions. I would be much more careful about what I said, as more Members in the House would be. It would lead to a much more illuminating debate for those watching on television, or reading—

Mr. Deputy Speaker: With all due respect to the Hon. Member, the procedures of the House and the procedures of Committee of the Whole do allow for that kind of exchange. The Hon. Member must realize that perhaps at a later stage of this bill there will be a Committee of the Whole.

Mr. Evans: Mr. Speaker, I really was not asking you a question, but I am glad that you decided to enter the debate in any event.

Some Hon. Members: Order.

Mr. Evans: There is no disrespect intended, Mr. Speaker.

I believe that it is beneficial to debate what is being proposed by other Members in the House of Commons. The Hon. Member for Oshawa, the Leader of the New Democratic Party, put forward some proposals. I have given my reaction to those proposals and I hope that other Members will feel free to give their reaction also, just as they feel free to comment on the proposals and decisions made by the Minister of Finance in his recent financial statement. I hope that some Members of the Conservative Party will introduce some positive proposals that can be analysed and debated in the House in this same manner.

Before I discuss some points which I think are important about the statement by the Minister of Finance, I must first give credit to the previous Minister of Finance, the Hon. Member for Cape Breton Highlands-Canso (Mr. MacEachen), for the changes which he brought about in the green paper on the budgetary process. He has made this process more open and has provided for consultation on economic policies to a much greater extent than has ever taken place before. This greater consultation has been taking place during his tenure and is being continued very successfully by the current Minister of Finance. I believe that the former Minister of Finance has done a great thing for Parliament and for Government by introducing a much more open process. I suggest that history will thank him for introducing those innovations in the budgetary process and for improving the consultative environment which we have seen taking place. That environment has dramatically improved in the last year, and in recent months in particular.

I was most pleased with the Minister of Finance's introductory remarks on page 3 of his statement which dealt with the basic principles of economic management which he indicated he intended to follow as Minister of Finance. When one reads and understands the six principles laid out by the Minister in his statement, I believe that Canadians and Members of Parliament will be able clearly to understand his intentions, his priorities and what we may expect from him in the future.

I acknowledge that we have a terrible unemployment problem in Canada. While we must give our utmost attention to this extremely serious dilemma, we must acknowledge that some progress is certainly being made on other fronts. For example, declining inflation surely must be a positive sign for the investment climate and for consumer confidence in this

country. The annualized year over year rate is 10.4 per cent, which is down considerably from what it was in earlier months. More importantly, when one considers inflation during the last three months, one sees that the annualized rate of inflation for the three-month period of July, August and September in Canada is 6.6 per cent. This downward trend has been continuing for some time now. It represents great progress and I believe it is reason for us to have some confidence that we have, in fact, finally got a grip on the inflation problem. I suggest we will see even greater progress in the future.

The fact that interest rates have dropped dramatically indicates that the market agrees with this assessment. In fact, interest rates have dropped for 11 consecutive weeks and we hope they will continue to drop in the coming weeks. That assessment of the market shows that Government action and market actions generally are in the process of bringing inflation under control in Canada. It must certainly be seen as a very positive sign.

However, that does not let us ignore the fact that we have a very serious unemployment problem and that we must deal with the fundamentals of that problem. Certainly we must make funds available for job creation in the short term in order to help those unemployed during this very difficult transition period. But the ultimate solution to the unemployment problem will result from improvements in the investment climate, the economic structure and world markets. It is fallacious and cruel to suggest to Canadians that Government action alone, whether Liberal, Conservative, NDP or Social Credit, could eradicate the unemployment problem by a simple wave of a magic wand. That will not happen. The unemployment problem will be with us for some time to come. Governments by themselves will not be able to solve the problem. This includes federal, provincial and municipal Governments.

The unemployment problem must be solved through a regeneration of growth and prosperity within the economy generally and a regeneration of growth and prosperity outside of Canada where the markets are for the vast resources that we mine and mill for sale elsewhere. The markets for the forest products industry, the mining industry and the pulp and paper industry are not primarily here in Canada. Those are export products. When our export markets are down, when other countries are not buying our goods, it makes absolutely no sense to follow the suggestion that we subsidize continued production and stockpile, building inventories that cost money. It costs money to produce, the money would have to be borrowed, and the interest charges on the borrowed money would certainly add to the cost burden of government which is shared and carried by the taxpayers. That kind of policy would mean vast stockpiling of produced goods that we could sell abroad, but when the markets do recover the people who were working at that point would not have to work because we would be able to sell from our vast inventories. Stockpiling large quantities of raw materials would simply mean that the kind of employment recovery which comes along with a general economic recovery would not happen because we would have vast inventories from which we could sell to the market for years to come.

• (1540)

It does not seem to be a very innovative or realistic policy because all we would be doing would be easing some of the unemployment burden today and shifting it into the future. Certainly those people who are working in the mines in two or three years from now would have to contend with the existence of these huge inventories. It would be a very dangerous strategy to subsidize miners and forest workers to produce goods, for which there is no current market, in anticipation that such market would appear once again at some time in the future, as suggested by some Hon. Members. It is simply not a strategy which is realistic at this time.

I believe our unemployment problem will be long-term. We will have to contend with it, not so much by trying to keep people at work in existing jobs where there are rising questions as to the future viability of the industries for which they work, but rather, by looking further than that and considering new skills programs, such as that brought forward several months ago by the Hon. Minister of Employment and Immigration (Mr. Axworthy).

We must ask ourselves, "Where is the future for employment in this country? How can we move people from industries where the future simply does not exist for Canada?" It may exist for some southeast Asian country which has very low labour costs, or for a South American country, but it certainly does not exist for a country such as Canada with relatively high labour costs. We must look to those industries and ask ourselves how we can help the people working in those industries to move to other industries which have a comparative advantage for Canada. That will not be done by Government alone. There will not be a situation where the Government can state: "These are the cities of the future; this is where we will put all the money". It does not seem that that proposition would be valid.

I am not being in any way derogatory of my colleagues in the House or my friends who work in the Public Service who have some great insight as to where the future lies. If the Government were to take on the role and responsibility of defining where the prosperous future lies, it would place great risks on the backs of the taxpayers. I think the marketplace has performed that function very well in the past.

Government should act as a catalytic agent to assist the market in moving people from where the jobs are declining to areas where they are increasing. I believe we can do this through labour, management and Government task forces which would give us a better view as to where our skills and training programs should be focused. We could do it that way, but I would be very reluctant to see the Government go it alone and try to define what the future will be. Those governments, whether they be federal, provincial, Canadian or foreign, which have tried that kind of approach in the past have generally wound up in a very dismal state within a few years. They have certainly picked some winners, but over time

they have picked many more losers, and those losers have become a great portfolio which the taxpayers must drag along with them into the future. Quite frankly, I do not believe that is the way to go.

Members of Parliament are all very well intentioned and none of us has a corner on virtue or on a desire to help our constituents. Everyone is in the House because they want to help their constituents. They want to see the country grow, one which is better when they depart from public office than the one they inherited when they came into public office. I think all of us feel that way. To a large extent, I think we are doing ourselves a great disservice in the House from time to time because we carry on debate in a fashion which tends to be very partisan and rhetorical in an attempt to score political points. That kind of approach leads to an attitude on the part of our constituents that we are not behaving like adults. I do not believe there is one of us here who has not come back from the summer recess with the knowledge that constituents are asking, "What in the world are you doing in that House of Commons? You are not dealing with the serious problems that are crushing us. We want to see you behave in a diplomatic and statesmanlike fashion and come to grips with the problems in an objective way."

That is what we must do in this House of Commons. It is unrealistic and is misleading Canadians when they view Members who stand up in the House and say they have all the answers, and then provide a pie in the sky solution to the problems with which Canadians are grappling in their own lives, or build up hope that there is some kind of magic fairy godmother called Government which will come along and wave the magic wand and unemployment will disappear overnight.

Some Members say: "If only we were in power, Government would be so much more efficient and the problems would evaporate overnight". I do not mean that in a partisan sense. The fact is that no matter who is in power, the problems with us are real, fundamental and deeply rooted, and we will have to go through a period of very hard work as Parliamentarians and as a country in order to pull oursleves out of this situation.

That is precisely the message the Prime Minister was trying to deliver. He was not trying to put forward specific policy recommendations in his three evening speeches. He was trying to say that if we do not start to co-operate here in the House of Commons and, more generally, across the country, if we do not start to see some co-operation between Government and management, then we will not pull ourselves out of this situation. I would ask Hon. Members in the New Democratic Party, who probably have a much closer relationship with the labour movement than the other two major parties, to sit down with their colleagues at the leadership level of the labour movement to try to establish a more co-operative framework for discussion and dialogue.

We should try to develop the kind of national economic policy consensus whereby we can come together as Canadians, moving forward and taking the very hard, very real decisions which must be taken if we are to move into a period of rising living standards in the future. We should do that co-operatively, without the kind of animosity, anger and vitriol which has characterized discussions between those three centres of power in our country in the past. I would ask that all Members of Parliament join together in the committees and in the House to see if we cannot come together in a more co-operative, non-partisan environment to deal with the fundamental problems of this country on behalf of Canadians, as we were elected to do.

Mr. Jack Murta (Lisgar): Mr. Speaker, in listening to the words of the Hon. Member for Ottawa Centre (Mr. Evans), I found that in some respects he tried to follow the same line as that taken by his leader, the Prime Minister (Mr. Trudeau), during his television speech some nights ago. He was trying to reassure the Canadian public that if we all work together, pull together, things will be better in the future. The one thing that most Members of Parliament found this summer in their constituencies—and if they do not admit it publicly, I suggest they do privately—is the one universal fact that most people realize that we are in a very serious economic situation, probably the worst recession since the Great Depression in the 1930s, and that there is no way, regardless of what political party is in power at this time, that we could have gotten out of the problem. In fact, Canada would not have escaped for a whole series of reasons, most of them well known to everyone.

• (1550)

However, what grates on most Canadians, certainly those in my constituency in southern Manitoba and, I suggest, in other constituencies as well, is the fact that the problem to an extent is of our own making through basically stupid Government policies over the last number of years, policies that have exacerbated the problem.

This is something, Mr. Speaker, that I do not think people are going to forget. It would be great if we could wipe the slate clean and say that it is all behind us now and we will march off in the sunset together to form a great nation. But people do not think that way and governments and countries do not work that way. I hope in my few short remarks I can demonstrate some of the problems that have brought us into this whole situation. There are some things very dear to many Canadian hearts, like the National Energy Program or the Foreign Investment Review Act. There has been a series of economic moves that have made us far worse off today than we were before.

Just how bad are things in Canada? We have a national unemployment rate that has reached a record 12.2 per cent which reflects the fact that 1,343,000 Canadians are out of work. In additon, 338,000 Canadians are working part-time because they cannot find full-time employment. The unemployment totals do not include the 96,000 people that are classified as discouraged workers, who have given up even looking for work because there are just no jobs available. I think we in the House of Commons are very fortunate to have jobs, although they may not all be that secure. Nevertheless, it is difficult for us to imagine the kind of frustration men and

women at all levels of the labour force feel who find themselves out of work, when they have nothing to get up for in the morning, to look forward to. They have to depend on the Government through unemployment insurance to buy necessities; and as we get closer to Christmas, you cannot turn a television on without advertisements to buy newer, better, bigger things. That kind of human misery is incalculable.

In 1981 there were over 8,000 business bankruptcies across the country. Bankruptcies in 1981 were 22 per cent higher than in 1980 and 43 per cent higher than in 1979. We can see the kind of acceleration that is taking place there and it is going to get worse. Rural ridings right across the country are in a critical situation. In my own rural riding in southern Manitoba the agricultural community, which is by far the largest group in my constituency and the largest part of the activity generated in Manitoba, was hit with interest rates which nobody could understand or deal with. That, Mr. Speaker, coupled with the fact that we have agricultural prices generally across the board that in real terms are almost at depression levels, has caused hardships of a kind that I have not seen in southern Manitoba in many, many years. Of course, the communities in the rural parts of Canada are there because agriculture is there. If agriculture suffers, the communities, and the small businessmen who provide the services, suffer even worse.

As an example, corn is grown in large quantities now in Manitoba, parts of Ontario and Quebec. Last year prices were in the neighbourhood of $3.30-$3.40 a bushel. Now the price is $2.10 a bushel. It usually takes $2.50 a bushel to get your investment back. That is the kind of loss that agriculture is facing, and that is reflected throughout the whole food industry. The situation is more serious than it has ever been. That is not necessarily the fault of the Government. It is the fault of a large, world-wide grain crop, certainly in the United States and North America, that has not moved to market at the present time and does not look as if it will in the future. This double slap in the face to this segment of the population, of course, is causing all kinds of problems.

In the second quarter of 1982, Canadian manufacturers were operating at only 68 per cent of total capacity. That means, Mr. Speaker, some 32 per cent of the capacity in this country is sitting idle because of the kind of economic recession which has taken place. No wonder we have over one million Canadians out of work.

The value of building permits, as most people know, were down substantially in July, 1982 by 38 per cent compared to July of 1981. If inflation is taken into account, building activity is down almost 50 per cent over last year. The purchasing power of the 1971 dollar is now 37 cents; consumers, particularly housewives, know that the purchasing power of the dollar is down.

Part of our very serious situation has been brought on because of other economic factors which have taken place around the world, generally overspending by all levels of government in other countries. But that is only a portion of the Canadian problem because we have the situation where we find ourselves with a Liberal Government which has been almost continuously in power over the last decade and which has caused the problem to accelerate.

• (1600)

The Government is asking the country for permission to borrow another $4 billion. The Minister of Finance (Mr. Lalonde) stated that total spending this year would be approximately $80 billion, $23.6 billion more than the Government will take in through revenues. He has even admitted that further borrowing authority may be required before the end of the fiscal year.

Let us translate that for ourselves as that is the only way that most Canadians can understand what is happening. It is very difficult to grasp the meaning of a figure as large as that. Eighty billion dollars is a lot of money. We know that if individually we spent more money than we took in, such as through our salary, we would all go broke. That is what appears to be happening. It appears that this country is going broke. We have a situation in which money is being borrowed to pay interest on money borrowed previously. Taken to its logical conclusion, it creates a frightening scenario.

In my opinion, there are at least four definite economic costs of continued deficit financing of the magnitude being pursued by the present Government. First, there is the ever growing interest burden. Interest on the debt this year will amount to $18 billion, the equivalent of about $700 for every man, woman and child in Canada or about $1,700 per taxpayer. That means that about one dollar in every three is being paid to the Government by taxpayers to service the national debt. For a family of four, that amounts to $2,800. That is what our national debt is costing us. It means there has been too much spending, too reckless spending, over a long period of time.

The second cost is a loss of fiscal flexibility. In the past, the Government had the option of undertaking costly and significant fiscal measures to spur the economy. Today there is no room to manoeuvre. We are locked in and can do very little. Literally all that can be done is what the Minister of Finance did the other night. It is the old shell game, moving the money around. It is trying to plug some small hole in the dike. I repeat, there is no room to manoeuvre. Unemployment, and the misery associated with it, will get worse in the coming winter.

The third cost is that productive private sector borrowing is crowded out and, consequently, interest rates rise. In the 1981 calendar year, federal Government borrowing accounted for about 44 per cent of the net new security issues placed in Canada. The figure this year will be higher. If there was less federal Government borrowing, there would be less demand for money and hence interest rates would be lower. Because of the tremendous demand created by federal Government borrowing in competition with other sectors, there is a tendency for interest rates possibly, but hopefully not, to start to rise again in the future. We have never had the magnitude of Government borrowing that we have at the present time.

The fourth cost is that of confidence. Possibly this is the toughest cost to overcome. The investment community do not trust a Government that continues to live so far beyond its means. They do not want to hold a currency that continues to be debased by excessive Government borrowing. As a consequence, the dollar has fallen, driving up the cost of living in Canada. Interest rates remain high as the Government attempts to support the dollar. Job-creating investment has gone elsewhere. Capital investment has gone elsewhere.

These are some of the economic costs of the deficit financing that Canadians are experiencing at the present time. In his recent economic statement, the Minister of Finance proposed to reallocate expenditures of $1.1 billion into several job-creating schemes, an exercise he called very difficult. If the Liberal Government had behaved in a financially responsible way for the last decade—and it has been in power almost continually in that period of time—there would be no need to borrow another $4 billion, no need to announce mere band-aid, job stimulation measures. That is not to say we would not be in a recession, that we would not be in trouble in terms of manufacturing or have the idle plant capacity I talked about, but we would not be in the present situation.

If wasteful Government spending had instead been used to encourage productivity, promote research and development and help place Canada on a more competitive footing with our foreign trading rivals, Canadians would not be suffering as much as they are today from the worst economic climate since the Great Depression. It is because of the billions of dollars wasted by this Government that the Liberals are here today in the House looking for more money. The money wasted could have been used to produce many stimulative and varied proposals. I would like to mention two or three in my remarks.

Early in the fall of 1981, the then Minister of Finance set an interest rate of 19.5 per cent on that year's offering of Canada Savings Bonds. To compound the mistake, he was obliged to offer the same rate to existing bond holders to prevent a wave of conversion from old bonds to new. Obviously the interest rate was very attractive. Soon after the offering was made, it became obvious that interest rates were declining and that the Government could easily have borrowed all it wanted at around 15 per cent.

This absurd blunder left Canadian taxpayers burdened with $25 billion in Savings Bonds debt at 19.5 per cent interest for a full year. The estimated cost of the interest alone was in the area of $4.9 billion. Because of a rash decision by the then Minister of Finance, at least $1 billion was wasted in paying inflationary and unnecessarily high interest rates.

In February, 1981 the federal Government purchased Petrofina for about $1.46 billion, or $120 per share. At the time of the purchase the shares were trading at about $90 per share. In other words, the federal Government paid between $365 million and $486 million more than was necessary.

To date spending by the federal Government on the metric conversion program exceeds some $65 million. Ever since metric conversion was first talked about, many people have felt it was a totally unnecessary expense. The Government has an advertising and information budget to get its programs across to the people of Canada in addition to the advertising being done by the various Departments, which amounts to $235 million, the largest advertising budget in Canada. This money is used to promote its image. That is another expenditure which is considered needless. Nevertheless, some people will say it is only $235 million. The $235 millions all add up, Mr. Speaker, to a substantial amount of money.

• (1610)

It is no wonder that Canadians doubt the Prime Minister and question his sincerity when he goes on television three nights in a row to say, in effect, "Let us forget the past; let us join hands, pull together and move forward". They say: "Where were you the last few years? You have destroyed your credibility. We do not believe you any more." That element so important in politics, that which is probably everything in politics, the element called trust, is not there any more. When you do not have that element of trust it is very difficult to govern, to be a Prime Minister, to be in Opposition, or to be a politician at whatever level.

As to the indecisiveness we are seeing at the present time, I think that can be demonstrated in no better way than by the grain transportation shutdown on the west coast. Everyone in this House agreed that when that took place there should be a certain time limit allowed to see whether the parties could get together. But it has become more than apparent to everyone involved that the whole process was a charade. There have not been any real and meaningful negotiations probably for the last nine months. Why? Because both sides have the safety net of the House of Commons to solve the problem for them and they are going to use it.

As to being decisive, why have we waited so long to solve their problem if in fact we have to? In my opinion, Mr. Speaker, we should have dealt with the Bill last Friday afternoon. That was the absolute latest we should have allowed this strike to carry on. The weekend could have been used to get the workers back to work and grain and other very vital exports moving through the Port of Vancouver. Of course, that has not happened. Today is Tuesday and we are going to deal with it, hopefully, on Wednesday. We have not seen the Bill yet, although it may be and probably is drafted and ready to be presented.

It is that kind of indecision which, once again, breeds distrust. You cannot have it both ways. You cannot go on television and ask for the trust of the Canadian people and at the same time be so indecisive and, as an Hon. Member said, break your word on bringing in legislation which affects a very large segment of this country. In fact, this situation is blocking the only major export we have at the present time, the only product where we can compete with anyone anywhere in the world, that of grain and oil seeds moving out of this country.

To conclude my remarks, Mr. Speaker, the economic recovery will come, but unfortunately I think it is going to be very weak. It is going to have only a very moderate impact on our current fiscal and financial problems and that is going to

be too bad. In my opinion, broadly speaking there has to be a meaningful effort by Government—and by that I mean all of us here—to regain the confidence of the Canadian people which we have lost over the last number of years. Until we can do that, we are really going to be just shooting in the dark in terms of any policies we put forth in this House. Because, ultimately, the people have to believe that yes, the politicians are being sincere and honest in what they are trying to do. Until that happens, Mr. Speaker, I suggest that anything the Prime Minister, his cabinet or Government does will be met with the same kind of skepticism that the Prime Minister's speech was met with the other night.

Trust has to be built up and quickly. There have to be some dramatic moves in order to do that, coupled with—and unfortunately this will not take place, in my opinion, for 12 to 18 months—a strong and agressive economic recovery around the world with Canada moving in step with that recovery. The unfortunate reality we are faced with right now is that we as a Government are going to muddle around for the next 12 to 18 months, until the middle of 1984, before things start to get on track. It is going to be tough on Canadians, tough on workers and on business. It will be very tough on politicians and our institutions at all levels. But, Mr. Speaker, if we all work together, possibly we can overcome some of this.

I can say one thing. I know people certainly in my part of the country are looking very longingly at starting to overcome some of these problems at the next federal election. There is no way that the Liberal Party will govern this country again through the middle part of the 1980s. The trust is gone and it will not come back that quickly.

Mrs. Mitchell: Mr. Speaker, I wonder if the Hon. Member for Lisgar (Mr. Murta) would entertain a question. He mentioned in his remarks something about getting the workers in the port of Vancouver back to work. I wonder if he would change that comment in view of the fact that it is a lock-out, not a strike, and also that the workers have been ready to go back to work. Indeed, I am not sure the public realizes, in particular that part of the public from his part of Canada, that the employers themselves have not made arrangements to have the grain shipments continue, which the union was willing to do.

Mr. Murta: Mr. Speaker, I will make the required change. It is a lock-out. The unfortunate problem is that when we do have a lock-out, as we have at the present time in Vancouver, we have a tendency to view it as if the workers were going out on strike and management is, in effect, sitting back with clean hands. Of course, that is not the case.

I will not argue the question of who is to blame in this particular instance because I think that is pointless. However, I would say that as long as Parliament acts as a safety net for both parties to this dispute to fall back into, we are not going to have any kind of meaningful bargaining in the future. So I think we have to come to some kind of decision about whether or not we are going to make some of these areas possibly essential services and do what we have to do to ensure that the stoppage does not continue. In my opinion there has to be a decision made somewhere, Mr. Speaker, otherwise we will find Parliament continuing to be the arbitrator for these disputes. If we could afford the luxury it would be great to leave the whole thing alone until the parties settle their own problems; but Canada cannot afford that luxury. I do not know whether we will get to that at this point in time. I doubt it, because we never do.

• (1620)

Certainly it would not be a bad idea for some body, if not a parliamentary group then some other group in the country, to take a hard look at whether the movement of commodities going through a port like Vancouver—commodities that literally cannot be held up regardless of whether that be by Government, management or labour—should be designated as an essential service to this country that ought not to be interfered with, and whether binding arbitration, back-to-work legislation or some other action is necessary.

[*Translation*]

Mr. Rémi Bujold (Parliamentary Secretary to Minister of Employment and Immigration): Mr. Speaker, I am pleased to be able to participate in the debate today, particularly in view of the present economic situation in Canada. Since last Wednesday we have heard many comments, much criticism and many suggestions, both in this House and throughout the country, but all in all, the general impression we have received was one of favourable reaction to last week's financial statement by the Minister of Finance. I think all Canadians have understood, and one would wish that was also the case in the House, that the present recession affecting Canada and many other countries—in fact, I could even say most countries cannot be blamed entirely on this government's administration. We all know that the economic problems besetting France, the United States, Great Britain, West Germany and even Japan are also affecting our country. The fact that the American steel industry had to cut production by 40 per cent last year, which was now led to the closing down of the town of Schefferville, as announced today, cannot be blamed solely on the Canadian government. Our steel producers had to go along with what was happening in the United States. However, realizing that the situation was becoming extremely difficult for these people, the government had already taken action well before this shutdown by designating the region, and today, once more, the Minister of Employment and Immigration has taken decisive action and delegated as of this afternoon a number of officials to this particular area in Quebec, to meet with company management and with company employees and see what should be done to deal as quickly as possible with the problems facing these employees in Northwestern Quebec.

On the other hand, Mr. Speaker, the economy is expected to improve in the months to come, and in any case some time next year. Last week, the Conference Board of Canada announced that our gross national product is on the rise, that

inflation is expected to go down and has already started to do so and that interest rates are dropping. So of course, all this will have its effect on the country. Granted, the situation is not a pleasant one, and of course we would prefer inflation and interest rates to go down more rapidly, but still, the government had already anticipated the situation and injected $1.4 billion in direct job creation. These projects, including community development programs, are already in place and in January and February, 60,000 jobs will be created in Canada under these programs.

You know, I was listening in the House, yesterday and again today, during question period and during the debate when a number of members were explaining that people in various parts of the country had specific problems. Mr. Speaker, I would like to remind you that $1.4 billion was injected into the Canadian economy to provide jobs for a large number of workers, part of those funds going to two provinces that have been more severely affected than others, namely Ontario and British Columbia. Last year, for instance, Ontario received $16 million for these job creation programs. However, because of the difficult economic situation, this year funding was increased to $29.5 million, or twice the amount invested last year. And in British Columbia, where last year only $6 million were injected into these programs, this year the department and the Government of Canada are providing $15,5 million to fund these programs. Thus, the government had anticipated the situation and set aside substantial amounts for these provinces, especially in areas where a high unemployment rate was expected as a result of factory shutdowns and where many people would need help. Mr. Speaker, Quebec has also had its share of job creation programs, because we are aware that this province has one of the highest unemployment rates in Canada. Last year, we put $48 million into job creation programs and this year that amount was raised to $72.5 million.

In addition, the Department of Employment and Immigration set aside $41 million for very urgent cases, because we anticipated that some regions, without necessarily knowing which ones, would be faced with very pressing problems. That is why the Minister of Employment and Immigration (Mr. Axworthy) asked his officials in June and July of this year to find out where the number of shutdowns would be highest and where people would be most likely to exhaust their unemployment insurance benefits. The report was published a month ago, and we have started allocating the $41 million fund throughout Canada so that workers who, in another four to five weeks, may be faced with the choice of going on welfare or looking for another job will be able to take advantage of these measures. The department is in the final stages of allocating the funds on the basis of the information it has been given. In the Province of Quebec alone, the department has allocated $9.4 million of the $41 million fund to meet specific needs in certain regions.

In October, I was in Quebec City with some of my colleagues when the present Minister of National Revenue (Mr. Bussières) announced that $1.3 million would be going to that city alone to meet its needs, in addition to the $2.8 million which the same region had received in July. The same applies to the Eastern Townships, which this past summer probably experienced more shutdowns than anywhere else in Quebec, had the largest increase in people drawing unemployment insurance benefits and the largest number of people who in the months to come would exhaust their unemployment benefits. Last week, I was pleased to announce that $2.3 million will be allocated to these ridings in addition to funds already announced in connection with training programs. Mr. Speaker, I think we can say that these funds were available because the government was aware of the situation and had taken steps to provide for the difficult months ahead.

Once more, we have to live within this world economic environment, even if we are not entirely responsible for the economic problems now facing the world, including Canada. Canadians must realize that major changes are going on in the job world. Workers in certain industries will have to look to other career choices as a result of the technological changes occurring in this country today. To respond to these major developments, in July of last year the government passed the National Training Act. This legislation will help many workers to switch occupations and acquire the skills they need to cope with the major changes we are facing today.

• (1630)

Later on I hope to elaborate on this training program, Mr. Speaker. In any case, the Minister of Finance (Mr. Lalonde) also announced other measures aimed at meeting specific needs. I am thinking here of the funds injected into the construction industry, where many jobs will be available during this period, and also of the funds made available to Canadian National and to a western railway company. All this, however, is an immediate response to present needs. Departmental and government projections also anticipated that this winter would be a very difficult one, and that we would have to be able to respond quickly to the needs that will become apparent during this period. I feel that the $500 million announced for job creation is a very concrete response by the government to these needs.

The fact remains, Mr. Speaker, that the federal government alone cannot solve all the world's problems or Canada's. As part of the consultations he has been conducting, the Minister of Employment and Immigration (Mr. Axworthy) is in New Brunswick this afternoon to meet with his provincial counterpart. Yesterday he was in Halifax. Last week, the minister went out West, to Manitoba and Saskatchewan, and also to Quebec City, to discuss with the provincial governments how the provinces and municipal governments could join the federal government in an effort to expand funding for job creation.

We also appealed to the private sector, because it would be asking the impossible to expect a simple level of government to cope with what is expected to be a difficult period. In carrying out these consultations, we hope that all concerned will pull together and work towards the same goals. If we manage to inject another $500 million or more in job creation, people everywhere at the local level will benefit from this funding and be able to obtain the financial resources they need to get through the difficult winter months. Mr. Speaker, these consultations are absolutely necessary, and our colleagues opposite would do well to co-operate with this government and make constructive suggestions to help us focus all job creation programs on the same goal, which is to provide jobs for as many Canadians as possible. When people need jobs, we must set aside all political partisanship.

Mr. Speaker, I have been discussing the need for jobs, and I know what I am talking about. In my area, the unemployment rate goes up to 60 per cent during the winter. People come to my office looking for jobs, and job creation programs are going to help us to provide many families with the financial resources they need to get through this period. Our consultations are therefore absolutely necessary. It is very reassuring to see that the Government of Quebec has changed its approach in this respect and seems to be willing to set aside the political bias which has governed its actions since it came to power, and to respond to the needs of Quebeckers. Last week's meeting in Quebec City was extremely productive, and last Friday, officials at both government levels were looking at job creation programs and at the possibility of reaching an agreement or providing ways of finding jobs for the people who need them.

It is obvious that the municipalities will play an enormous part in this debate. Moreover, we have asked the co-operation of the various agencies, and once again, it is to be hoped that the Quebec Government will allow them, in consultation with the Provincial and Federal Governments, to see if it is possible to find some way to create jobs. Of course, the Right Hon. Prime Minister (Mr. Trudeau) in his talks on television last week appealed to all Canadians because we need their understanding and co-operation.

Once again, Mr. Speaker, some people tell us that the economic problems of Canada are the responsibility of this government. I gave a few examples of this a while ago. It is obviously impossible to attempt to solve all the economic problems in the world by finding solutions to our economic problems in Canada. We want now to deal with a major problem, namely job creation. The Federal Government has made a clear and determined commitment in this regard, as have most Provincial Governments, and the purpose of the consultations now going on and started last week is precisely to obtain the co-operation of as many people as possible, of all levels of Government and the private sector so that everyone in Canada will show the same commitment and create jobs for Canadians this winter.

Mr. Speaker, these consultations did not come about only last week. I believe that there have been other examples. This past year, most Provinces have signed agreements with the Federal Government in many areas. There is for instance work sharing, through which we were able to save tens of thousands of jobs throughout the country. Once more, the workers themselves showed the Canadian people that they were willing to share when faced with hardships. In various plants and industries, all kinds of people have accepted to work shorter hours and shorter days to enable their colleagues, their fellow workers, to keep their jobs. We have benefited from this experience because we have reinforced these various programs within our Department and tried to use them to meet present needs, and we shall certainly continue to do so.

In Quebec for instance, as of October 26, the Work Sharing Program had benefited 1,179 companies and 47,480 employees and avoided the lay-off of 21,900 Quebec workers. This is a clear example of co-operation, and I believe it is concrete evidence that people are able to understand and help each other when facing hardships. Mr. Speaker, I believe that we can multiply these examples of co-operation and consultation throughout the country. Last week, the Minister of Finance (Mr. Lalonde) gave another example of consultation by appointing economists to a special group with whom he will consult so as to make decisions which are realistic and which will enable us to meet our present needs. Mr. Speaker, I would like to note at this time another important aspect of the present situation as well as the extremely important role played by many workers throughout the country.

• (1640)

Naturally, in my capacity as Parliamentary Secretary to the Minister of Employment and Immigration, I have visited a great many employment centres throughout Canada in the past twelve months and I have met thousands of workers. We often hear members say in the House that they have people coming to their office to tell them about their employment problems and other difficulties. Mr. Speaker, it must be understood that all the people who work in our employment centres in Canada are on the job five days a week, and quite often on Saturdays and Sundays as well, because they are asked to work overtime to handle the large number of applications filed with our centres in the past year. Mr. Speaker, those people are on the front line, yet when we call on the various centres across Canada we never hear them complain and say to us that they simply cannot do everything we ask them to do. Mr. Speaker, they perform their work like professionals, rapidly and with outstanding efficiency.

I have met them, Mr. Speaker, and I have told many of them that they deserve our admiration for performing their duties right where the action is every day. That explains why this government agreed last summer to hire 1,200 additional employees to help the centres cope with the flood of applications. Needless to say, those employees have ready access to

the information facilities of the Department so that they can keep applicants well informed, and they are doing their best. Of course, Mr. Speaker, there is the odd delay here and there, but our employees are not necessarily responsible for that and more often than not the computers cannot keep up with the applications. There may have been human errors now and then, but it must be said that most of those people are doing an outstanding job.

Another thing worth mentioning, Mr. Speaker, is that our current unemployment insurance program is actually an economic cushion, something which we did not have in Canada during the notorious depression of the thirties, for instance. Last week, in this House, we heard the Minister of Finance (Mr. Lalonde) state that he had considerably increased unemployment insurance premiums, justifiably because our unemployment insurance scheme managed by employers and employees should be self-financed. The Government of Canada had to decide whether premiums would be substantially increased or whether it would make up the deficit, but since this is a self-financed scheme, as I said, the Government has chosen a middle-of-the-road course and granted an increase which will allow the unemployment insurance fund to continue to provide employment through the various above-mentioned programs so that employers and employees will not be seized by the throat and unable to pay.

Once again, the Government has taken the right direction. It has increased the premiums while making sure that employees and employers will be in a position to pay their share, and taking the necessary steps to allow the UI fund to continue to pay benefits because we should not forget, Mr. Speaker, that unemployment insurance is an insurance, that those who pay contributions are entitled to draw benefits and that as many Canadians as possible should benefit from it. Needless to say, Mr. Speaker, this fund has also enabled us as in the case of the work sharing program mentioned earlier to set up other programs which have been implemented during the past year. There are programs, for instance, established under Section 38 of the Unemployment Insurance Act, where unemployed workers can draw additional unemployment insurance benefits while doing work for the benefit of the community.

Under agreements covering the forestry industry which have been signed in British Columbia, Ontario, the Maritimes and Quebec, many forestry workers have been able to remain physically active and continue to work in the same sector. These agreements will also enable them to return quickly to the labour market as soon as the economy recovers. The federal government has approved $220 million for this program for the year 1982-1983. Mr. Speaker, in my area, in Eastern Quebec where forestry and fisheries are the main industries, we have signed similar agreements with thirteen non-profit enterprises, and at the same time we were also able to deal with a major problem, namely the spruce budworm epidemic. Thus we shall be able to safeguard our forests, enable workers to go on working in their own field and help their families to get through the winter.

These programs have all been very well received by the workers. These are some of the possibilities we shall be looking into under our new job creation program. We shall be considering ways of improving or adapting the programs to make them more responsive to the real situation. These are some of the things we shall try to do in the weeks to come.

Mr. Speaker, perhaps I could say a few more words about our occupational training program to which I was referring earlier in my speech. This program is of course extremely important, as we are going to invest $1 billion in it this year alone. As I said before, we are going to help many workers in Canada acquire additional skills and help them retrain for jobs available in highly specialized occupations where, unfortunately, there is a shortage of manpower at the present time.

Mr. Speaker, this program offers tremendous potential, since we have established across the country a system for projecting occupations in Canada. We are also going to designate occupations of national importance across the country. The co-operation I referred to earlier already exists within the framework of this legislation. And as for co-operation by all parties in the House, we have tangible proof that such co-operation is possible, because we received it when this legislation was passed. All parties in the House accepted the legislation; all Canadian provinces accepted it, and just last week, the Minister of Employment and Immigration signed an agreement with the Government of Quebec, under which during the next three years, $735 million will be invested in training people in Quebec, a province that is experiencing unprecedented highs in unemployment and where technological changes have been particularly marked. We shall therefore be in a position to train large numbers of people, and especially youth, so as to be able to meet the needs of the future, to respond to technological change and to help these people become integrated in the labour market, something which is very important, especially for young people across Canada.

• (1650)

However, I think, Mr. Speaker, that in addition to this skill projection system and to the skill designation program which we will undertake in co-operation with the provinces, we should add a third element to that training. Now, the Skills Growth Fund is a special $108 million fund covering a two-year period which will allow us to modernize facilities to be used for occupational training. In many cases, Mr Speaker, the courses we give are unfortunately 20 years or over behind the times and do not lead to a sure or permanent job. However that Skills Growth Fund will allow us in all parts of the country, and once again in co-operation with all provincial governments, to meet immediate and future needs.

It is obvious that this is an important change in the Occupational Training Act. Once more allow me, Mr. Speaker, to refer to my own province of Quebec where we have seen during the past year strong opposition to this so-called federal intrusion in a provincial jurisdiction. Again, our government did not see fit to refute such charges. We officials from both levels of government were allowed to negotiate and conclude an agreement. We realize after a year of negotiations what the provincial government was saying a year earlier. They signed the agreement in order to get the funds that were available to them and that were required to meet the needs of the very large Quebec labour force. This is perhaps the reason why, Mr. Speaker, I said earlier, that a new era of co-operation seems to be forthcoming in Quebec. And this is perhaps why the Quebec Minister of Manpower and Security has stated that he had just signed a treaty with the federal government. We do hope that the provincial government has indeed signed a treaty. We also hope that they will give up their political option which is out of place under the present economic circumstances and that they will truly co-operate with the federal government in trying to meet immediate needs. This can be seen in this training act and I am sure, Mr. Speaker, that in the negotiations now underway with this province in order to reach agreements about job creation, their representatives will show the same spirit of co-operation and will work in the best interests of those who elected them to the Quebec National Assembly. And, together with the federal government, they will finally succeed in creating jobs so terribly needed in the winter months. That just shows, Mr. Speaker, that the federal government has really taken the matter in hands, and that it is willing to negotiate with all available partners in an effort to find solutions.

If I may be allowed, Mr. Speaker, I would like to mention another measure announced yesterday by the federal government, to protect our Canadian workers and to make sure that most available jobs in this country will go to them. The minister announced yesterday that he was setting new immigration quotas throughout the country. Of course, these new levels do not mean that Canada will be closing its door to the world. We shall continue to accept immigrants for humanitarian reasons and adhere to the family reunion concept, both at the basis of our immigration policy. That being said, Mr. Speaker, we must nevertheless face up to the situation and realize that a large number of unemployed Canadians might otherwise have a job. That is the reason why we have lowered our immigration levels and tightened regulations concerning application for work permits in Canada. That is also why we are urging all Canadian employers who want to hire people to check first whether, somewhere in Canada, there are workers available for jobs open to all Canadians. Once again, Mr. Speaker, that is a concrete example of what our government does in the present situation to find work for as many Canadians as possible. We intend to keep this up and to maintain an open line to reach all groups, all individuals and all others who may have constructive suggestions for finding as many jobs as possible.

If we urge all provincial and municipal governments as well as all Canadian employers to support our endeavor to find jobs, I am sure, Mr. Speaker, that at the end of this year we will realize that the funds we have set aside last week have enabled us to create 120,000 or 150,000 jobs instead of the 60,000 we had expected in the first place. We must join forces and put aside all political considerations. Now that the Quebec government has indicated—indicated, I repeat—that it is prepared to go along, it would be difficult not to expect all parties in the House and all other governments in Canada to jump on the bandwagon.

I am convinced that the initiative we took in that area last week is worthy of consideration by each and every Canadian. I am convinced as well that, once the Minister of Employment and Immigration (Mr. Axworthy) has completed his consultation process, the Canadian government will be in a position to announce a series of programs designed to contend with the current situation and to help those people who will be facing hardships this winter, thus making it a lot easier for a great many Canadians.

Hon. Marcel Lambert (Edmonton West): Mr. Speaker, I have to admit that this week we are hearing a lot about co-operation, goodwill and moderation, but earlier this year, a month or so ago, it was all confrontation and the law—nothing remotely identifiable with what the hon. member for Bonaventure—Îles-de-la-Madeleine (Mr. Bujold) is talking about today. So much so indeed that he would never have made that speech last year, not in that spirit, and yet the conditions then were the same. Only the blind and the incompetent could not foresee the economic conditions which were facing Canada a year ago at the time of the famous budget of the former finance minister. He was telling us that the deficit would amount to about $10 billion, that the gross national product would decline slightly, and that inflation was just about under control or, if not completely so, that its rate of increase was dropping. It was the budget of an incompetent man or of sheer dishonesty. Never before have Canadians been taken for such a ride. And the scenario was practically the same in June, except that the $10 billion deficit was revised upward to something like $19 billion. What were the economists and the Department of Finance doing? Were they not aware of the plight of our best industries in Western Canada, especially the oil industry which was being torpedoed and ransacked by this government under the National Energy Policy, and then overtaxed, as though the only milk cow in the country were the oil industry? I should like you, hon. members from Quebec and Ontario who supported your party's platform during the 1980 election campaign, and who had been outraged by our proposed 18 cents tax on a gallon of gas—only four and a half cents a litre which would barely pay for a cupful of gas now—to consider the cost of a litre of gas today and the way it is

shared. That is what we got, thanks to the great liberal policy! It is because of this great policy that according to Estimates No. 3, we are faced not with a $19 billion, but with a $23.5 billion deficit, for the past 12 months. Mr. Speaker, are there nincompoops around here?

Mrs. Hervieux-Payette: There are none on this side!

Mr. Lambert: The dear lady, I know, has always the right answer, but as far as the Canadian economy is concerned, she would not know how to get out of a turnstile. No, Mr. Speaker. I clearly recall the time the Right Hon. Prime Minister (Mr. Trudeau) went on TV some 14 years ago to talk to the Canadian people. What about? About ways to freeze inflation around the 6 or 7 per cent level.

• (1700)

[*English*]

"We have wrestled inflation to the ground", we heard in 1969 after the efforts announced in the late summer of 1968, as I recall. The Government have been wrestling with themselves, not with inflation. We have seen inflation go up and up as time went on. Thanks to the efforts of other Ministers and the spirit of the speech of the Hon. Member for Bonaventure-Îles-de-la-Madeleine (Mr. Bujold) which I have just heard, the purpose of the Government is to take more and more funds and spread them further and further as though the Government were hooked onto or piped into an ever growing money tree. The Hon. Minister of National Health and Welfare (Miss Bégin) is a classic example, advocating programs which take money from here to spend there. Spend, spend is all the Hon. lady wants to do, not knowing, of course, that a dollar does not come out of the end of a fountain pen. That dollar must be produced by industry, but not industry which is overladen with taxes.

Hon. Members talk of the last budget exercise. Does Your Honour know that there is a hefty tax increase included in it? Of course, Hon. Members on the Government side will not tell their supporters that reducing the cap on the inflation factor in determining taxable income means a hefty tax increase. The Government will then come along and cap the indexing of inflation faced by old age pensioners and other pensioners such as public servants. They will face double taxation.

As a result of the budgetary statement of June 28, the elderly people of Canada will be hit by a double tax whammy. First of all, inflation will artificially boost their incomes so that many will be in a higher tax bracket. I do not care whether this bracket is in the lower level, the middle level or possibly in the higher level; there will be a tax increase. Then their old age pensions will be reduced or confined by the six and five formula even though we are experiencing 11 per cent inflation at the present time. Wait until Hon. Members from across the way start explaining that fact to their old age citizens! Then we will see whether their speeches are quite as laudatory of the Government's financial policies.

During the summer recess I spent five or six weeks hearing representations from industries, individuals and professional associations on the budgetary proposals of November 12, 1981. Some of the tax provisions were thrown out of the window by the Minister of Finance (Mr. Lalonde). Others were modified. However, there will be an increase in taxes on corporations and individuals this year amounting to $1.6 billion. Next year that will rise to $2.2 billion. Those are the tax changes which were proposed by the last Finance Minister. That is a residual effect of his stay in office.

In the statement last Wednesday we heard that another $1.1 billion will be taken out of the pockets of employees and employers through an additional levy for the unemployment insurance fund. Unemployment insurance, Mr. Speaker, has to be the greatest fraud ever perpetrated on the Canadian public. There is no longer an insurance program. There is a giant welfare and transfer of revenues fund. To the extent that there is a deficit, the taxpayers of Canada must pay. Where does most of the income tax come from? Distribute that to the areas of greatest unemployment. The fund itself has been deformed from an insurance program. One should simply read the speeches of the Hon. Member for Lincoln (Mr. Mackasey) when he was Minister of Labour back in 1971, before the majority of Hon. Members opposite had even heard of the House of Commons or been elected. That former Minister, who is now a Government front bencher, merely stated that making the program universal would lay the cornerstone of a guaranteed annual income scheme for Canadians.

• (1710)

This was the first level, unemployment insurance. We have seen over the years how bits have been added. Actuarially, it does not make sense. There have been deficits chargeable by law to the Government of Canada because the deficit exceeds a certain figure. I had to laugh the other day when the Minister of Finance said, my goodness, isn't the Government of Canada generous to the people of Canada, the unemployed, because it is providing 60 per cent of the additional benefits that are going to be paid out of the unemployment insurance fund; all the increases shall not come out of the pockets of contributing employees and their employers. But the law says the Government of Canada must do precisely that. It has to meet the deficit and should be meeting the entire deficit. Part of it is fobbed off on employees and employers. For the rest of it we, the taxpayers of Canada, lose a little more hide and give a little more blood to the financial bloodsucker which this administration has become.

As for the Canadian economy, Mr. Speaker, I don't know how many times it has been repeated that it is now a world recession that is responsible for the problems in Canada. That is public deception. Of course, many of our markets have declined because there have been declines in other economies, but not that much. The United States, faced with the problem of inflation, has dealt with it through interest rates in order to protect the U.S. dollar. The U.S. dollar, however, under the Bretton Woods Agreement Act, is the reserve standard for the

International Monetary Fund. Therefore, what are strictly domestic requirements in the United States involving the protection of the U.S. dollar immediately become prime factors affecting world-wide economies. We have seen this all over the world, in Britain and here in Canada although whether it should have been quite so severe in Canada is open to question. I am not going to make myself an instant expert and say the Bank of Canada were right or wrong, but it is possibly a bit of both. That is a matter of judgment.

Let us look at France—and the NDP should look at France. That famous experiment in socialist thinking and socialist spending out of economic stagnation has been the biggest bust since the last Halloween balloon. There is no magical formula. But there are so many ways of damning your economy. Here in Canada the National Energy Program has affected not only the entire west, but the auto and machine industry of Ontario. An ongoing western petroleum industry requires between 30,000 and 40,000 automobiles or trucks per year, most of them coming out of Ontario. The volume of that is now reduced to 25 per cent, maybe even less.

Steel pipe? The whole bit and business has been knocked on the head by these incompetents across the way, and one might also say it was maliciously inspired, because they envied the success of the three western Provinces having petroleum and natural gas. They could not stand it. Unfortunately, the people of Ontario got hit by some degree of jealousy as well. That is not the way to build this country, by knocking down another part of it. But that is what was done.

All those famous projects in the Province of Quebec which were greeted with open arms are not going ahead. The pipelines are not going to be built. They are going to close refineries. That is what is happening. It was blind fools that went tinkering. Then what did they do? They shuffled the Minister, and lo and behold, no longer was the administration responsible. The mandarins who put together the pieces of paper, creating the schemes, which in theory should have worked, disappeared to their just rewards. So we are left with a legacy of thousands upon thousands of unemployed, including formerly highly paid people, productive people, and political unrest. One section of the country is bitterly alienated towards the rest for that reason. The Government Members strain their shoulders patting themselves on the back for the success of their policies. We will be paying $2.50 for a gallon of gasoline over a two year period. That is success?

We have then the famous organization known as FIRA, the "Herb Gray spooks". I know that other countries have screening agencies, but it takes a hearty soul armed with millions and millions of dollars to fight off the attacks on Canadians wanting to invest in the United States. The pot is not entirely black, but at least it is not formalized. In FIRA as presently constituted, it is not the Agency itself that is responsible. Every decision that has been put through the Agency is only a recommendation to a Cabinet committee presided over by the former Minister of Industry, Trade and Commerce, who dilly-dallied and imposed his own prejudices and views on each application. When you inquired as to an application which had been filed nine months before to cover a sale that had been agreed to and made economic sense, the Minister would not tell you anything. He would not even tell the company that was going to be bought because it was not a participant to the application. His interpretations were nothing but stupid bureaucracy. I have never seen such incompetence in my life.

• (1720)

That is what is chasing foreign investment. It is that image of months and months of dilly-dallying, the automatic, unofficial views that were expressed, such as: "You should change it this way; perhaps if you change it that way, we suggest you reapply but under modified terms". This sort of thing went on and on. That is why we find our friends and trading partners objecting to what is happening to foreign investment of that nature coming into Canada.

Certainly we can take a look, but do not tell us it is going to take a year. Some Provinces putting together a project of development take two years to clear all the agencies, come what may, merely to fit the ego of a lot of bureaucrats and over-swollen Government ranks. If we want to reduce public expenditure, each level of Government, including the Government of Canada, the provincial Governments and the municipal Governments should set a target of first reducing personnel by 10 per cent. I do not mean the lower paid clerks; there are far more semi-employed directors and directors-general in the Public Service of Canada. That is a ridiculous cost.

Right here in our own shop we have fatuous legislation on the books which at the present time is causing the redistribution commissions to increase the number of Members of this House by, I think, 28. We do not have a place to seat them. When one looks at what it costs per Member for staff and other facilities, one sees how silly we can be. We can stand a 10 per cent reduction of Members in this place.

Some Hon. Members: Hear, hear!

Mr. Althouse: Volunteers?

Mr. Lambert: You come with me and I will go. Money is wasted at all Government levels through overblown personnel. In the Government of Canada, four people cannot work without there being a supervisor, who may then have a secretary. I have heard from our own Members of this House that because they have a staff of three in their office, they feel compelled to suggest to the Management and Members' Services Committee that there should be an administrative assistant to oversee the work of the other three. That sort of stuff just breeds. It is like mould, it grows visually.

Honestly, Mr. Speaker, I have had the proposition put to me by Hon. Members that we should increase our staff by a fourth person, to be designated as an office manager or administrative assistant to make things run. The wiring in this building will have to be brought up to date. A lot of work has been done. Imagine lodging another 28 Members. I suppose they will be lodged in the gallery. Will another building be bought for $30 million in order to house them and the people who will be with them? This is how Topsy grew. Talk about

controlling expenditures. We could show an example without diminishing the quality of service that can be given. We can certainly improve on the time for debate and the time for Members to participate in debate, but not administration.

It is a good thing that Bill C-128 has a sunset clause and that any moneys unexpended on March 31 next will die. However, there is a joker in this deck. Between the $23.6 billion and the $19 billion borrowing authority achieved by this limited Bill, there will have to be another borrowing authority Bill before March 31. That one will preserve the unexpended portion for the following year. It is always there. It is part of the atmosphere of sleight-of-hand, covering up and putting things off.

The people of Canada do not realize just how bad are the finances of the Government of Canada. Most of that is the responsibility of this administration which did not care a tinker's dam. It spent and spent and spent. A lot of it has been built up in the past ten years. The $10 of expenditure that was authorized ten years ago is now over $20 due to inflation and to Ministers bringing in programs, getting them accepted and then saying; "Where is the money? I must have the money." Instead of saying that only so much money was available for a particular program, the reverse was always the case. The net result is that the Government of Canada goes careening from ditch to ditch with wide open throttle, not knowing how much gasoline is in the tank. It does not know whether it has control of the car and hopes to blazes it will not run into somebody going the other way, because it sure does not know who is on the road.

• (1730)

Mr. Robert Bockstael (St. Boniface): Mr. Speaker, I welcome the opportunity to speak on the supplementary borrowing authority Bill, Bill C-128, which complements and restores Bill C-125 of July 22 last to the original borrowing amount requested at that time. A world-wide recesion has lowered the demands of other countries for Canadian products such as those drawn from our forests, mines and other industries. International oil prices, which were forecast to climb astronomically, underwent a downturn, which adversely affected our own exploration activities. Uncontrollable circumstances like these, coupled with many other similar factors, caused a weakness in our economy and a short-fall in our estimated revenues.

Simply put, the Government of Canada requires this borrowing authority to give it the financial ability to maintain all the programs that the Canadian people expect to retain as part of their own economic outlook and standard of living. I am pleased that Opposition Members have agreed to limit this debate to three days. Lengthy debate on this Bill would have been damaging to those thousand of Canadians most directly affected by the recession. To those thousands of Canadians, the economic statement recently presented by the Hon. Minister of Finance (Mr. Lalonde) has given much to hope for in the coming months. It was a clear indication of the Government's concern for them and the situation they find themselves in as a result of the recession.

In the past few months we have been constantly pressed by the Opposition to bring in programs to help the unemployed and all of those unable to cope with the recession. Although short on solutions, they have demanded action to assist those out of work. They oppose six and five. They generally clamour for an increase in unemployment insurance benefits. They suggest expenditures be increased and taxes reduced. Some might even suggest that the Government should not be obsessed and mesmerized by the huge deficit. They say, spend more, stimulate the economy, and the next day they contradict themselves by deploring the size of the deficit, the rate of inflation, and demand the Government cut back on expenditures.

The present recession has put a tremendous strain on all governments of the western world. Accustomed to prosperity and growth, these countries must now enforce rigid economic policies in an attempt to move out of the recession.

[*Translation*]

Mr. Speaker, the level of support demanded from the Federal Government during a recession is considerable. No one can escape the present economic situation. Some will be even more at risk because of their particular situation. The Government will have to meet the requirements of those who are most affected by the recession. Canada has one of the best social systems in the world, whether it be our Unemployment Insurance Plan, our social welfare programs or our income security measures. This system was designed to protect Canadians during a recession as well as in more prosperous times. Our Government, and the Liberal Party in fact, has always given the priority in its ideology to our social institutions. The recent statement of the Minister of Finance (Mr. Lalonde) reassured Canadians that the Government will protect them throughout the recession. The Unemployment Insurance Plan will remain intact. Moreover, the Government will respond to the appeals of thousands of Canadians now deprived of job opportunities. Maintaining a comprehensive Unemployment Insurance Plan and very generous social programs is a very difficult task, especially when the Government is committed to apply strict fiscal policies. When the Government itself must tighten its belt and keep the deficit at a reasonable level, how is it possible to maintain our Unemployment Insurance Plan and social programs? How can we create jobs for the victims of the recession and give support to the private sector without increasing the deficit even more? That is the dilemma now facing all Western countries. Some of them have chosen to cut their spending for social security programs. Canada has chosen differently. We have been able to find a solution which will not jeopardize those who are hardest hit by the recession. We shall also limit our spending so as to reduce the potential inflationary impact of the deficit on the national economy. This will be done on the basis of an equitable formula without our having to weaken our social institutions. The bill now under consideration is an integral

part of the economic and social formula which will put us back on the road to prosperity.

[*English*]

I would like to review our economic policy with a view to the West, Mr. Speaker. The federal Government is committed to securing Canadians' economic future, and to do so involves addressing the challenges and pursuing the opportunities for economic development which present themselves in the various regions of this country. I intend to focus on the opportunities and constraints facing the western provinces and comment on the federal Government's response to these.

A year ago, in November, 1981, the federal Government issued a major policy document entitled "Economic Development for Canada in the 1980s". That document discussed the challenges and strategic opportunities for the national and regional economies, and went on to outline the Government's policies and priorities for national economic development. While it was clearly stated that there were distinct problems and development issues to be addressed in every region, it was also pointed out that unique opportunities for economic growth and development could be identified in every region.

Since that policy document was issued, and even prior to that, the Government has taken action to identify and overcome the constraints to economic development which prevail in the western provinces, and aggressively to pursue those opportunities which exist in the west for economic growth in this decade and beyond. Last Wednesday, in the statement on the economic outlook by the Hon. Minister of Finance, the federal Government reconfirmed its commitment to economic development and renewal across Canada.

Aside from issuing the earlier mentioned document on economic development, this Government introduced a number of measures which, while general in application, would have some impact on the economy of the western provinces. For example, the special farm financial assistance program was reintroduced in an expanded form. This program, which was designed for those farmers who would be unable to stay in business if they had to borrow at the going interest rate, provided subsidized Farm Credit Corporation loans to farmers in distress. A fund of $50 million was set aside for this program.

In the June 28 budget the Government announced a number of new housing measures designed to create new jobs in the construction industry, to improve access to home ownership, to assist those facing mortgage renewal difficulties and to ensure the availability of rental accommodation. An intensive program for the construction of new rental units was introduced to provide an interest free loan of $7,500 or more per rental unit for 30,000 units allocated to tight market areas across the country. I am pleased to add the Minister's announcement on Wednesday to the effect that the $3,000 home ownership stimulation grant will be extended to the end of April, 1983 for new houses. This announcement was certainly welcomed by the western construction industry.

• (1740)

In order to direct federal policies and programs to the strategic opportunities for Canadian economic development, the Government identified five priority areas, namely, industrial development, resource development, transportation capacity, export promotion, and human resources. Under each of these headings objectives were identified and examples of initiatives under way or proposed were given. In many instances the western Provinces figures prominently as major contributors to Canada's economic future or as recipients of federal aid.

In terms of developing industry, the Government is committed to developing policies and programs to ensure, among other things, that innovation becomes a major factor in enhancing the competitiveness and productivity of Canadian industry.

The Government has committed itself to a major increase in the level of research and development activity in Canada and has established research and development targets for the public and private sectors. At the end of 1981 the federal Government had met, and indeed exceeded, the R and D expenditure target it had set for itself. More recent federal initiatives in this area of activity include new funding for the establishment of micro-electronic centres in Vancouver, Edmonton and Winnipeg.

In terms of developing natural resources, the federal Government agreed to undertake new initiatives in key resource based sectors, and the western Provinces, with their vast wealth of resources, will figure prominently in any policies and programs implemented in these areas.

The federal Government undertook to continue consultation with the Provinces concerning measures to enhance the longer-term performance of the forest-based industries and to continue to play a strong role in encouraging research and development in the mining industry.

I want to digress from the economic strategy in the eighties for a moment to reflect on a side issue, Mr. Speaker. We hear people say, with a great deal of hindsight, that the Canadian Government underestimated the severity of the current recession and did not adopt timely measures to turn it around.

In the area of rail transportation, we must recognize the fact that our railway system was not overburdened this year. Record grain movements were established, partly because our other commodities did not compete as strongly with grain movements as in prior years for cars, for track time on rail lines, for engines and for railway crews, at the same time that grain was being transported to ports.

Canadians do not want to rely on hindsight when our economy takes a turn for the better. We must be prepared to seize our opportunities. For this reason, I am sure that all parties are in agreement and acknowledge that the leading opportunity for Canadian economic renewal lies in the development of Canada's rich bounty of natural resources. However, capturing the benefits of a resource-based expansion will place heavy demands on the transportation system. Unless major investments are made in the near future, the capacity

constraints in the western transportation system will be evident by the mid-eighties.

Under economic development in the eighties, transportation was identified as a development priority. On February 8, 1982 the Minister of Transport (Mr. Pepin) announced the Government of Canada's policy on western rail transportation. The statement recognized that the western Canadian economy is rapidly growing and diversifying, and will continue to do so throughout the 1980s. The resource sector is the source of much of this western growth, and western resources have been and will continue to be moved predominantly by rail. Consequently, the Government decided that a major initiative was required if the economic expansion under way was to continue, and that a comprehensive approach should be implemented to ensure that the west had adequate rail capacity.

The Minister of Transport appointed Dr. Clay Gilson of the University of Manitoba as the federal representative on western grain transportation, to lead discussions with western farm organizations and the railways on how the Government's policy statement should be translated into specific measures. After months of consultations with representatives of nine major western farm organizations and the two national railways, Dr. Gilson submitted his report on consultations and recommendations regarding western grain transportation to the Minister of Transport.

In August, the Minister announced that the Government would establish special task forces to continue and conclude work on the recommendations contained in the Gilson Report on western grain transportation.

Mr. Pepin also tabled in Parliament a Government policy response stating that the Government had decided to accept in principle the main thrust of the Gilson Report now, subject to later decisions about the financial considerations and the reports of the task forces concerning the implementation aspects of a central co-ordinating agency for grain transportation, a new freight rate structure and new legislation for grain transportation.

In addressing the issue of assuring the nation that the west had adequate rail capacity, the Government stressed the major potential benefits of this initiative for western Canada and the country as a whole, including large-scale railway investments, improvements in the grain transportation system, increased resource development and economic diversification.

To help achieve these benefits, the Government committed itself to contributing some $3.2 billion over the four-year period of 1982-83 through 1985-86 for western transportation needs and to the introduction of new transportation legislation. Such a statutory framework would incorporate a commitment by the Government to pay the Crow benefit in perpetuity and to demand performance and service guarantees from the railways in return for adequate compensation for current grain transportation losses.

Railway investments amounting to some $11.8 billion, in 1982 dollars, are planned over the decade to 1991 and will generate substantial economic activity, not only in the west but in virtually every region of the country. In addition to major construction activity and sourcing of materials in the western provinces, the railways' requirements for steel rail, locomotives, rolling stock and electronic equipment will provide a major stimulus over the period, to the manufacturing sector, in all of Canada.

This brings us to the very recent announcement made by the Minister of Finance. As the Minister pointed out, the Government is earmarking up to $400 million more to provide some additional flexibility toward the satisfactory Crow rate resolution and to provide for initiatives such as the extension of special capital cost allowances which, if satisfactory arrangements can be made with the Minister of Transport, would speed up expansion and modernization of western rail capacity. As the Minister noted, the Government is determined to meet the challenge of railway capacity with its comprehensive approach to expand the western rail transportation system and to modernize the freight rate regime for grain.

• (1750)

Early action will ensure that railways will be in a position to increase rail capacity, as required, to move the substantially higher volumes of export commodities projected from the middle of the decade onward. Expansion of western rail capacity is critical to Canada's economic development in the 1980s. It will pave the way for marketing of additional coal, potash and sulphur resources as well as increased exports of grain. The over-all plan will also stimulate western agricultural development and facilitate economic diversification. As a result of direct railway and Government expenditures, it is estimated that some 400,000 person-years of employment will ultimately be generated across the country.

In addition to the commitment to expand the western rail transportation system and modernize the freight rate regime for grain, the federal Government has undertaken other initiatives in the transportation field which will help us promote our exports. The Government has committed $27 million to develop the infrastructure for a new grain terminal at Prince Rupert and another $4 million for the road access to it. To improve Canada's capacity to ship coal, particularly to new Pacific Rim markets, the capacity of the Roberts Bank terminal at Vancouver will be quadrupled, and new harbour and rail facilities will be constructed at Prince Rupert in connection with northeast British Columbia coal deposits. Legislation was recently passed providing for greater autonomy at the local level for National Harbours Board ports.

Returning to the development priorities and specifically the need to develop human resources, the Government is taking measures to identify the manpower needs of various industrial sectors and to direct strategies to match skills with these needs. Particular attention is being given to disadvantaged Canadians and, as was mentioned earlier, $345 million has been allocated in the period 1985-86 to support new economic development initiatives directed toward increased job opportunities for native peoples.

The federal Government's contribution to the economic development of western provinces arises not only from new programs and initiatives but also from existing and ongoing programs. For example, DREE expenditures during 1980-81 in the western region, including Yukon and the Northwest Territories, exceeded $200 million. Of this sum, approximately $72.6 million was for subsidiary agreements, $20.5 million for industrial incentives, $82.3 million for Prairie Farm Rehabilitation Administration Programs, and the remainder for activities such as special ARDA agreements under the Agricultural and Rural Development Act. Special ARDA agreements involve special programs to ensure that rural residents, particularly those of native descent, are able to benefit from rural development programs in terms of increased employment and income and better living conditions. Such agreements exist with Manitoba, Saskatchewan, British Columbia, the Northwest Territories and Yukon. They are administered in each area by a committee comprised of representatives of the provincial or territorial Government, the federal Government and native residents of the communities involved.

They also support the Prairie Farm Rehabilitation Administration Program which was started years ago in drought areas to ensure that municipalities and other areas would have sufficient water supply. This Program is active, and there are agreements with the Province of Manitoba and other Provinces to make sure that they have adequate water facilities to supply the needs of their citizens.

Earlier this year the federal Government implemented a major policy and administrative reorganization, the main thrust of which was to provide a government-wide focus on regional development. A Cabinet Committee on Economic and Regional Development was established, as well as a new Ministry of State for Economic and Regional Development, the new Department of Regional Industrial Expansion and the regional fund to be used for special regional economic development initiatives. Federal economic development co-ordinators, the most senior economic development officials in each of the regions, have been named for all the Provinces, and work is under way to devise over-all economic strategies for each of the Provinces. Clearly, while the actors involved in regional development may change somewhat and certain aid delivery vehicles may be identified by a different name, the federal Government has reaffirmed, if not expanded upon, its commitment to balanced regional development.

As a final point it is worth noting that the Canadian Grain Commission recently reduced their proposed increases in maximum tariffs of 8 per cent to 10 per cent or higher, as well as the fees charged for services to the grain industry, to conform with the 6 per cent restraint policy for this year. Harnessing the resources of the Canadian economy is a national enterprise which includes but extends beyond the interests of particular regions or sectors. The Government of Canada must and has assumed a leadership role in the field of economic development, as evidenced by the recent transportation initiatives in the west and other activities across the country. However, it has done so bearing in mind and being sensitive to the local context in which each Canadian works, lives and invests. This borrowing authority Bill is an integral part of the economic proposals that will set us off on the road to recovery. I urge all Members of the House to support Bill C-128.

Some Hon. Members: Hear, hear!

Mr. Andre: Mr. Speaker, may I call it six o'clock?

Some Hon. Members: Agreed.

The Acting Speaker (Mr. Blaker): It being six o'clock I do now leave the chair until eight o'clock this evening, at which time the Hon. Member for Calgary Centre (Mr. Andre) will be recognized.

At 5.58 p.m. the House took recess.

AFTER RECESS

The House resumed at 8 p.m.

The Acting Speaker (Mr. Blaker): When the House rose at six o'clock, the Hon. Member for Calgary Centre (Mr. Andre) had been recognized.

Mr. Harvie Andre (Calgary Centre): Mr. Speaker, I want to take just a few moments this evening to contribute to this semi budget debate we are having. The point has been made that the economic statement delivered by the new Minister of Finance (Mr. Lalonde) last Wednesday was much closer to a budget than many of the budgets we have had. Although I am not sure that is completely accurate. In a lot of ways it resembled an "unbudget" because most of the important statements in the document were undoing the provisions of the November 12, 1981 budget, which slowly and surely over the course of a year has been totally undone.

The Bill we are discussing is the borrowing authority Bill to give the Governor in Council the authority to borrow another $4 billion. That is an astronomical amount of money, except in comparison to this year's deficit, which is $23.6 billion. What an unbelievable state of affairs. We are asking future taxpayers to pay for one-third of our expenditures today, piling on top of existing debt another $23.6 billion in a deficit this year on a public accounts basis. I said a public accounts basis because on a national accounts basis, that is on a more accurate basis, the deficit is a lot higher than $23.6 billion. The picture is in fact a whole lot worse than the incredibly bad picture which the Minister of Finance gave us last Wednesday. This $23.6 billion is not the total deficit because the Government engages in book cooking, the kind of book cooking that would get a private company or an individual engaged in the same kind of exercise in trouble.

Is that a statement made by a partisan Member of the Opposition using hyperbole, Mr. Speaker? I would refer Hon. Members of the House to the Auditor General's Report. The public accounts were tabled last Friday. Carried in the public

accounts of Canada, the accounts of the Government of Canada, is $16 billion in non-existing assets. In other words, there is $16 billion of spending on assets which the Auditor General says do not exist. If a company did that, it would be delisted from the stock exchange. The executives and directors of such a company would be in great trouble with regulatory authorities. Lawsuits may be launched. There could be all manner of retribution levied against an organization that would have the audacity, the gall or the fraudulent intent to put forward accounts so obviously in error. Yet here we have the Government of Canada, our government, putting out a set of books which the Auditor General says are in error by $16 billion. The Government gets away with this because the amount of money is so colossal that no one can get his mind around it. It is almost beyond comprehension. It is as Adolf Hitler knew so well, that if the distortion is big enough, it just escapes people. There is no way they can handle it. That is what we have from this Government.

Not included in the horrendous deficit figure is Crown Corporation borrowing. Crown Corporations are, in the jargon, "Agents of Her Majesty", which means nothing more than that the debts of a Crown Corporation are the same as the direct debts of the Government. Whether it is the Minister of Finance who borrows money from the Government of Canada or Jack Horner who borrows on behalf of the CNR, the effect is the same. You and I are responsible for paying back the borrowings.

The borrowings of the Minister of Finance show up in the public accounts. Jack Horner's borrowings do not, nor do the borrowings of Bill Hopper or Nick Ebiger, nor do the borrowings of any one of these other people in this parallel civil service operating out there on their own who are indebting you and me and future generations.

None of the deficits being run up in these organizations, none of the borrowing, none of the spending show up in the accounts of Canada. Yet, in terms of their impact, they are every bit the same as if they were spent directly by the Government. That is why when the Minister lays out projections for spending and revenues this year, it is only a fool who takes what he lays before us at face value. They are most certainly not an accurate portrayal of what is happening.

I want to deal with one particular debt of a Crown Corporation of which we have become aware recently, interestingly enough on Saturday afternoon. Clearly it is amazing to observe this Government in operation and to see the gall and hypocrisy with which it operates. I believe it was Thursday evening when Senator Keith Davey was lecturing from a podium about how terrible the media in this country is. He said that the Government cannot trust the media to carry its message and that the media cannot be trusted. Two days later, we saw the most blatant example of how the Government manipulates news, manipulates the media and manipulates public opinion. When is the time to make an embarrassing announcement, Mr. Speaker? It is on Saturday afternoon when you know that most people have the weekend off and very few journalists are working. Is it not interesting that on the "Sunday Morning" CBC program Bill Hopper was answering a bunch of creampuff questions from a CBC reporter. That program was in the can on Friday but, somehow, the announcement did not come out until Saturday. Yet there was Bill Hopper with all the perfect answers to the creampuff questions being put to him. There was not one single, reasonable or appropriate question asked by that reporter.

• (2010)

That shows skill, Mr. Speaker, and I admit that Bill Hopper is an amazingly effective politician, news manager, manipulator of public opinion. While he is not an oil man, he is all these other things, and very good at it. I have the bruises to prove it. But for goodness' sakes, do not insult my intelligence and the intelligence of all Canadians by turning Senator Keith Davey loose to say, "It is terrible that we cannot trust the media to take our fair and reasonable message around the country". What hypocricy!

On Saturday we were told that Petro-Canada was going to buy the downstream assets of BP Canada for $347.5 million. That is a colossal amount of money, given that not one job will be created out of that purchase or one barrel of oil added. Now we find out that that statement about the $347.5 million was false. In fact, the total purchase cost is closer to $600 million, as we discovered in today's *Globe and Mail*. Long after it is settled in everyone's mind that the purchase price is $350 million—that is the figure publicized and which is contained in most files—we find that the real figure is $600 million because, in addition to the $347.5 million for the steel and real estate, there is $180 million for inventory and a $70 million debt that Petro-Canada is picking up for BP. Therefore, the figure is $600 million and not $347 million. I offer you again one further example for the observation of the Auditor General that you cannot trust the Government because it lies about its figures. It is further evidence of why anyone who takes what is said by that group of people and their underlings at face value is a fool to accept it. It seldom bears any resemblance to the truth.

Petro-Canada is spending $600 million, and the Minister, Bill Hopper and Joel Bell say that it will not cost the taxpayers a cent. But the advertisement says, that Petro-Canada is ours. Therefore, if its assets are our assets, its debts are our debts. That $600 million is our debt in the same manner as the Minister of Finance's debts are our debts.

That $600 million is being spent to purchase existing, in-place assets without a single new job being created. In fact, jobs will be lost because throughout Quebec and parts of Ontario, Fina—which is now Petro-Canada—and BP were frequently competitors on the same corner. BP and Petro-Canada are next door neighbours in my neighbourhood in Ottawa. While there were previously two marketing departments, there will now be one marketing department because one of those service stations will close down. As a result, there will be fewer jobs if Petro-Canada rationalizes its employees.

The Government is spending $600 million of our money, decreasing the number of jobs and not gaining one extra piece

of hardware, real estate, barrell of oil or anything else for Canada. Of course, that $600 million does not form part of the $23.6 billion deficit. It is not included in the Government's figures. It is not covered by this borrowing authority Bill because, in this perverse system which we have, the Minister of Finance is required to have borrowing authority while Bill Hopper does not. This Parliament has the right to vote on the authority of the Minister of Finance to borrow money. Bill Hopper, Jack Horner and the other 400 Crown corporation presidents and chairmen can borrow what they desire. Canadians are obliged to pay it, but as the elected representatives of the people we do not have the right to say yea or nay. That is parliamentary democracy for you. It the Government has $600 million to spend, why did it not reduce the unemployment insurance premium entries? There is a $1.7 billion increase in premiums which will cost perhaps 60,000 jobs because it is making it more difficult for small and new businesses to hire new employees. Why did the Government not reduce that expenditure if it has $600 million to spend?

Why not reduce the taxes on gasoline and make a half baked attempt to honour the election promises that were made by the Liberal Party, those promises of "Vote Liberal and you will not have to pay high prices for gasoline." Do you remember those advertisements, Mr. Speaker? If the Government now has $600 million extra, why does it not reduce the taxes on gasoline and make a half hearted attempt to honour that election promise?

Why not spend the money on job creation if the Government does have $600 million to spend? Why does the Government not try something new and just not spend it?

If some of the geniuses who advise that pack over there feel that it is appropriate for Petro-Canada to spend another $600 million, let me suggest a way in which Petro-Canada could spend that money and, in fact, contribute something to Canada in the process. First, let us suppose that the Minister of Finance was correct when he said, in answer to questions I raised yesterday, that Petro-Canada was not going to borrow money in Canada but was going to borrow it offshore, even though Joel Bell, Vice-President of Finance, said they had not made that decision as yet. However, let us assume that the Minister of Finance was right and Petro-Canada will borrow the money offshore. Now, let us suppose that Petro-Canada took that $600 million and invested it in exploration for new oil in Canada. The rough industry average indicates that for every $50,000 of expenditure, one can expect oil production of a barrel of oil per day. Assuming that Petro-Canada is as good as the average oil company—which is a major concession because I do not believe that fact and the figures do not back it up—this means that Petro-Canada would be able to produce 12,000 barrels of oil per day from that expenditure of $600 million for exploration. We would produce 12,000 barrels of oil per day in Canada and eliminate the need to import that oil from Mexico, Saudi Arabia and Venezuela. That would save us $220 million a year in foreign exchange. In other words, in two years and nine months we would be able to pay off the foreign source from which we borrowed the $600 million. We would still have 12,000 barrels of oil in production and maintain the income of $220 million a year for the benefit of Canada.

A rough rule of thumb in regard to capital expenditures is that for every $50,000 of capital expenditure there is a new job created. If the government spent that $600 million in Canada on capital expenditures, namely exploration and development, it would generate 12,000 jobs. Half of all the money spent in this country—that is, the gross national product—ends up in the Government coffers as taxes of one sort or another. Half of that amount goes to the federal Government and the other half goes to the Provinces and municipal Governments. Therefore, the total government revenue from that $600 million would be $300 million. The federal Government would receive $150 million. In addition, those 12,000 people would not be collecting unemployment insurance. There would be a saving of $120 million.

• (2020)

Let us consider this in summary. If, instead of buying an existing refinery and a bunch of existing service stations and contributing nothing new, in fact costing jobs to Canada, Petro-Canada had used that money for oil exploration here in Canada, the federal Government would receive $150 million in extra revenue. There would be a reduced call on unemployment insurance premiums of $120 million, meaning that the net expenditures of the Government and therefore the deficit would be reduced by $270 million, and provincial and municipal Governments would receive another $150 million. There would be a decrease in our current account deficit with the rest of the world of $220 million a year in today's dollars, with a resulting reduction of pressure on interest rates and the value of the dollar. There would be 12,000 Canadians employed rather than unemployed as the case is now. Therefore, instead of $600 million spent, with no benefit whatsoever to Canada, the Government could have spent it that way with some benefit to Canada.

What have we gained from this purchase, this increased indebtedness of $600 million? Will it help to create jobs? No. Will it help to fight inflation? No. Will it help old age pensioners? No. Will it help miners, forestry workers, fishermen or farmers? No, no, no and no. Why, then? Has the private sector failed us? Does the private sector not know how to peddle gasoline? Does anyone in this country have difficulty buying gasoline from a private operator? Is the private sector in this country so terrible in that it does not know how to run service stations that Big Brother must get into the business of running service stations and filling up our tanks? Is that why? Why, for goodness' sake, is the Government of Canada, with all its responsibilities and with all the problems facing this country, in the business of peddling gasoline? It makes one wonder. If the Government is interested in the Canagrex Bill, one can surely predict that it will soon be running McDonald's hamburger stands, because if it makes sense for Petro-Canada to pump gas, it makes sense for Canagrex to sell hamburgers.

Mr. Taylor: It will be selling baloney, too.

Mr. Andre: Why, then, is Petro-Canada buying out these service stations? Why is the Government of Canada in the business of peddling gasoline? The reasons are twofold. The first one relates to political propaganda. The reason is the same reason that Goodyear has blimps. There are some Petro-Canada signs around with the Maple Leaf on them, and Goodyear has blimps with "Goodyear" printed on them. It is pure and simple propaganda the Government has in mind. Certainly, it will not result in cheaper gasoline. It is more expensive gasoline. We must pay for the Government's extravagances. However, the related reason is that it is very good for the employees of Petro-Canada. Petro-Canada has become a very large corporation. Its chief executive officer should have his own jet, should he not? Of course, big corporations have private jets. Bill Hopper has a nice new Canadair Challenger. It is so fast that he did not even have to move his family to Calgary. His officer is there, but he lives here. What the heck! He can come home to supper in one of these Canadair jets. It only costs $5,000 or $10,000 an hour to operate. That is peanuts to a high roller like Bill Hopper. He has his own executive jet. He is just having himself a whale of a time. The Marketing Vice-President of Petro-Canada now has, 1,600 more stations to run. What a thrill when he comes into his office in the morning and looks at a map with little pins all over it. He says, "Those are all mine. I run those. Those guys are all mine. I run them all". It is a real thrill for the employees of Petro-Canada. They are having a ball at our expense.

There is a second reason which is that the decision was made as a result of faulty business judgment. The refining and marketing of gasoline has been profitable for two out of the last 20 years. Those two years were 1978 and 1979. In 1978 Petro-Canada went out and bought an oil company, Pacific Petroleum, which happened to own a refinery and some service stations. Petro-Canada bought it at exactly the time when refining and marketing was profitable. Bill Hopper thought he had found the money pump, the money tree. He could not believe it! The refinery and service stations were as lucrative as all getout. The money was rolling in. He said, "Holy moly, have I got a way to finance my Canadair jet and the rest of my growth in the future." That is why Petro-Canada bought Fina. It thought it had found the money pump. It opened up the Fina station, cleaned it up, paved it, polished it up, put on new plastic and new signs. People came in to buy gas and Petro-Canada said, "We really have it. We could sell as much gas as we want. All we have to do is put up stations, put on signs with the Maple Leaf, and business rolls in".

The problem is that there is something in marketing called the "new station phenomenon". As one is driving down the street, suddenly before one's eyes there appears a brand new station with new fresh asphalt, the pumps are new and shining, the windows are clear and it looks nice, not like a dirty old service station, so one drives in. There is a tendency to do that. It does not make any difference how one's car operates, but somehow everything looks nice. However, in a month or two the station starts to get as dirty as the station of the guy a little closer to home, so one stops there and goes back to one's old patterns, and that little blip in sales is just that, a blip in sales.

That is precisely what is happening to Petro-Canada in western Canada. It is being blamed, of course, on anti-Ottawa feelings out there and so forth. But in fact it is just that the stations out there are no longer new. That is all. When they were new, traffic came in. They are no longer new. Some of the Fina stations are now running into the same problem. So what we have here is an executive of a company who may believe, at least partially, that this was a good business decision. In fact, it was a lousy business decision because refining and marketing do not make money. Oh, they will get market shares initially. Oh, yes, when Petro-Canada spends $10,000 or $20,000 to renovate each station, that, by the way, is in addition to the $600 million I have discussed. When some tens of millions of dollars are spent to renovate all the stations, there will be a little blip in traffic, but it will not be enough to make the money to pay the interest on the loan. We, the taxpayers, will have to come up with more money again to keep that operation going.

I have listened to some Hon. Members opposite defending this $4 billion in extra borrowing authority. In essence, they have been standing up and saying to the people of Canada, "Trust us, we have your futures in mind; we are doing good things. As trustees of your money, we are doing a good job". Only a fool would believe any of that tripe. Ed Clarke certainly does not believe it on his $200,000 sabbatical in Paris. Certainly, no one who knows anything about this Petro-Canada purchase will believe it. How can we end Canada's disastrous economic performance when we are twenty-third in productivity out of 23 OECD nations and when our standard of living is fourteenth as opposed to second as it was two years ago? We are going to end all that if, and only if, we return to honesty, decency and a modicum of intelligence about how we spend the taxpayers' money. If the new Minister of Energy, Mines and Resources (Mr. Chrétien) had simply done some back-of-the-envelope calculations, he would have quickly realized that another $600 million just to change the logo on some gas pumps is not a good expenditure for Canada. If that money is available, spending it on exploration would employ 12,000 Canadians, would generate $270 million for the Treasury, and would provide Canadians with 12,000 barrels of oil a day which they would not have to import from other parts of the world. You do not have to be a genius to figure that out, Mr. Speaker, Apparently, no one over there has thought beyond how nice it would be to have a Maple Leaf service station in every constituency in the country, so it costs the taxpayer a few hundred million dollars. Who can understand those figures? Who knows how much $24 billion is? It is quite beyond the capabilities of anyone to grasp the significance of it, and because of that failing of the human mind, we keep getting ripped off by that crew over there. I hope soon, Mr. Speaker, those who sit over there who have a modicum of shame, or sense of responsibility, will recognize what is happening and join the rest of us to put an end to it.

• (2030)

Mr. Bob Ogle (Saskatoon East): Thank you, Mr. Speaker. Tonight I speak for my Party on Bill C-128 which is a Bill to borrow $4 billion. I remember when I was about six years old. It was in 1937, in the wintertime. That was the worst year of the Depression in Saskatchewan. One day my father and a neighbor drove in sleighs with teams of horses to a village about 15 miles away to get some relief straw. The straw was to be used to feed starving cattle. Neither my father nor the neighbor had a single nickel, dime or quarter to rub against each other, not a single coin. They had made this trip several times.

On the neighbor's farm they made their own butter, and each time the neighbor would take a pound of homemade butter with him when he went to the village and he would trade it to the man who ran the restaurant for two cups of coffee, worth five cents each. He would take lunch with him and would go to the little restaurant after loading the straw, eat his lunch, drink his coffee and go home. On that particular day he started off for the village in a blizzard. Taking the pound of butter, he went to the restaurant and asked for the trade. The man who ran the restaurant said the butter is only worth five cents today. The neighbor walked to the door and threw it out into the blizzard because he could not buy two cups of coffee. My father told me that story many times, and I remember the day it happened.

My father had one great fear in his life which could be expressed in a four-letter word, debt. He is dead now, God rest him, but if he knew that tonight I was speaking about a Bill that will put our country $4 billion more into debt, he would simply roll over in his grave, glad that he died.

I tell that story, because, to begin with, I do believe that we have come to a different time in history. I believe that the way to handle social and economic problems that was possible 20, 30, 40 years ago, even ten years ago, is not possible any more. Every one of the Hon. Members in this House of Commons has knocked on a lot of doors. That is part and parcel of what politicians have to do. I knocked on a lot of doors this summer in my constituency and also in other parts of Canada for other people as well. This is always a new experience because behind each door there is another person, another family, another story. I personally like to knock on doors, meet people and hear what they have to say, even when many times they tell me about most serious problems. This summer, though, I found there was a different response because people in Canada, not only in my constituency, have great difficulty in understanding what is going on. It is impossible to explain to a person who is out of work, or a family unit that has broken down because unemployment has become a new stress. It goes beyond the ordinary stresses with which a family can cope. The stress of unemployment is such that it comes as the last straw.

Many people address the question to me that I would like to speak about tonight. The question is: "What are you people doing in Parliament? Do you not realize how serious the problem is? We see you people on television calling each other names, standing up and shouting. You make a point or you do not, but what is that doing to help our problem?" I can explain that the House of Commons is an old tradition which is set up with two sides far enough apart so they cannot hit each other with a sword. These things can be explained, but that does not say very much to a person who is unemployed or whose marriage is under some kind of stress, or a pensioner who is afraid his pension will be cut back, because those people have lost faith in those they believed were able to solve their problems.

I would like to speak a little about the credibility or believability of myself and every other Member in this House of Commons. Since I came to Ottawa about three years ago I have not met anyone here who is not serious. I cannot honestly say I have met anyone in any of the three parties who is not serious. Anyone who gets elected to the House of Commons has to be serious. Why is it that once we get here we lose credibility? I would like to share my ideas as to what I think is happening. Credibility is very close to what we understand as the truth. For me, however, I would like to say, there is truth around me, in this room, in the people here, in the things I would like to know, the things that I can learn. I can learn this truth and it becomes part of me, is me, in the sense I can get that truth from my experience. The best way to get it is from a good teacher. I believe that political people have the responsibility to be good teachers. Political people have to understand the truth and, as far as possible, express that truth so that it becomes part and parcel of another person so that they understand the truth. The responsibility of understanding the truth today is a grave responsibility. It is not an easy responsibility. It is a difficult responsibility because the truth is so complicated.

• (2040)

On top of that, however, the truth has to be expressed in such a way that the other people will have no difficulty in believing it, because the person who gives the truth and who speaks the truth, whatever that happens to be, is credible so there is the reality of the truth and the reality of the credibility that I or whoever else is speaking must have.

I understand a teacher to be a person who is able somehow or other to clean off my mind or my intellect in such a way that I can see what is out there. An old teacher that I had when I was studying in the seminary, using an old scholastic idea, talked about the reality of the truth around me. It was as if there were a dirty window between me and the truth. A good teacher is able to clean the window in such a way that I suddenly see what is right, what is true.

Several weeks ago the Prime Minister (Mr. Trudeau), in a series of talks over television, indicated to the country what he understood and believed to be the truth. I have no reason to doubt that he was attempting to explain to us what he believed to be the truth. I would have to say in all honesty that I felt some of the points the Prime Minister was making were just as I saw them.

He spoke about the fact that Canada really has to be part and parcel of the modern world, that Canada can no longer

expect to have a special status just because it is Canada, that in the world of competition today we cannot expect to have preference just simply because you are Canada. That is the truth. However, as I visited and knocked on the doors of people, they did not believe it. The Prime Minister was not credible.

At a time like that, and this is my suggestion only, a person who has that kind of grave responsibility has to really think seriously about his or her future. In that very serious role as a national leader, if a person has lost credibility, what does he do? That is something the Prime Minister will have to think about seriously, because most Canadians feel he has lost credibility. That is too bad because when a person has lost credibility and is still speaking the reality or the truth, everybody suffers. They will finally say, "That is not true because you said it". It gets to the point where a person is, as I and everybody here is, being tested on his credibility all the time. That is the same as saying two and two are four and the person hearing it says it is not true. Why is it not true? "Because you said it". That is an extremely serious thing at this time in history.

I believe there is another way that truth comes. It is the way that truth has come in the tradition of the Judaic Christian background of which I come. It is the truth that comes through the voice of prophets. This is the more difficult kind of truth.

There are definitely fewer prophets than there are teachers. At a time like this, it is important to look at people around the world, here or wherever, who somehow are indicating to us truths. I am going to speak later about what I believe to be an extremely important truth that is never mentioned in the economic debates that we have in this House, the truth that one of the equations that is missing is the build-up of arms around the world and the taking away from people of the world the basic things to keep them alive. I will fill out that point as I go along.

A prophet is a person who is able to say the truth as it exists now. A prophet is one who is able, in the history of our Judaic Christian background, to speak the truth now. He is a very difficult person to have around because people know that is the truth and do not want to accept it.

There are certain qualities about the prophet, at least in the Judaic Christian religion, that make him or her special. The quality that is most important is for the prophet to be a person who is not seeking power. A prophet is a person who is on the side of the poor. A prophet is a person who, very probably, himself lives poorly.

There have been prophets in the political world. Sometimes different groups are more prone to think that they are prophets than others. I would say that in general my colleagues have a little bit of that problem at times, but it is proper to criticize ourselves in that respect because we do have within our Party that tradition.

I believe the founder of this Party, J. S. Woodsworth, was looked upon by the people in this Parliament as a prophet. I like to think that today, because he is here with us, the Hon. Member for Winnipeg North Centre (Mr. Knowles) has been respected in these chambers and across the land as a person who is in that category. He obviously did not come here to be powerful but came here to speak the truth about the situation that affected the poor.

I believe this House respects him. I think people looked upon the hon. member for Winnipeg North Centre as a person who was speaking the truth with no intention of gaining power for himself. That is an important distinction that we have to be aware of today as I continue in my remarks.

Truth as it relates to people around us can come to us from our experience, from a good teacher or through the person who is a prophet.

I believe we are in times that are very different. I believe that right today Canada is in a world situation that has never really existed before. It is important that we all look at some of the factors that are bringing it about. Through the course of history there have been different sectors of society that have had a special powerful voice. I would say that sometimes it was the kings. The kings were the ones who spoke, and everybody said that is the truth. At other times I would say there were ecclesiastical societies. The priests or bishops would speak, and everybody would say that is the truth. During the last 25, 30 or 50 years the scientists would say certain things, and everybody would say that is the truth.

As we went through each of those different levels or sectors of history, it was difficult to see that all those groups had the truth. Today, however, I think the people who seem to be trying to tell us that they have the truth are basically the economists, yet we get so much different input, different facts and different stories from the group which call themselves economists. I realize that the science of economics is a very complicated science. I realize that if one looks at all the forces which go to make up the science of economics, no matter where it happens to be or who it happens to affect, it is a very complicated subject. To me the science of economics is not unlike the science of meteorology, the science of the weather. How does a person forecast the weather? Well, once in a while the weather person is able to take all the different components that make up weather such as wind, heat, ocean currents and others, and put them together in such a way that they can say that tomorrow it will be sunny with a chance of showers, or something like that. Quite often they are right. Then again, sometimes they are wrong. Economics, on the other hand, has to do with markets, production, interest rates, all these different forces which come together into what we call the economic situation at a given moment. One person will say interest rates go up because we have to stop inflation. It is interesting that I am talking on the very day that the Congressional elections are being held in the U.S. Interest rates go up when a President is elected in the United States, a President who is surrounded by millionnaire advisers, because it has never been a better time to be a millionnaire in the U.S. than in the last two years, and interest rates go down prior to an election. We have watched that happen just in the last two months.

• (2050)

In any event, when it comes to the whole question of the current economic picture, I believe there are two huge hurricanes which have not been taken account of in putting together this economic package. If I could go back to the notion of how weather is predicted and how economics are predicted, there are, as I said, two huge hurricane-type storms taking place within our particular economic weather picture, and they are not being taken seriously by most of the economists who are telling us which way to go. One of those storms is the linkage we now have with the developing world, a group of countries that not so very long ago were powerless to compete with North America, Europe and so on. This great economic storm centre is moving into our economic weather pattern, and it is not being taken seriously enough. Another huge economic storm centre, one which has been using up world resources at an unprecedented rate, is that of the armaments race. Yet, interestingly enough, when we come into the House of Commons rarely do we hear about those two factors which have such a great influence on things taking place in this country, and which in part are responsible for the man in North Battleford, Saskatchewan or Windsor, Ontario, having to pay 20 per cent interest to buy a house. It is because of these two factors in the economic world, and the influence they are having, that one economist told me last week, a man whom I greatly appreciate for his understanding, that he does not know what is happening. He does not know where we are going. That is a problem the world community must face. I think what is important is that we look seriously at these factors as something which will change the traditional way in which our economies have worked.

Now, Mr. Speaker, on the question of linkage between countries around the world, I would say we are in a situation not unlike the situation which took place in the Montreal forum ten years ago when the Russian national hockey team came to Canada to play the Canadian national hockey team. Canadians knew that Canada could beat the U.S.S.R. We would just go down and laugh at them as they lost. If anyone remembers the first game and the kind of feeling we had inside after the game ended, you knew that the simplistic idea that Canada was the best hockey country in the world was over. Now we can go back and make up new theories about why it happened, but the fact was that Canada's national hockey team had been beaten in Canada by another country's national hockey team. I can remember the shock that was felt by every Canadian that week as we struggled through that very interesting hockey series. What is happening now in our economic world in Canada is not unlike what we lived in, in the hockey world, prior to that game.

I do not believe, for instance, that the automobile industry in North America, which was so solidly implanted here, will ever be quite the same as it was before the Japanese became the world's automobile maker. The auto industry may blossom again here, but it will never really be the same. There has been an economic hurricane, Mr. Speaker, which has changed forever our way of looking at the economic picture. In the report of the parliamentary task force on North-South relations, on which I worked a few years ago, there is a recommendation contained in the last section under trade which is extremely important for Canada today. We recommended that the Government launch immediately a major public inquiry into the industrial sectors which are likely to be at a long-term competitive disadvantage in relationship to developing countries, with a view to developing effective adjustment measures. These adjustment measures are hard to accept because it means that the old way is over and a new way has begun.

The other economic storm, the armaments race, costs $600 billion a year. We are talking about $4 billion here tonight, and that is an impossible number to imagine, but $600 billion is what the world is spending on arms today. The two major powers are, in a sense, causing their economies to break down because of this race. The armaments race itself will lead to nothing except the destruction of the world. As we face the reality of the economics of the family down the street, of friends or neighbours, I think it is important that we understand where a great part of the problem comes from. I am going to make a few points about the amount of money that is taken out of the common pool and put into this area. I am no economist, that is obvious to everybody, but I know a few rules about what makes some things work. I think one market rule is that if you are short of a commodity, the price goes up, so if you are short of money, the interest goes up; it costs more to get money when there is not a lot available, and it costs less when there is money available.

• (2100)

One of the areas where money is being sucked up, we might say, at an incredible rate without any responsibility for what is happening to it, is in the arms race. The Pentagon is the centre of the arms race on this side of the world, but the same would be true on the other side of the world. The War Department, the patron of nuclear war, is the most powerful institution in history. As I understand it, there has never been an institution with as much physical power as the Pentagon. It has been estimated that the Pentagon has $1.5 trillion in assets. That is more than the total of all corporation stocks on the New York Stock Exchange. That is a shocking statistic, Mr. Speaker. It has 3,970 installations, an average of 80 for every State in the Union; it owns 25,000,000 acres of land; controls 400 major bases and 300 lesser bases in nearly every country in the world; it has 350 bases bordering the U.S.S.R.; it has 1.5 million military personnel in 116 nations; it is the largest consumer of capital and technology in the world; more than 60 per cent of all research and development funds in the United States go to the Pentagon or to the military; and more than one-third of the engineering personnel and scientists graduating from the universities go to the military.

These funds, taken from the economies of the world today, flow right into the life of every person. This affects me, it affects you, Mr. Speaker, and it affects everyone else because it makes money hard to get. At the same time, it deprives us of development funds that could be used for the good of the world.

I spoke about teachers, I spoke about prophets and I spoke about truth in the world situation today as I see it, Mr. Speaker. I believe that, as the prophet would say, it is extremely important that somehow or other we Canadians convert; that we become converts; that we change what we are doing. I refer to change in our understanding of what is taking place. We must realize that we are part of a world drama, a part of changes that affect every place in the world. We must also realize that the way things were will not be the way they will be in the future. The things that in the past guaranteed a way of life will not be easy, or perhaps not even possible, in the future. I believe that is one area in which my conversion and that of everyone else has to take place.

Another conversion that is necessary is the realization that the war game does nothing except destroy the economic base of the world and the possibility of peace in the future.

I feel that bad as the situation is in many homes in Canada, bad as the situation is behind many of those doors at which we knocked in our ridings, bad as the situation is in every little town and village, we must be conscious of the fact that Canada is still in relatively good shape compared to the rest of the world.

It is difficult to say that to someone who is unemployed. I know it sounds cruel and cold to that person, but I speak from some experience. There are countries today that have 150 per cent inflation, or that have 60, 70, 80 per cent unemployment. There are countries that had hope for the future but a natural disaster has destroyed their crops. At the moment, there is a disastrous situation in India because of crop damage. This week the newspapers carried the story of disaster in Indonesia which has resulted in crop damage. I think it is important that we be very conscious that we live in a part of the world that is still blessed.

I realize that my riding of Saskatoon East is a special place. Saskatchewan has been fortunate compared to the rest of Canada because it has the lowest unemployment rate of any province. Nevertheless, I speak for those people who are unemployed; I speak for those people who are suffering from want, and in no way do I take away from the gravity of their difficulties but I think it is also important to realise that we are still among the fortunate few compared to the whole world picture.

Mr. Deputy Speaker: Order, please. I have been listening to the Hon. Member for Saskatoon East (Mr. Ogle) with some attention. The Bill before us is the borrowing authority. The Chair has some difficulty relating the Hon. Member's remarks to the Bill that is before the House.

Mr. Ogle: Thank you, Mr. Speaker; I am glad you brought this to my attention. The reason I was following this line of thought is that, as far as I know, for a government to ask for $4 billion on top of $23 billion is something that has not happened in this country before. I have not been here all my life but I feel that we are in different times now. I was trying to indicate that I believe there are certain quotients that are not being brought out which would indicate why there is this kind of debt. The Member who spoke before me talked about the energy industry, about buying this or not buying that; I appreciate that is how part of the money is spent. I was trying to speak to the credibility of the House of Commons. Why has it allowed this kind of thing to take place? I do not think any of us came to this House with the idea of bankrupting the country. It is true tha has happened during the time the Party opposite has been in power, but I have not heard any better ideas from the Party to my right that wants to come to power. In this Party, we have proposed solutions. Even so, I do not think the whole question of why times are different now has been addressed.

Even though Your Honour may feel that my remarks are out of order, it is for the reasons I have mentioned that I believe them to be in order. I believe that it is necessary to look in directions that have not yet been examined seriously, to see why the country is going down the drain. I could point to different Members of the Government and blame them, but I do not know if that sort of thing helps. The people behind the doors we knock upon wonder why we have lost credibility.

I do not claim that my explanation is the only true one, Mr. Speaker. I spoke about truth at the beginning, but the reality and the truth is so complicated that even the specialists do not know what is going on. We must look for other explanations than the one that is generally given—that it is the other Party's fault. I do not think that is the kind of solution Canadians are looking for today. To return to the question of credibility—and I am not saying that I have credibility or that I have the truth—I believe it is important that the House of Commons and the people in it who were sent here from all over the country look at other reasons for what has happened. I do not believe that what I am saying is that far out of line. I really believe in what George Ignatieff, the former Canadian Ambassador to the United Nations, said in his letter this past week to *The Globe and Mail* in which he talked about things not unlike what I have just been speaking about. He talked about the fact that we have come to a time in which new problems have reached such a climactic stage that the old solutions are not working. But he gave a solution in his letter to that newspaper to which I would like to refer. In it he asked why Canada does not celebrate the thirty-seventh anniversary of our signature at the United Nations.

• (2110)

Mr. Deputy Speaker: With all due respect to the Hon. Member, again the rule of relevance has to be brought to his attention. I have great difficulty in relating these remarks to the borrowing authority Bill.

An Hon. Member: It has to do with the national debt.

Mr. Ogle: I am sorry, Mr. Speaker. I think I could certainly address the Bill in the way that it is ordinarily addressed in the House of Commons. I would be glad to do that, but what I was trying to say—

Mr. Deputy Speaker: Again I regret to interrupt the Hon. Member but the time allotted to him has expired. He may

continue with unanimous consent of the House. Is there unanimous consent?

Some Hon. Members: Agreed.

An Hon. Member: No.

Mr. Deputy Speaker: There does not appear to be unanimous consent.

Hon. Bryce Mackasey (Lincoln): Mr. Speaker, I want to say that I listened to the remarks of the Hon. Member for Saskatoon East (Mr. Ogle) with a great degree of interest and with sincere attention because I think he was asking some agonizing questions, asking for answers. I must say that all of us who give this House the importance it deserves must ask ourselves questions at times. I was interested in his remarks about economists. Economists in this and every country have a very definite role to play and exert tremendous influence on the policies governments adopt. It is significant in the United States that two recent Pulitzer Prize winners in the field of economics were on the opposite side of the question—one opposing Reaganomics and the other supporting it.

I think the Hon. Member suggested that economics is a science. I would suggest that it is not; it is an opinion. The only time I am very optimistic about the future of the country is when all the economists of the Conference Board, the Economic Council of Canada, the small business community and the Department of Finance tell me that things are all doom and gloom. Inevitably things work out for the better.

In light of the remarks of the Hon. Member, I hesitate to refer to a newspaper which I was reading on the weekend. It was the *Wall Street Journal*, and I read it because, like most Canadians, I was interested in the outcome of the elections in the United States today. I am interested because those elections could have an impact on whether or not interest rates turn around and go up or continue downward. I clipped no less than half a dozen important articles for my economic knowledge of the future. The editorial in Monday's edition of the *Wall Street Journal* was headed, "Election Eve Economics". It was a long article, but I would like to read into the record perhaps just one paragraph which dealt with spending and was quite relevant. It read:

> When Ronald Reagan took office 21 months ago, the overriding economic priority was bringing an end to the inflation that had been building for a decade or more. Inflation was a cancer eating away at the heart of the economy—rewarding recklessness, punishing thrift, destroying productive investment, allowing infrastructure to decay. This cycle was eroding the economy's productive capacity, giving us the new phenomenon of stagflation, combining the worlds of soaring prices and stagnant production. And as economic historians knew and ordinary citizens sensed, if the cycle were allowed to rage unchecked its end would be an all-consuming hyperinflation and/or a deadening crash. There simply was no choice but to curb inflation before it was too late.

That seemed to be the policy and philosophy of all industrialized nations over the last decade. It is one which I endorse and espouse. It reflects the priority the Government has placed on inflation over the last decade, particularly since 1975 when the Government made an intentional effort to reduce spending. Those who are interested in statistics would know that we were successful.

The article in the *Wall Street Journal* stated the obvious when it went on to say:

> We are now in a serious recession. This is the price of our success against inflation.

Clearly economists everywhere would want to ponder over that statement. The price of success in controlling inflation was to put the United States of America into a serious recession. It goes without saying that the price we are paying in Canada in our efforts to control and reduce inflation is that we too find ourselves in a deep recession.

It is food for thought that when the ten industrial nations of the world met in Versailles just a short period ago, they were faced with the recognition that unless they could get their act together and work collectively worldwide, inevitably one country after another would find itself in a recession. In retrospect it is tragic and sad that the United States and Great Britain insisted that they must continue on a tight monetary policy and a high interest rate policy to the detriment of their trading partners; in our case to our particular detriment because the Americans are our best friends and our biggest—

An Hon. Member: Nonsense.

Mr. Deputy Speaker: With all due respect to the Hon. Member, the interest rate policy—

Mr. Mackasey: Mr. Speaker—

Mr. Deputy Speaker: The Hon. Member has to address the rule of relevancy.

Mr. Mackasey: I heard an Hon. Member opposite say "nonsense" when I said that the Americans were our best friends. He may disagree with me and think that they are not, but that is another issue.

I would like to emphasize the distinction between recession and unemployment. There is a distinction. We tend to forget it. I will not read the whole editorial—

Mr. Deputy Speaker: Order. The Hon. Member is making some general observations on monetary and fiscal policies of other countries. Now, the relevance to the borrowing authority Bill before the House is a matter which I must call to the attention of the Hon. Member.

Mr. Mackasey: I apologize, Mr. Speaker. I thought it was obvious and self-evident to anyone listening that the borrowing Bill before us is a request by the Government to increase its deficit by approximately $4 million to be spent—

Mrs. Mitchell: It is $4 billion, not $4 million.

Mr. Mackasey: —to improve or, to put it another way, to reflect the economic policy which I have just spent two minutes stating. I apologize for not stating the conclusion at the beginning and the beginning at the end. The fact remains

that in our fight against recession our high interest rates have resulted in a growth in our deficit. That deficit must be covered by borrowing, hence the reason for this debate.

• (2120)

We would not need that $4 billion if the policies dictated to us by our industrial partners and by ourselves, had not been so successful. That is according to the *Wall Street Journal*. Its success is reflected in the fact that we now have a recession almost world-wide. Because we have that recession, we have to borrow that $4 billion.

There is a distinction between a recession and unemployment. One of the things that worries and upsets me a little is when I find myself becoming engrossed in statistics evaluating recession, depression and prosperity statistically. There are no statistics that can graphically depict the anger, the frustration and the sorrow of a Canadian who is out of work through no fault of his or her own. That is why I was pleased when the Minister of Finance (Mr. Lalonde) rose in his seat last week and in his statement of policy, his review of financial problems, clearly spelled out that he was not bowing to the temptation of freeing up more money by cutting back on certain social programs, which have been the cornerstone of Liberal policy. In his document he clearly stated that universality would continue to be the prevalent characteristic of the family allowance, of the old age pension and of UIC. Second, what went virtually unnoticed in the press, despite the clamour a month ago, was the mention or treatment, if you like, of the deficit.

You may recall, Mr. Speaker, the last time we were talking about the main borrowing bill many people, in good faith, expressed concern that the deficit somehow represented a catastrophe, a load that we could not bear, and that when it came time to borrowing money we would compete with private enterprise, driving up interest rates, making it impossible for free enterprise to expand. According to a columnist to whom I relate, Lester Thoreau, in the 25 years of research that he had done on that subject he had yet to find a single incident in the United States where that type of competition resulted either in government or private enterprise being denied the funds necessary. Despite the clamour in some quarters, the Minister has made it very clear that the deficit, increased as it is by approximately $5 billion, and undesirable as that may be, presents no particular problem. There is something else here that is important and significant. The Minister says that the financing of that $22 billion is less onerous now than the financing of the $17 billion last June because the borrowing last June had to be financed at 19 per cent. The borrowing for Canadians, incidentally is now at 12 per cent or 12.5 per cent, or whatever the new bond rate is. That represents a saving from last June of $900 million.

Mr. Friesen: Who saved?

Mr. Mackasey: That is almost $1 billion that has been freed up by virtue of the fact that interest rates have come down substantially in this country. This indicates that we are on the right track, despite the impact it has on unemployment. The recession is coming to an end. It is turning around. Interest rates are dropping rapidly in the United States and in the right direction in this country.

On page 7 of the Minister's statement, he said:

> Total outlays are now expected to be almost $80 billion, about $1.1 billion higher than projected in June. Interest charges are now forecast to be more than $900 million lower than in June.

This is despite the increased deficit. The Minister went on to say:

> This has been more than offset, however, by major increases in the costs of statutory programs, such as the government share of unemployment insurance, the Canada Assistance Program, Equalization, and Railway Act payments, which are related in substantial part to the depressed levels of economic activity. The net increases in statutory program costs total some $1.5 billion.

This is a complex subject and it is easy to go down the wrong paths.

I want to say a few words, if I may, about unemployment insurance. As Lester Thoreau points out to us, the applications of economics is limited, if you like, by political reality. Can you always do what is right if politically it is not necessarily right? If the recession is on the wane, and I like to think it is, I have here some headlines or notations from the *Wall Street Journal* and *The Globe and Mail*—not on page 1, of course, but buried away. I found an interesting article by the oil industry which recorded that the oil industry indicates an upturn in its profits. I think that is fair. The hon. gentleman over there agrees, and he is an honourable man. We read that bank presidents are cautiously indicating some increase in the GNP. That is a headline in one of our papers. Another one which is nice and terse reads, "Inflation is coming down." I found one from this morning's newspaper which reported that the food industry predicts single figure inflation for the next decade in its industry. The *New York Times* reported that the stock market reflects to a great degree confidence in the future. The *Wall Street Journal*, on the appropriate page reported, "Commodity prices are firming up." One analyst wrote that the hard pressed automobile industry is showing signs of recovery. Then we find this comment: "Interest rates continue the downward trend". Here is one I like. It reads, "Economists are revising their predictions upwards".

I think it is obvious to all of us that the recession is coming to an end. It would be wrong of me or of anyone else to leave the mistaken impression that we do not have some very difficult months ahead of us. All of us are aware of the fact that, for the initial stage of any recovery, although industry is slow in normal times, it is slower still in recession times to rehire, to start a second shift, to expand and to spend. Therefore, unemployment lingers long after recovery begins. If this Government like other governments around the world is doing some real, deep thinking on where to spend its input to help private industry along the road, it may be said that that money should be going into high technology. That is where it should go if we are looking down the road to an increased GNP, a strong economic base to support our universal programs, our medicare, family allowance, pension plans, transfer payments and our free education.

• (2130)

Politically, however, there is a legitimate demand in the country for the creation of jobs. Governments rarely have the privilege or the funds to do both. I do not know which way the Government will proceed. I know that it is a political decision that is not easy to make. That is why the *Wall Street Journal,* when talking about the deficit and the need to finance it, asked what lessons we have learned from the recession. I think that it is a little too early for Canadians to begin determining what lessons should be learned since we are at least six months behind the United States, but I remember the lessons which we learned from the last Depression. I was young in those days but old enough to remember. In my home I had a particular job which I recall doing. It was to run down to the bank at noon on every Friday to change $5 into nickels and dimes. My mother would hand that out with a sandwich, apple or orange to some unfortunate person who would knock on the door and say "charité". I remember that expression from some cold nights when we would invite these people in to dine.

I am not proud of the fact that we would sometimes ride our bicycles to Val Cartier camp to see for ourselves the thousands, or five or ten thousand people living in tents because they were destitute and without any income. Their families were back home, split up and living with other relatives. If you think that I am exaggerating, read "The Ten Lost Years" or, better still, as I recall, the book review by the late Hugh Garner in *Saturday Night* when that magnificent book came out.

We learned lessons in that Depression and certain basic programs evolved from those lessons. Those people who read anything about Mackenzie King would see that the over-riding philosophy behind family allowance, as seen by Mackenzie King, was that it was a legitimate way of stimulating the economy. He realized the impact of a recession or a depression. Unemployment insurance, a concept that we stole from another Party, was brought under federal jurisdiction in 1943 or 1944. Old age pensions came in in the 1940s. Canadians learned the lesson that they did not want to have to go to war the next time in order to bring an end to a depression or a recession.

That is why I was somewhat upset last week when Members actually stood in the House of Commons and questioned the tremendous increase in unemployment insurance premiums. Thank God if you are one of the lucky ones that has a job and you are called upon to pay the maximum of $2 a week, which is what it is.

Some Hon. Members: Hear, hear!

Mr. Mackasey: It is $2 a week. If you still resent your $2 a week, take some consolation from the fact that it is tax deductible and will probably cost you about $1.50 a week. That $1.50 a week means that the Government can continue to respect the integrity of unemployment insurance.

An Hon. Member: You put a ceiling on it.

Mr. Mackasey: I would like to get into specifics, if I may. There is a ceiling, but the hon. gentleman was wrong in his figures. If you are over that figure, you still pay at the $29,000 or $30,000 rate. If you are so unlucky to be out of work, you draw accordingly, as if your income was $30,000. Therefore, you pay over that ceiling in any event. Ninety seven point eight per cent of Canadians, including teachers, clergymen, the army and the Public Service, are covered by unemployment insurance—all new categories prior to 1972. No one gets a free ride.

The Hon. Member for Saskatoon East reminded us that it is important, when exercising our vocation as politicians, that we somehow do not harm those innocent people who are not here to defend themselves. I find it mind-boggling when I read newspaper reports about views expressed in the House reflecting the opinion of one business organization that 60,000 jobs in this country would somehow disappear because the work force was asked to donate $1.50 a week after taxes.

One questions the research of the Right Hon. Leader of the Opposition (Mr. Clark) when he stands up in the House to suggest that unemployment insurance contributions, which are increased by a maximum $2 a week, will somehow put 60,000 Canadians out of work. The bulk of that money is coming from employees and their employers. It was self-appointed spokesmen for small business who are saying that it will bankrupt us. I can remember in 1972 when those same people complained to me as Minister of Manpower or Minister of Labour, when times were fairly buoyant, about how to keep their trained employees. They asked, "How do I keep my pressman whom I have trained for 13 years when he can go down the street and work for the same pay but with maternity or sickness benefits included, because I as a small businessman cannot afford to pay the cost of a private maternity plan or sickness and accident plan?" Private enterprise was not particularly anxious at that time to provide that type of coverage, and we therefore included it in unemployment insurance. We made the big industry divide that obligation as well as everyone else.

When we talk about unemployment insurance, we are talking about Canadians who are out of work through no fault of their own. They are out of work because our economic system and free enterprise system is not perfect and cannot always provide the number of jobs that are needed. That does not absolve those of us who believe in free entreprise or private enterprise of our moral obligation to the less fortunate. As someone said to me on the phone today, one of the reasons that we are not in a depression, but rather in a recession, is that, through the $8 billion we have redistributed to the economy through unemployment insurance, we have made it possible for many communities to remain prosperous, solvent and at least viable. One thing we have accomplished is to eliminate the violence that we might see in the streets of Canada if one million people were totally divorced or cut off from benefits were we to stand up in the House to say that we cannot afford $2 a week more for unemployment insurance benefits.

I apologize, Mr. Speaker, if I have tested your good will. In a few moments we will be called upon to give the Government permission to borrow $4 million or $5 million that it needs. I want to repeat that if that deficit were to be financed by printing money or by borrowing it from outside of the country we would have a worry because it would be inflationary and a strain on our exchange. That money is being borrowed in this country from Canadians—Canadians who will take some of the savings which they have put away for a rainy day into Canada Savings Bonds. The Government, in turn, will take that money and put it into the economy to provide some of the stimulus which we will need if we want our recession to fade behind us and if we want to recover soon.

• (2140)

These are difficult days. I suppose that under certain circumstances I, too, may be as insensitive as some of the people I have heard speak in the House. I wonder and worry whether economists we hear on the radio and television and whose writing we read in the newspapers have perhaps not fallen into the trap of regarding people not as human beings but, rather, as cold-blooded statistics, failing to appreciate the sadness and despair of a person who is unemployed, perhaps for the first time in his life, at age 51. Unemployment is cutting right across traditional boundaries. It is no longer limited to youngsters between the ages of 18 and 24; it is no longer limited to blue collar workers or labourers. It is reaching into the managerial category. It is reaching into skilled labour. Wasted efforts could somehow be put to use in building homes, providing new growth, shelters and all the things we need in this great country of ours. We will be coming out of the recession. We will have a very difficult winter. It would be a little easier if we were to take the Prime Minister's message to heart and consider ourselves as our brother's keeper, as the Hon. Member from the NDP tried to point out to us. A little charity and understanding would go a long way over the next few months.

Mr. Benno Friesen (Surrey-White Rock-North Delta): Mr. Speaker, I appreciate the opportunity of speaking in the last three minutes allotted to the borrowing authority debate as to whether the Government will be allowed to borrow another $4 billion. I have been listening with some impatience to the Hon. Member for Lincoln (Mr. Mackasey) who spoke with grandiose condescension about the days when he was a boy going to look at the labour camps and seeing the thousands of unemployed in Quebec. I want him to know that we were some of those people he was gawking at with his opulence. I do not appreciate the condescension that he displayed tonight at all, that grandiose, saccharine condescension he displayed when referring to the unemployed and impoverished of this land. He said that we learned some things during that Depression. We sure did. We learned that one saves for a rainy day. What has this Government taught us? It has taught us not to worry about a rainy day because the Government will look after us on a rainy day and the taxpayers of the country will pay for it. That is why the government is asking to borrow $4 billion tonight. In the Depression we learned that hard times do not break us. They simply reveal what we have made of ourselves during the easy times. This man had the gall to say that the Government is doing everything for us. The government is borrowing $4 billion tonight, but the man from Lincoln says that we are saving $900 million because we did not borrow it all in June. He did not say why we saved $900 million. It was because the Tories refused to let the Government borrow $11 billion in June.

Some Hon. Members: Hear, hear!

Mr. Friesen: We split that Bill and saved $4 billion of the borrowing authority for this session, and saved the Government $900 million. He did not mention that fact. These social scientists, these social engineers, want to be such humanitarians and democrats, but they are not saying that by borrowing another $4 billion we are mortgaging the futures of our children. They want to be democratic. How many of their grandchildren or great grandchildren have a choice in the debt we are imposing on them tonight?

Mr. Deputy Speaker: It being 9.45 p.m., pursuant to Standing Order 72A adopted on Thursday, July 22, 1982, it is my duty to interrupt the proceedings and put forthwith every question necessary to dispose of the Bill now before the House.

[*Translation*]

The Deputy Chairman: The vote is on the motion of the Minister of Finance (Mr. Lalonde). Is it the pleasure of the House to adopt this motion?

Some Hon. Members: Agreed.

Some Hon. Members: No.

The Deputy Chairman: All those in favour of the motion will please say yea.

Some Hon. Members: Yea.

The Deputy Chairman: All those opposed will please say nay.

Some Hon. Members: Nay.

The Deputy Chairman: In my opinion the yeas have it.

And more than five members having risen:

The Deputy Chairman: Call in the members.

• (2215)

And the division bells having been rung:

[*English*]

Mr. Baker (Nepean-Carleton): Madam Speaker, I rise on a point of order. I would like to draw your attention to the fact that the clock now reads 18 minutes past ten o'clock. The

question was put and the vote was called at 9.45 p.m. The Standing Order of the House of Commons says that there is to be a 15 minute bell. We have now gone almost a half hour past that time, and I think the question should be put forthwith.

Some Hon. Members: Hear, hear!

Some Hon. Members: Oh, oh!

Madam Speaker: I appreciate the Hon. Member's remarks, but I want to remind Hon. Members that if I could not take the vote during the bell incident I cannot take it now.

Some Hon. Members: Oh, oh!

Madam Speaker: During the bell incident I waited until the Whips were in their seats and signalled to me that I could take the vote. I am still waiting for that.

[*Translation*]

Hon. Yvon Pinard (President of the Privy Council): Madam Speaker, you will recall that, not too long ago, the Progressive Conservative Party decided, when the bells were supposed to ring—

Madam Speaker, I do not want to raise my voice because I have a sore throat, and if I am not allowed to speak, I shall take my time. You will recall that, not too long ago, when the bells were supposed to ring only for about 15 minutes, the Progressive Conservative Party decided to retire to another floor of this building and hold a caucus to decide how you should apply the rules. This evening, we did not have a caucus, neither on the third floor nor on the fourth floor, and we are here, but it is a long-standing practice that the Whip must take his seat before we can—

I thank the Hon. Members opposite. I never thought I was so popular, Madam Speaker, but we would certainly not want to delay the vote unduly, and if the members opposite would simply give me enough time to reply to the point of order raised by the Hon. Member for Nepean-Carleton (Mr. Baker), I believe that this would speed up the process and we could proceed with the vote within a reasonable period. The point I was making, Madam Speaker, is that we have a tradition with which you are familiar according to which the bells ring for about 15 minutes. The bells have now stopped ringing and I believe that the rules have therefore been complied with. The other tradition is that before proceeding with the vote, even if the bells are no longer ringing, the whips of both parties must take their seat. However, I note that the Whip of the Progressive Conservative Party is still standing, Madam Speaker—

An Hon. Member: He has just sat down!

Mr. Pinard: Since the whip of the Progressive Conservative Party has just sat down, Madam Speaker, I shall ask our own whip to do the same, and we are ready for the vote to be taken.

Supplementary Borrowing Authority

The House divided on the motion (Mr. Lalonde), which was agreed to on the following division.

(*Division No. 258*)

YEAS

Messrs.

Allmand
Appolloni (Mrs.)
Axworthy
Bachand
Baker
(Gander-Twillingate)
Beauchamp-Niquet
(Mrs.)
Bégin (Miss)
Berger
Blais
Blaker
Bloomfield
Bockstael
Bossy
Breau
Bujold
Burghardt
Caccia
Campbell (Miss)
(South West Nova)
Campbell
(LaSalle)
Campbell
(Cardigan)
Chénier
Chrétien
Collenette
Comtois
Corbin
Corriveau
Cosgrove
Côté (Mrs.)
Cousineau
Cullen
Cyr
Daudlin
Dawson
De Bané
de Corneille
Demers
Deniger
Desmarais
Dingwall
Dion
Dionne
(Chicoutimi)
Dionne
(Northumberland-
Miramichi)
Dubois
Duclos
Dupras
Duquet
Erola (Mrs.)
Ethier
Evans
Ferguson
Fisher
Fleming
Flis
Foster
Fox
Francis
Frith
Garant
Gauthier
Gendron
Gimaïel
Gingras
Gourd
(Argenteuil-Papineau)
Gourde
(Lévis)
Gray
Harquail
Henderson
Herbert
Hervieux-Payette
(Mrs.)
Hopkins
Hudecki
Irwin
Isabelle
Johnston
Joyal
Kaplan
Kelly
Killens (Mrs.)
Lachance
Lajoie
Lalonde
Lamontagne
Landers
Lang
Laniel
Lapierre
Lapointe
(Charlevoix)
Lapointe
(Beauce)
LeBlanc
Leduc
Lefebvre
Loiselle
Lumley
MacBain
MacEachen
MacGuigan
Mackasey
MacLaren
MacLellan
Malépart
Maltais
Marceau
Massé
Masters
McCauley
McRae
Munro
(Hamilton East)
Nicholson (Miss)
Olivier
Ouellet
Parent
Pelletier
Pepin
Peterson
Pinard
Portelance
Prud'homme
Regan
Reid
(Kenora-Rainy River)
Roberts
Robinson
(Etobicoke-Lakeshore)
Rompkey
Rossi
Roy
Savard
Schroder
Simmons
Smith
Tardif
Tessier
Tousignant
Trudeau
Turner
Veillette
Watson
Weatherhead
Whelan
Yanakis—138.

NAYS

Messrs.

Althouse
Andre
Baker
(Nepean-Carleton)
Beatty
Benjamin
Blackburn
Blaikie
Blenkarn
Bosley
Bradley
Broadbent
Cardiff
Clark
(Yellowhead)
Clarke
(Vancouver Quadra)
Coates
Cook
Cooper
Corbett
Cossitt (Mrs.)
Crombie
Crosbie
(St. John's West)
Crosby
(Halifax West)
Crouse
Darling
Deans
de Jong
Domm
Ellis
Elzinga
Epp
Fennell
Forrestall
Fraser
Fretz
Friesen
Fulton
Gamble
Gass
Gilchrist
Greenaway

Messrs.

Gurbin	MacDonald (Miss) (Kingston and the Islands)	Orlikow
Gustafson	MacDougall	Paproski
Halliday	MacKay	Parker
Hamilton (Qu'Appelle-Moose Mountain)	Malone	Patterson
	Manly	Reid (St. Catharines)
Hamilton (Swift Current-Maple Creek)	Mayer	Riis
	Mazankowski	Robinson (Burnaby)
Hargrave	McCain	Roche
Hawkes	McCuish	Rose
Hees	McDermid	Sargeant
Hnatyshyn	McDonald (Miss) (Broadview-Greenwood)	Schellenberger
Hovdebo	McKenzie	Scott (Hamilton-Wentworth)
Howie	McKinnon	
Huntington	McKnight	Scott (Victoria-Haliburton)
Jarvis	McLean	Shields
Jelinek	McMillan	Siddon
Jewett (Miss)	Miller	Skelly
Keeper	Mitchell (Mrs.)	Stevens
Kempling	Mitges	Stewart
Kilgour	Munro (Esquimalt-Saanich)	Taylor
King		Thacker
Knowles	Murphy	Thomson
Korchinski	Murta	Towers
Kristiansen	Neil	Vankoughnet
Kushner	Nickerson	Waddell
Lambert	Nielsen	Wenman
La Salle	Nowlan	Wilson
Lawrence	Nystrom	Wise
Lewis	Oberle	Wright
Lewycky	Ogle	Young—126.

Madam Speaker: The motion is carried.

Motion agreed to, bill read the second time and the House went into committee thereon, Mr. Francis in the chair.

[*English*]

The Chairman: Order. House in Committee of the Whole on Bill C-128, an Act to provide supplementary borrowing authority, No. 2.

Shall Clause 2 carry?

Some Hon. Members: On division.

Clause 2 agreed to on division.

The Chairman: Shall Clause 3 carry?

Some Hon. Members: On division.

Clause 3 agreed to on division.

The Chairman: Shall Clause 1 carry?

Some Hon. Members: On division.

Clause 1 agreed to on division.

Title agreed to.

Bill reported.

[*Translation*]

Mr. Lalonde moved that the bill be read the third time and do pass.

Some Hon. Members: Agreed.

Some Hon. Members: On division.

Motion agreed to and bill read the third time and passed.

BUSINESS OF THE HOUSE

Mr. Pinard: Madam Speaker, on a point of order concerning the business of the House. I announced last week that tomorrow we would undertake consideration of a bill arising from the last budget and providing for a reduction in interest rates for farmers. It will remain on the Orders of the Day while we wait for the consent of the opposition parties in connection with my proposal to begin tomorrow consideration of a special bill ordering the West coast longshoremen back to work. I delivered copies of the bill to the two House leaders and I hope that in due course we shall obtain their consent not only to introduce the said bill tomorrow but also, I hope, to discuss and pass it at all stages. Before obtaining that unanimous consent, I wish to confirm to the House that if we do not obtain it, the Orders of the Day will be as indicated last Thursday in reply to the usual question.

[*English*]

Mr. Lewis: Madam Speaker, on behalf of our party, I am prepared to grant unanimous consent to the introduction of the Bill now so that it can be printed and distributed.

[*Translation*]

Madam Speaker: Is there unanimous consent to have the special bill introduced at this point?

[*English*]

Mr. Deans: Madam Speaker, on behalf of my caucus, I would be prepared to give unanimous consent to having the Bill printed.

Mr. Nielsen: That is not good enough.

[*Translation*]

Mr. Pinard: Madam Speaker, I can assure my colleagues opposite that before noon tomorrow I will try to send copies of the Bill to the two Opposition spokesmen responsible for the business of the House. I will do my best to give them as many copies as possible to make it easier for them to consult their respective caucus. But we do intend to introduce the Bill immediately after the Question Period tomorrow but, for all practical purposes, that will not change anything.

[*English*]

Mr. Nielsen: Madam Speaker, obviously the Government is asking for consent to introduce the Bill now. As far as the Official Opposition is concerned, it has now received that consent from us. The House leader for the New Democratic Party seems to be waffling and giving consent to having it printed only. Surely we can assume that they are consenting to having it introduced now because the normal consequence of introduction is that the Bill is printed. Can we not have their consent to have it introduced now?

• (2235)

Mr. Deans: Thank you, Madam Speaker, I was not asked for that consent by the Government House leader. If he would like to ask for that consent, I would be delighted to give it.

[*Translation*]

Mr. Pinard: Madam Speaker, we are prepared to introduce the Bill at any time, if only my colleagues across the aisle could agree with each other. In any event, even if we cannot reach an agreement this evening, desirable though it may be, I am saying that tomorrow morning I will make arrangements so that the parties opposite will have as many copies as required for consultation purposes and that, if we do have unanimous consent, we will be able to introduce the Bill, debate it and pass it at all stages tomorrow.

[*English*]

Mr. Nielsen: Madam Speaker, now it seems to be the Government that is waffling. We have had unanimous consent from the House leader of the New Democratic Party, and unanimous consent from this Party, that the Bill be introduced now. Why does the Government not introduce it now?

[*Translation*]

Mr. Pinard: Madam Speaker, I think that the Hon. Member opposite is making an excellent suggestion. If we obtain the consent of both sides of the House, there are no problems; I hope, however, that the NDP will be a little more straightforward and unequivocally declare that it is ready to accept the introduction of this bill tonight, but this is not what I have understood so far.

[*English*]

Mr. Deans: Thank you, Madam Speaker. I thought that is what I said before. If the Government House leader wants unanimous consent to introduce the Bill now, I am prepared on behalf of my caucus to give that consent.

[*Translation*]

Madam Speaker: Therefore, there is unanimous consent of the House for this special bill to be introduced now.

Some Hon. Members: Agreed!

* * *

WEST COAST PORTS OPERATIONS ACT, 1982

MEASURE PROVIDING FOR RESUMPTION OF LONGSHORING SERVICES AT WEST COAST PORTS

Hon. Yvon Pinard (on behalf of the Minister of Labour) moved for leave to introduce Bill C-137, to provide for the resumption and continuation of longshoring and related operations on the West coast of Canada.

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

Madam Speaker: When shall the bill be read the second time?

Some Hon. Members: Now.

Madam Speaker: At the next sitting of the House.

It being past ten o'clock, the House stands adjourned pursuant to Standing Order 2(1).

At 10.40 p.m., the House adjourned, without question put, pursuant to Standing Order.

HOUSE OF COMMONS

Wednesday, November 3, 1982

The House met at 2 p.m.

• (1405)

MOTIONS UNDER S.O. 43

[*English*]

THE PRIME MINISTER

Mrs. Jennifer Cossitt (Leeds-Grenville): Madam Speaker, I rise under the provisions of Standing Order 43. In view of the fact that Canadians have already suffered through 14 years of economic mismanagement, uncontrolled Government spending, spiralling unemployment and record bankruptcies, resulting in a wave of insurmountable social pressures, I move, seconded by the Hon. Member for Hamilton-Wentworth (Mr. Scott):

That this House be given the opportunity of restoring the trust the Canadian people no longer have in the present Government, and that the Prime Minister follow the excellent example of his right-hand man, Michael Pitfield, Clerk of the Privy Council, and consider tendering his resignation before the Annual Liberal Party Convention this weekend.

Madam Speaker: Is there unanimous consent for this motion?

Some Hon. Members: Agreed.

Some Hon. Members: No.

* * *

FISHERIES

MINISTER'S ABSENCES DURING QUESTION PERIOD

Mr. Lloyd R. Crouse (South Shore): Madam Speaker, I rise to move a motion under the provisions of Standing Order 43. In view of the fact that the fishing industry on both coasts is facing its greatest challenge economically in its history, the House regrets the reluctance of the present Minister of Fisheries and Oceans (Mr. De Bané) to appear in the Chamber to answer questions and to outline the Government's policy with respect to the fisheries crisis, as is evidenced by his refusal to attend the Question Period on Monday and Tuesday of this week despite his presence in the House on both evenings. Therefore I move, seconded by the Hon. Member for Esquimalt-Saanich (Mr. Munro):

That this House directs the Minister to acquire sufficient interest and backbone to carry out his obligations to this House and to the fishermen of Canada by attending the sessions at least during Question Period.

Madam Speaker: Is there unanimous consent for this motion?

Some Hon. Members: Agreed.

Some Hon. Members: No.

* * *

AGRICULTURE

ENERGY EXCISE TAX BURDEN ON FARMERS

Mr. Gordon Towers (Red Deer): Madam Speaker, a comprehensive study by Jensen Engineering of Olds, Alberta, indicates that the agricultural sector of the Alberta economy is saddled with federal excise taxes in excess of $130 million for gas, diesel fuel and natural gas. I do not have the figures for all of Canada, but one could safely triple this amount for the three Prairie Provinces—almost $400 million a year in excise taxes for energy. Therefore I move, seconded by the Hon. Member for Bow River (Mr. Taylor):

That oppressive and unrealistic federal excise taxes on energy used in food production are an unfair burden for farmers and, in the long run, result in excessively high food costs to consumers, and that the Finance Minister move to correct this situation in his promised 1983 budget or sooner, if possible.

Madam Speaker: Is there unanimous consent for this motion?

Some Hon. Members: Agreed.

Some Hon. Members: No.

* * *

ENERGY CONSERVATION

CLOSURE OF EXHIBIT AT RIDEAU FALLS, ONT.

Mr. Ian Waddell (Vancouver-Kingsway): Madam Speaker, one of the Government's Halloween tricks on the Canadian public last week was to close down the Renewable Energy Exhibit at Rideau Falls, Ontario. This four-year project attracted more than 50,000 people last year at a cost of $36,000, or less than $1 per person, yet the Government is willing to preserve the Canadian nuclear industry at the staggering cost of $3.5 billion spent since 1979, and last week cut $660 million, from the budget, particularly from the conservation sector. Therefore I move, seconded by the Hon. Member for Mission-Port Moody (Mr. Rose):

That, for the sake of the Canadian conservation effort, the Renewable Energy Exhibit at Rideau Falls, be reinstated.

S.O. 43

Madam Speaker: Is there unanimous consent for this motion?

Some Hon. Members: Agreed.

Some Hon. Members: No.

* * *

THE DISABLED AND THE HANDICAPPED

CALL FOR APPOINTMENT OF MINISTER RESPONSIBLE FOR DISABLED PERSONS

Mr. Bruce Halliday (Oxford): Madam Speaker, I rise on a matter of urgent and pressing necessity. The Special Parliamentary Committee on the Disabled and Handicapped in its all-party unanimous "Obstacles Report" strongly recommended and urged that a minister responsible for the disabled be designated, whose sole responsibility would be to represent in cabinet the needs and concerns of disabled persons, to act as a political advocate and to formulate new Government policies and programs on behalf of all disabled persons. I hope I may have the support of all sides of the House in moving, seconded by the Hon. Member for Fraser Valley East (Mr. Patterson):

That the Prime Minister, at the earliest opportunity, appoint a minister responsible for disabled persons.

Madam Speaker: Is there unanimous consent for this motion?

Some Hon. Members: Agreed.

Some Hon. Members: No.

* * *

POLITICAL PARTIES

NEW DEMOCRATIC PARTY POLICIES

Mr. Dave Nickerson (Western Arctic): Madam Speaker, the squabble between the Hon. Member for Oshawa (Mr. Broadbent), who proposes high surtaxes on workers' earnings as a solution to our economic problems, and Dennis McDermott, the real leader of the New Democratic Party, who insists, on the other hand, on increasing the $23 billion Liberal deficit, must pain all true socialists such as the Right Hon. Member for Mount Royal (Mr. Trudeau) or the Hon. Member for Outremont (Mr. Lalonde). Therefore I move, seconded by the Hon. Member for Fraser Valley East (Mr. Patterson):

That, if the New Democratic Party insists on public self-destruction, then at least it have the common decency to crawl away and die quietly.

Madam Speaker: The Hon. Member for Portage-Marquette (Mr. Mayer).

• (1410)

CANADA POST CORPORATION

REDUCTIONS IN RURAL SERVICE

Mr. Charles Mayer (Portage-Marquette): Madam Speaker, I rise to move a motion under the provisions of Standing Order 43. Canada Post is attempting to cut expenses and decrease its over-all deficit by reducing many customer services. Rural residents are being asked to accept reduced service on rural routes and shorter operating hours of local post offices. This has had the effect of some residents being without mail delivery for as long as four days. Therefore I move, seconded by the Hon. Member for Bow River (Mr. Taylor):

That the Post Office be instructed to have its officials confer with local residents and business people before any changes in postal service are made, in an effort to provide an equitable distribution of mail in rural areas.

Madam Speaker: Is there unanimous consent for this motion?

Some Hon. Members: Agreed.

Some Hon. Members: No.

* * *

MINES AND MINING

USE OF IRON ORE COMPANY PROFITS

Mr. Sid Parker (Kootenay East-Revelstoke): Madam Speaker, I rise to move a motion under the provisions of Standing Order 43. Brian Mulroney, President of the Iron Ore Company, announced yesterday that the company's mine in Schefferville, Quebec, would be shutting down, throwing 285 people out of work and all but destroying the community. He gave as one reason for this the ore being produced in foreign countries and subsidized by foreign governments.

It has since come to my attention that the Iron Ore Company is connected to one of these foreign companies in Brazil, through the Hanna Mining Corporation, an American company which also owns part of the Iron Ore Company. In view of the large profits made recently by the Iron Ore Company which may have left the country to develop iron deposits in places such as Brazil, I move, seconded by the Hon. Member for Kamloops-Shuswap (Mr. Riis):

That the Government investigate the possibility that Canadian miners are producing profits for Iron Ore and other companies and that these profits are then being used to destroy the jobs of Canadians miners.

Madam Speaker: Is there unanimous consent for this motion?

Some Hon. Members: Agreed.

Some Hon. Members: No.

[*Translation*]

COMMONWEALTH GAMES

REQUEST THAT HOUSE RECOGNIZE EXCELLENT CANADIAN PARTICIPATION

Mr. Irénée Pelletier (Sherbrooke): Madam Speaker, the XXII Commonwealth Games were held in Brisbane, Australia, this year from September 30 to October 10. More than 250 athletes from all parts of Canada took part in the games and some members of the Canadian team set Commonwealth records and also several world records.

Under the provisions of Standing Order 43, I move, seconded by the members for St. Catharines (Mr. Reid) and Mission-Port Moody (Mr. Rose):

That the House acknowledge and express its admiration for the courage, discipline and efforts displayed by Canadian athletes during the XXII Commonwealth Games, and that the members of this House congratulate them and wish them all every success in their pursuit of excellence.

Madam Speaker: The House may wish to show its appreciation with some applause.

* * *

[*English*]

HOUSING

APPLICATION OF CANADIAN HOME OWNERSHIP STIMULATION PROGRAM TO NORTHERN REGIONS

Mr. John A. MacDougall (Timiskaming): Madam Speaker, I rise to move a motion on a matter of urgent and pressing necessity under the provisions of Standing Order 43. Last Wednesday the Finance Minister announced that the Canadian Home Ownership Stimulation Program would be extended four months to April 30, 1983, in order to stimulate the construction of new homes in Canada. In my riding in northern Ontario and in all the northern portions of this country, however, it is impossible to begin construction of a new home between November 15 and May 15 because the frost in the ground prevents excavation and pouring of foundations. Northern residents will, therefore, not be able to take full advantage of this program, and its intention of stimulating the housing industry will not be achieved to the fullest potential. Therefore I move, seconded by the Hon. Member for Parry Sound-Muskoka (Mr. Darling):

That this House urge the Government to extend the Canadian Home Ownership Stimulation Program a further month to allow northern residents the opportunity to take advantage of the program and to stimulate the housing industry to the fullest possible extent.

Madam Speaker: Is there unanimous consent for this motion?

Some Hon. Members: Agreed.

Some Hon. Members: No.

CANADA SAVINGS BONDS

PURCHASES MADE ON MONTHLY SAVING PLAN

Mr. Nelson A. Riis (Kamloops-Shuswap): Madam Speaker, I rise under the provisions of Standing Order 43 on a most important and urgent problem. I move, seconded by the Hon. Member for Kootenay East-Revelstoke (Mr. Parker):

That this House urge the Minister of Finance to rescind his directive of October 7 restricting certain persons from purchasing Canada Savings Bonds on the monthly saving plan for bond purchases of less than $1,000.

Madam Speaker: Is there unanimous consent for this motion?

Some Hon. Members: Agreed.

Some Hon. Members: No.

* * *

[*Translation*]

HOUSE OF COMMONS

PRESENCE IN GALLERY OF ITALIAN PARLIAMENTARY DELEGATION

Madam Speaker: I wish to draw the attention of the House to the distinguished presence in our gallery of a delegation of Italian parliamentarians, headed by Deputy Dominico Susi.

• (1415)

ORAL QUESTION PERIOD

[*English*]

THE ECONOMY

IMPROVEMENT OF PRODUCTIVITY

Hon. Michael Wilson (Etobicoke Centre): Madam Speaker, my question is directed to the Minister of Finance. It is widely recognized that improved productivity is the means to improved efficiency, increased jobs, lower inflation, and a better competitive position, which obviously will lead to increased exports. Why did the Minister not direct any Government resources toward improving productivity in the country, in his recent budgetary statement?

Hon. Marc Lalonde (Minister of Finance): Madam Speaker, I made an economic statement last week. I indicated that I was taking steps to improve the situation in the business sector in particular by not proceeding with a number of taxes and by removing certain administrative burdens from the private sector so they could proceed with all the energy they have to improve economic conditions in Canada at the present time. I think that will lead to increased productivity.

Unfortunately, firms have had to lay off many people in the current circumstances. As the Hon. Member also knows, they

are in a difficult financial situation, and the first effort of business as the recovery comes along will indeed be concentrated on improving productivity.

As far as further medium and long term measures are concerned, I said that I was going to consult extensively with labour and management. I indicated that an increase in productivity was a major issue for the future of Canada. I certainly intend to address this issue in my consultations over the next few weeks with business and labour.

Mr. Wilson: We have heard these sorts of words from previous Ministers for some time now. The Minister surely knows that Canada's productivity record is the worst of any industrialized country in the world. He must agree that the statements he has made previously about putting all the emphasis on the six and five program are not enough—it deals with part of the problem—and that a key part of the problem is improving output in the country.

STEPS TO IMPROVE WORKER OUTPUT

Hon. Michael Wilson (Etobicoke Centre): Madam Speaker, my question is to the Minister of Finance. What has the Government done since the 1980 election to improve the output per worker? That is obviously the key to productivity.

Hon. Marc Lalonde (Minister of Finance): Madam Speaker, indeed our level of productivity is a source of concern. I would remind the Hon. Member, however, that between 1970 and 1980 the Canadian record compared reasonably well to those of its competitors in terms of productivity.

We have had a serious problem in the last short while, and my approach is to attempt to leave room again for the business sector to invest in more efficient machinery, to improve the efficiency of plants, as well as trying to encourage labour and management to sit down together and hopefully arrive at better labour-management relations in this country than we have known in the past.

Mr. Wilson: Madam Speaker, I cannot let what the Minister said go without making a comment that—

Some Hon. Members: Order.

Mr. Wilson: —the productivity problem in this country began back in the mid-1970s, not in the last couple of years.

SUGGESTED ESTABLISHMENT OF PRODUCTIVITY CENTRES

Hon. Michael Wilson (Etobicoke Centre): Madam Speaker, in 1961 the Diefenbaker Government formed the National Productivity Council which was to increase the awareness of the importance of productivity and to develop ways to improve productivity. A subsequent Liberal Government rolled that into the Economic Council in which it has assumed a very minor role. Would the Minister of Finance consider initiating a well-funded program to support national productivity centres across the country, involving Government, labour and the corporate sector, that would increase the awareness and the need for productivity, develop better information programs on how we can improve productivity, and advise the federal Government and other Governments on their roles in increasing the productivity of the country?

Hon. Marc Lalonde (Minister of Finance): I thank the Hon. Member for his suggestion to increase federal Government expenditures. I will look at his proposal. I recall this particular arrangement that had been set up around 1960. The scheme was abandoned because it proved to be a very inefficient operation. Frankly it ended up being more like a make-believe operation than a real contributor to increasing productivity. I do not want to repeat the same mistake, but I am certainly ready to discuss and consider, with our economic partners, the advantages of any continuing institutional changes which might improve productivity. If the establishment of such centres were to be of great benefit, it would obviously be foolish for us to refuse to consider such a proposal. However, I submit to the Hon. Member that it is not necessarily by adding to institutions and to federal Government expenditures that we will succeed in improving productivity in our country.

* * *

• (1420)

SCIENCE AND TECHNOLOGY

PROPOSED ESTABLISHMENT OF BIOTECHNOLOGY CENTRE

Mr. Gordon Gilchrist (Scarborough East): Madam Speaker, I would like to direct my question to the Minister of State for Economic Development and Minister of State for Science and Technology. The Minister knows that the United Nations has been seeking the establishment of a biotechnology centre, a major one in the world, and preferably in a country which is eminently suited to receiving it and operating it. Such a country, of course, is Canada, with its high education levels, with its small but highly intelligent population, and with its other resources in computers and agricultural development which would sustain it. Is the Minister giving active consideration to the establishment of such a centre, and has he taken steps to advise the United Nations that Canada wants it badly and will handle it well?

Hon. Donald J. Johnston (Minister of State for Economic Development and Minister of State for Science and Technology): Madam Speaker, I am sure that if the centre comes to Canada, it will indeed be handled very well. There is a great deal of interest in the centre. The City of Montreal, like some other areas of Canada, has expressed particular interests.

We really need further analysis of this particular project. As Hon. Members know, it is primarily directed toward biotechnological research for Third World countries and for the training of Third World scientists in Canada, a very interesting project indeed.

We will be sending some representatives to a conference in Belgrade around mid-December, I believe, to ask some further questions with respect to the costs, and also to ascertain what other countries might be interested in contributing to the costs if such a centre were to be established in Canada. It is estimated at the present time, as I recall, that the initial capital costs will amount to something in the neighbourhood of $50 million and that the operating costs in turn over the first five years would be approximately the same amount. Therefore, it clearly must be subjected to a cost-benefit analysis. It is under active consideration and we are very interested indeed.

Mr. Gilchrist: Madam Speaker, that is a very sensible answer concerning a cost-benefit analysis, and I compliment the Minister.

REQUEST THAT TORONTO AREA BE CONSIDERED AS POSSIBLE SITE

Mr. Gordon Gilchrist (Scarborough East): Madam Speaker, the Minister knows that it would likely require an annual input of $35 million from other nations to sustain such a centre. He mentioned Montreal, and I am sure he did not mention it because he comes from that area. However, he also knows that the University of Waterloo, which is now pre-eminent in computer science, in fact surpassing Stanford and other such notable institutions; the University of Guelph, which has always been pre-eminent in agriculture, and the Allelix project, sponsored by the CDC, the Ontario Government and the Labatt Company, are all centred around west Toronto and would form the core of a critical mass, no pun intended, to create such a viable institution. I wonder if he is giving consideration to that aggregation and why he has not yet made application when other countries have already made known their intentions of applying for the project. I would hate to see it lost due to indifference.

Hon. Donald J. Johnston (Minister of State for Economic Development and Minister of State for Science and Technology): Madam Speaker, as I mentioned in my first answer, I know that a number of areas in Canada are interested in this particular project. The Hon. Member, coming from Ontario, understandably refers to the interests of that particular region. I understand there is also interest in the maritime provinces as well. Of course, this is something which would have to be taken into consideration after we have received further information of the kind that I mentioned.

With respect to the application, I understand that it is being handled by the Department of External Affairs. I see the Minister is not here today. However, my understanding is that we are not in the position of having lost this project by any means. We would like to have more information with respect to it, and that is why we are sending a delegation to Belgrade in December.

• (1425)

SOCIAL SECURITY

UNIVERSAL ASPECT OF FAMILY ALLOWANCES

Hon. Edward Broadbent (Oshawa): Madam Speaker, I have a question for the Prime Minister. The Government is currently creating a lot of confusion and anxiety amongst Canadian families concerning its policy on the universality of social programs. Ten days ago a spokesperson for the Minister of National Health and Welfare said that family allowances would remain unchanged. Yesterday the Minister of Finance, in contrast, suggested just the opposite, that the universal aspect of family allowances may have to be discarded.

Will the Prime Minister take this opportunity to state unequivocally that family allowances will remain a right for every Canadian family?

Hon. Marc Lalonde (Minister of Finance): Madam Speaker, I want to state quite clearly to the Leader of the New Democratic Party that I am not considering abandoning the principle of universality. In 1974, as Minister of National Health and Welfare, I sponsored a tripling of family allowances, plus their full indexation, so my record is pretty safe in that regard.

Some Hon. Members: Hear, hear!

Mr. Lalonde: The Leader of the NDP should know, therefore, my favourite option. However, there is a greater readiness in the population to ensure that Government expenditures are better targeted to those most in need. I have received representations in that regard and my statement is aimed at making sure that representations I receive in the future will be based on a well-informed consideration of the situation, of the pros and cons, and that the suggestions coming from the Leader of the NDP as well as those from others will take place in a context where we will have a rational discussion and careful examination of the issues rather than a knee-jerk reaction as I have seen from some.

UNIVERSAL RIGHT—MINISTER'S POSITION

Hon. Edward Broadbent (Oshawa): Madam Speaker, that certainly clarifies the situation. I do not know if we were given an ironclad guarantee or not by the Minister on that issue. However, I would like to try for an ironclad guarantee.

Is the Minister saying to the House, and more important is he saying to every working family across this land, that family allowances will remain a universal right to which every family in this country is entitled?

Hon. Marc Lalonde (Minister of Finance): Madam Speaker, I indicated that this certainly was my favourite option. As far as the working families of this country are concerned, I want to ensure indeed that they would get the largest possible benefits in the form of family allowances. That is certainly my objective and the one I will be fighting for.

Oral Questions

GOVERNMENT POLICY

Hon. Edward Broadbent (Oshawa): Madam Speaker, I will try again with what I presume is the real Prime Minister, and maybe he will not switch to his surrogate but will answer the question this time.

The Prime Minister's good friend, the Minister of Finance, just said that maintaining universal family allowances is his "favourite option". Now, a specialist in logic, as I know the Prime Minister is, will have inferred from that that it is a favourite option but it may be the one that he will not choose. Therefore, I ask the Prime Minister quite seriously, will he, as head of the Government, finally clarify the situation and tell the people of Canada that every family in this country will remain entitled to a family allowance?

Right Hon. P. E. Trudeau (Prime Minister): Madam Speaker, I am used to hearing arguments from various sides of this House, and even in Cabinet there are sometimes arguments, on both sides of the question. But in this particular case the Hon. Leader of the Opposition knows that it is the favourite option—

Some Hon. Members: Oh, oh!

Mr. Chrétien: NDP.

Mr. Trudeau: Well, let us say the Leader of the Opposition which brings out its Members when a vote comes on a non-confidence issue.

Mr. Clark: On time.

• (1430)

Mr. Trudeau: He knows that the Minister of National Health and Welfare also has universality as her favourite option, so I will be very highly influenced by these options.

REQUEST FOR REFERRAL TO STANDING COMMITTEE

Hon. Flora MacDonald (Kingston and the Islands): Madam Speaker, I have a brief supplementary for the Minister of National Health and Welfare. The Minister of Finance said that he would like to see Members of the House have a rational discussion of this matter. I would ask the Minister if, in the interest of having that rational discussion, she would consider making a reference to the Standing Committee on Health, Wealth and Social Affairs of the total income security programs because of the fact that we are literally spending billions of dollars on these programs and yet, at the same time, there are 2.8 million Canadians living below the poverty line. Obviously something is not working correctly. I wonder if, in light of those facts, she would consider making that reference to the Committee.

[*Translation*]

Hon. Monique Bégin (Minister of National Health and Welfare): The fact is, Madam Speaker, that our objective, and I think my two colleagues have explained this quite clearly, is to achieve redistribution within our social programs. Actually, we cannot isolate family allowances since they are part of a package which may not be as familiar to hon. members and which, for instance, includes a tax exemption for dependent children which goes to the parents, and also the child tax credit, and so forth, and the same applies to the pension component. So the main objective, let us say for the time being and in the years to come for any minister of National Health and Welfare will be that there will be no new funding from other sources, and therefore the problem is one of achieving redistribution within these programs in a way that is socially just.

* * *

NATIONAL DEFENCE

PURCHASE OF F-18 FIGHTER AIRCRAFT—IMPORTANCE OF RELATED BENEFITS TO QUEBEC

Hon. Roch La Salle (Joliette): Madam Speaker, my question is directed to the Minister of National Defence, and I think it may also be of interest to the Minister of Supply and Services. The minister is aware that there are all kinds of speculations going the rounds in Quebec regarding the economic spin-offs of the F-18 purchase. Since the member for Longueuil has said publicly that there was a cabinet commitment that $1.5 billion should go to the province of Quebec, which represents 48 per cent of the spin-offs as initially projected, can the minister give us the assurance today that Quebec will derive all the economic benefits from the purchase, namely the $1.5 billion, and that at the same time, the 48 per cent of total spin-offs is maintained?

Hon. J. Gilles Lamontagne (Minister of National Defence): Madam Speaker, I think the F-18 and its industrial and economic spin-offs will provide ample opportunity for discussion for a number of years yet, in fact, until 1995, when all aspects of the project will be finalized. However, Madam Speaker, I can assure you that along with the member for Joliette, the entire Quebec caucus on this side of the House and all the ministers concerned have a keen interest in this matter. However, I wish to point out with respect to what the member for Joliette has just said about certain allegations made by the Quebec Minister of Industry and Commerce, that the Minister may not have received all the information he should have had from the Minister of Supply and Services. Quebecers should know that as of September 1982, Quebec has already obtained nearly $1 billion in industrial spin-offs, and I can assure you that I have never had any doubts as to the forecast and guarantees given Quebecers in 1980 when the contract was signed, namely that they would have their fair share of these economic spin-offs, and I am convinced that this part of the project will be a success just as the aircraft itself, as we saw a week or so ago. I am sure that the industrial spin-offs and the aircraft itself will be equally successful.

Mr. La Salle: Madam Speaker, I have a supplementary for the Minister of Supply and Services, and I hope he will also acknowledge the very important statement made by the member for Longueuil, namely that the cabinet has made a commitment to redistribute 48 per cent of the economic spin-offs. Considering his responsibilities, can the Minister give the House the assurance that he will see to it that Quebec is given the share that corresponds to the cabinet commitment, namely, a minimum of $1.5 billion, and that if the economic spin-offs should exceed the initial forecast, Quebec will receive 48 per cent of these spin-offs? That was my question.

Hon. J.-J. Blais (Minister of Supply and Services): Madam Speaker, I am sure that the member for Joliette listened very carefully to the answer given by the Minister of National Defence, and I am satisfied that he obtained the desired information. I simply wish to add that when the contract was awarded, we had identified the economic spin-offs and the strong likelihood that these would represent $1.5 billion for the province of Quebec. In fact, we have met 63 per cent of the forecast, although we are now only at the 24 per cent mark of the total economic spin-off period. So, as the Minister indicated quite clearly, we only need $600 million to meet our objective, and I am sure that by 1995, economic spin-offs will, we hope, have exceeded the target we had set, and I am also sure that the member for Joliette, in this new spirit of co-operation being shown by the opposition, will give us the benefit of this imaginative proposals so that we can meet this objective.

* * *

[*English*]

HOUSE OF COMMONS

PRESENCE IN GALLERY OF 1982 CANADIAN MOUNT EVEREST EXPEDITION MEMBERS

Madam Speaker: I would like to draw the attention of the House to the presence in our gallery today of eight members of the 1982 Canadian Mount Everest Expedition. The members of the expedition whom I will recognize from those heights are as follows: Mr. Bill March, expedition leader.

Some Hon. Members: Hear, hear!

Madam Speaker: Mr. Lloyd "Kiwi" Gallagher, deputy leader.

Some Hon. Members: Hear, hear!

Madam Speaker: Mr. John Amatt, climber.

Some Hon. Members: Hear, hear!

Madam Speaker: Mr. Dwayne Congdon, climber.

Some Hon. Members: Hear, hear!

Madam Speaker: Mr. Pat Morrow, climber.

Some Hon. Members: Hear, hear!

Madam Speaker: Mr. Laurie Skreslet, climber.

Some Hon. Members: Hear, hear!

Madam Speaker: Mr. Peter Spear, camp manager.

Some Hon. Members: Hear, hear!

Madam Speaker: It seems I have left one name out, but I was not given that name on my list.

Voice from the Speaker's Gallery: Dave Read.

Some Hon. Members: Hear, hear!

[*Editor's Note: Whereupon the Members rose and applauded.*]

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AIRPORTS

RECOMMENDED CLOSURE OF TOWERS

Mr. Pat Nowlan (Annapolis Valley-Hants): Madam Speaker, it is perhaps appropriate that my question to the Minister of Transport will bring us back to earth, although the question really has something to do with between earth and the sky. I know the Minister has many matters pending on his legislative platter from Chairmen of the CTC, the Harbours Board, VIA Rail, and on domestic air policy. I want to ask him specifically about a report that I understand is on his desk recommending closure of ten of the 60 airport towers across the country. If so, what are the criteria that are to be used for the closure of those ten towers? Are the criteria going to be made public, and when is the decision going to be made?

Hon. Jean-Luc Pepin (Minister of Transport): Madam Speaker, my Department tries to be as productive as possible, to follow up on a previous question. We are constantly on the alert to see whether savings can be made here or there without neglecting safety. The possibility of closing air control towers in some airports of Canada is one that is being studied now. The events in the United States a few months ago respecting air control have indicated to the world that there are savings to be made in that particular area of air transportation. We are looking at it in that light, but I want to assure my hon. friend that safety will not be compromised.

• (1440)

PROPOSED CLOSURE LOCATIONS

Mr. Pat Nowlan (Annapolis Valley-Hants): Madam Speaker, we all know there is quite a difference between this country and the United States. We all know, and the Minister appreciates, that in the Dubin Report it was clearly set out that any airport which handles jets should have a tower, to avoid the unfortunate accident that occurred in Cranbrook.

In view of the onset of winter, and the fact this matter has been sitting on the Minister's desk for sometime, could the

Minister tell this House and the country—to help shed some light on this problem and to show the difference between here and the United States—that some of the airports being considered for closing are Penticton, Charlottetown, Val d'Or, and the fact that a decision has not been made is because Mirabel is also involved because of the lack of aircraft at that airport?

Hon. Jean-Luc Pepin (Minister of Transport): Madam Speaker, the question changed at the last moment. The first question was on closure of towers. Now it is a question on closing of airports, but I think the Hon. Member meant towers.

I can confirm, and I say it quite simply, that we are looking at the possibility of making savings in order to pay for other services that are needed more than the ones to which the Hon. Member referred. In some cases it has to do with a possible closing of towers; in other cases it has to do with the elimination of the nightshift in some particular airports, simply because the airports are not being used at night. There are other ways to land aircraft which do not necessitate the presence of air controllers in towers.

We are trying to be efficient. Everybody, every day, talks about productivity. We had a question a moment ago on that subject. But whenever a Minister makes a move to bring about productivity in his department, he is chastised by somebody in the Opposition. So, I am trying to be efficient, and efficiency demands that in order to build adequate air services in Canada, in the instances where savings can be made, we should move and make those savings, but, I repeat, without endangering the safety of anyone.

* * *

UNEMPLOYMENT INSURANCE

DELAY IN PAYMENT OF BENEFITS

Mr. Lyle S. Kristiansen (Kootenay West): Madam Speaker, I am glad to hear the Government so concerned about efficiency, because I want to ask a question of the Minister of Employment and Immigration. Over the past few months hundreds of unemployed forestry workers in B.C. alone have been cut off regular UIC benefits. As they enter into the Employment Bridging Assistance Program, they wait without any income for up to six to eight weeks, or more, for the money they have earned. These victims are the latest to be added to the thousands of jobless in B.C., Alberta, Ontario and elsewhere, who have been forced to go on welfare while waiting week upon week to collect their first regular UIC benefits, and the delays go on and on. This is often their only income, apart from family allowances for the families of those breadwinners.

Will the Minister explain to this House just why he has allowed this inexcusable foul-up to go on and on and on within his Department, month after month, to the point where at least one class action lawsuit has had to be launched by the unemployed?

Hon. Lloyd Axworthy (Minister of Employment and Immigration): Madam Speaker, to begin with, I am glad the Hon. Member recognizes the fact we had introduced a number of alternative job programs for the forestry workers to provide assistance for them during this period of time. But he is very sadly mistaken when he indicates that no action has been taken to ensure that they are receiving payment, for in those areas we have added substantial numbers of people to the unemployment insurance offices to deal with the very large number of applications for assistance, which he knows have increased in his own province by something like 40 per cent or 50 per cent. We have also assigned a substantial number of overtime hours for our own employees who are now working an average of six to seven days a week to deal with the UIC backlogs and get the cheques out. I can assure the Hon. Member that the staff of the Department are working as hard as they can to provide both the regular UIC backup as well as the money for the new bridging program.

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CANADA LABOUR CODE

EFFECT OF BRITISH COLUMBIA ORDER IN COUNCIL

Mr. Lyle S. Kristiansen (Kootenay West): Madam Speaker, as a supplementary, in many areas the waiting period gets longer and longer, and it is not the fault of the employees. It is not just a matter of time. One male construction worker in Vancouver recently—

Madam Speaker: Order, please. I cannot allow the Hon. Member to argue in this way. I would like him to ask the supplementary question.

Mr. Kristiansen: Madam Speaker, there are a number of particular cases. A hardworking E.B.A.P. employee in the Nelson area was fired—

Madam Speaker: Order. Order. I have just signalled to the Hon. Member that he must go directly to his question.

Mr. Kristiansen: Madam Speaker, why is it that B.C. employees under E.B.A.P. were removed by Order in Council 81 of the Province of British Columbia from any protection under the Employment Standards Act of that Province? Why do they suffer without first aid facilities? And is that the same case in Ontario, Alberta, and elsewhere, as well, and, if that is the case, how can the Minister justify it, and what is he going to do about it, if he will not justify it?

Hon. Lloyd Axworthy (Minister of Employment and Immigration): Madam Speaker, if I understand the Hon. Member's question, it is a question more properly addressed to the Government of the Province of British Columbia.

[*Translation*]

PORTS

CLOSURE OF GRAIN ELEVATOR NO. 1 AT PORT OF MONTREAL

Mr. Gérald Laniel (Beauharnois-Salaberry): Madam Speaker, my question is directed to the Minister of Transport. Given the very real possibility that grain elevator No. 1 in the Port of Montreal will be closed down permanently on December 31, 1982, could the minister delay demolition until the federal government reinstates its farm subsidy program for the construction of co-operative silos, in order to meet the need for storage of surplus grain, particularly this year with the very good crop we had in the East, since prices will drop dramatically if we do not have alternate storage facilities?

Hon. Jean-Luc Pepin (Minister of Transport): Madam Speaker, the decision to close down elevator No. 1 in the Port of Montreal was made for several reasons. First of all, the elevator is very old and represents a safety hazard. Second, room must be made for new facilities in the old Port of Montreal. So that is why the decision was made.

Madam Speaker, I may add that Trois-Rivières, Sorel, Quebec City and other places have grain elevators where grain can be brought in by truck. Therefore, grain producers can go to those facilities.

* * *

[*English*]

ATOMIC ENERGY OF CANADA LIMITED

FUTURE OF NOVA SCOTIA HEAVY WATER PLANTS

Mr. Howard Crosby (Halifax West): Madam Speaker, my question is for the Minister of Energy, Mines and Resources, as the Minister responsible for Atomic Energy of Canada. It concerns the future of the two heavy water plants in Nova Scotia. The failure to sell Candu reactors may well result in cutbacks in heavy water production and possible closure of the two plants. Parts of Cape Breton already have unemployment twice the national average and this plant closure could result in the loss of a further 3,000 jobs, directly and indirectly.

Is the Minister reviewing this massive problem, and what solution does he propose? Has he received any help from his Parliamentary Secretary, or from the Secretary of State for External Affairs, who represents the workers affected by these possible plant closures?

An Hon. Member: Wake up, Jean.

An Hon. Member: You are now the Minister of Energy, Jean.

Hon. Jean Chrétien (Minister of Energy, Mines and Resources): Madam Speaker, I was in profound meditation.

POLICY ON SALES TO INDIA

Mr. Howard Crosby (Halifax West): Madam Speaker, I can try it one more time, but I think the people of Cape Breton know the interest the Minister has in their plant closure problems.

I will ask the Prime Minister this question. The workers at the Strait of Canso plant have made a request of the Secretary of State for External Affairs to help in the sale of heavy water to India. The Prime Minister knows this affects an important Government policy with respect to the sale of nuclear materials to certain countries. What I should like to ask the Prime Minister, on behalf of plant workers in the Strait of Canso, is whether, in view of the massive unemployment problem that would be caused by the plant closure, the Government is willing to reconsider its policy with respect to the sale of nuclear materials to India and to modify that policy so that a sale of heavy water could take place and this plant, in the constituency of the Secretary of State for External Affairs, could be saved.

• (1450)

Right Hon. P. E. Trudeau (Prime Minister): Madam Speaker, it was my understanding that the question was put to the Minister of Energy, Mines and Resources, and therefore I was also in meditation when the Hon. Member put the question.

Hon. Jean Chrétien (Minister of Energy, Mines and Resources): Madam Speaker, I should like to answer the question. I think there is a problem with the production of heavy water in Canada. It is a very difficult problem, and it is not a new one. It is related to the problem of selling Candu reactors around the world. We need reactors in order to use the heavy water. It is a problem that I am working on, but it is a very difficult one at this time. No final decision has been made. On the question of selling reactors, even if we had a buyer tomorrow, it would not mean that we would need the production of heavy water for many, many more years. It is a difficult problem and no final decision has been made on it as yet.

* * *

INCOME TAX

QUERY RESPECTING INTRODUCTION OF LEGISLATION

Mr. Don Blenkarn (Mississauga South): Madam Speaker, my questions are directed to the Minister of Finance. He will recall that on October 28, in reply to questions concerning his budget, he said, as reported at page 20122 of *Hansard*:

—I left out a number if issues that are still to be considered in terms of the amendments to the Income Tax Act—

Nearly a year has gone by since the egg-laying budget of November 12. There has been massive uncertainty within the country, with the result that people cannot open new businesses because they are afraid to get involved and are afraid to

employ people. That uncertainty is the problem. When is the Minister going to give the House of Commons and the people of Canada the final version of the Income Tax Act so that we can understand what we are paying taxes on in this country, so that business can get going again, and so that we can have some growth and development in the country?

[*Translation*]

Hon. Marc Lalonde (Minister of Finance): Madam Speaker, if my hon. colleague had read the rest of my statement, he would have noticed that I said we intended to introduce a definitive bill at the beginning of December. However, I hope that when the bill is introduced, we can count on the Hon. Member and his opposition colleagues to expedite this legislation in the House so that we will be able to provide business with a substantial degree of certainty as to the specific manner in which the Income Tax Act will apply to corporate income in the years to come.

[*English*]

DATE OF INTRODUCTION

Mr. Don Blenkarn (Mississauga South): Madam Speaker, the Minister knows that his Parliamentary Secretary and his officials have the full benefit of public hearings that his Department insisted be completed by September 30. He has met with business people and labour people across the country. By December 1 this matter will have gone on for well over a year. Can the Minister give the House an undertaking that no later then December 1 the final version of this income tax mess the Government has created will be presented to Parliament?

Hon. Marc Lalonde (Minister of Finance): Madam Speaker, I am surprised that the Hon. Member seems to complain about the readiness of the Government to be flexible and to listen to representations from people outside, as well as from parliamentarians. At the end of September I received the report from the Parliamentary Committee, and I thank them for it. I have also had extensive discussions with various groups and organizations during the month of October, covering some of the same subjects. I have reached a conclusion on most of the items that were still under consideration and, in my statement last week, I announced my decision on a large number of them.

We are in the process of drafting the bill. I should like to be able to introduce it before December 1 if that can be done. However, I cannot tell the Hon. Member that if it is not ready by December 1 the roof will fall in, but we will try to produce it for December 2 or December 3; I said it would be introduced for sure in early December. I am doing my very best to ensure that it will be ready even before then, so that the Parliamentary Committee can have the full time to examine it. I hope that, with co-operation, we can pass the bill before Christmas.

PIPELINES

PROPOSED CONSTRUCTION OF WATER PIPELINE FROM DIEFENBAKER LAKE TO REGINA, SASK.

Mr. Simon de Jong (Regina East): Madam Speaker, my question is directed to the Minister of Employment and Immigration. It concerns the proposed water pipeline from Lake Diefenbaker to the Buffalo Pound pumping station. The Prime Minister has indicated in the House that the federal Government would be anxious to discuss this project with the Province of Saskatchewan if the Province considers it a priority. Last weekend the Minister met with the Minister of Finance for Saskatchewan. Can the Minister inform us if the pipeline was discussed, if the Saskatchewan Government considers the pipeline to be a priority, and if we can expect an announcement soon that the project will proceed?

Hon. Lloyd Axworthy (Minister of Employment and Immigration): Madam Speaker, it appears that Members of the New Democratic caucus are asking questions this afternoon that have a very strong provincial overtone.

I can tell the Hon. Member that I met with Members of the Saskatchewan Government on the weekend to talk about the job creation program, the NEED program, in which we are enlisting their co-operation. They raised the matter of the Regina pipeline, which I think is a very important project for the Province. They indicated to me that they have a task force which is examining the feasibility of that but which will not report until mid or late November. My colleague, the President of the Treasury Board, has indicated to them that the federal Government is prepared to sit down and discuss the matter with them as soon as the report is available. I am sure we would like to follow through on that matter. That is where things stand at the present time.

REQUEST FOR FEDERAL ASSISTANCE

Mr. Simon de Jong (Regina East): Madam Speaker, that answer is most encouraging. The pipeline and the project are something that community leaders and political leaders in Regina are behind.

An Hon. Member: And Moose Jaw.

Mr. de Jong: And in Moose Jaw as well, Madam Speaker. Can the Minister give us the assurance that he will convey to the provincial Government the fact that the federal Government is prepared to co-operate in every way possible and to offer reasonable financial assistance for the completion of this most important project?

Hon. Lloyd Axworthy (Minister of Employment and Immigration): Madam Speaker, I think we demonstrate every day that we are prepared to co-operate with the provincial governments.

CORPORATE SHAREHOLDING LIMITATION ACT

GOVERNMENT POLICY

Right Hon. Joe Clark (Leader of the Opposition): Madam Speaker, I wonder if the Prime Minister could explain this bill introduced yesterday in the Senate, which would prohibit provincial governments from acquiring more than a 10 per cent ownership in any company engaged in interprovincial and international transportation by energy pipelines, railways, airlines, shipping, trucking, bus lines and commodity pipelines. Would the Prime Minister tell us why the Government has taken this sudden action?

[*Translation*]

Hon. André Ouellet (Minister of Consumer and Corporate Affairs): Madam Speaker, I think it is quite clear the government's intention was to introduce draft legislation in order to reaffirm its authority and jurisdiction in areas that are absolutely vital to the economy and unity of this country.

[*English*]

REASONS FOR INTRODUCTION IN SENATE

Right Hon. Joe Clark (Leader of the Opposition): Madam Speaker, may I ask the Prime Minister, first, was this legislation discussed in the spirit of co-operation and of trusting a Canadian? Was this legislation discussed with provincial governments before it was introduced in the Senate? Second, why was it snuck into the Senate instead of being introduced in the House of Commons?

[*Translation*]

Hon. André Ouellet (Minister of Consumer and Corporate Affairs): Madam Speaker, there are two very good reasons why the bill was introduced. First of all, in doing so the government will avoid many problems in its dealings with the provinces—an ounce of prevention is worth a pound of cure. In this case, Madam Speaker, the provinces can hardly blame the Canadian government for wanting to safeguard its jurisdiction. This measure is not aimed against the provinces. It is a Canadian measure for the benefit of the government of Canada. However, I am hardly surprised to see the leader of the Progressive Conservative Party take this stand, since he is rather fond of dismantling federal responsibility for the sake of the provinces.

REASONS FOR GOVERNMENT ACTION

Right Hon. Joe Clark (Leader of the Opposition): Madam Speaker, I have another question for the minister—

[*English*]

—but, I should prefer to get an answer from the Prime Minister—if the Prime Minister knows anything about this.

Will the Prime Minister tell us why this measure was introduced in the Senate—was snuck in rather than brought in here publicly, to the House of Commons?

Why is the Government of Canada, just weeks after it has spoken about the need to establish a climate of confidence and trust, sneaking around in this way, trying to limit the capacity of provincial governments to act? Why is it doing that without any kind of consultation? Why do its actions always put the lie to its language?

• (1500)

[*Translation*]

Hon. André Ouellet (Minister of Consumer and Corporate Affairs): Madam Speaker, I felt it was important to introduce this bill after the closing of the market. And besides, our Parliament has two Houses, and I am therefore surprised at the leader of the Progressive Conservative Party and his lack of appreciation of the Senate. In any event, once the draft legislation tabled in the Senate has been considered there, it will be considered later on in the House of Commons. Furthermore, the opposition knows perfectly well that seventeen bills are being considered in Parliament at the present time, and that we shall have to proceed with these before considering any new legislation. I may add that there was no attempt to do this in a surreptitious or sneaky manner. Tabling draft legislation in the Senate, which is after all a public place, is part of the business of Parliament, and I find the attitude of the leader of the Progressive Conservative Party very strange.

[*English*]

Madam Speaker: The Hon. Member for Winnipeg North Centre.

Some Hon. Members: Hear, hear!

* * *

SOCIAL SECURITY

LACK OF PENSIONS FOR SINGLE WOMEN AGED SIXTY TO SIXTY-FIVE YEARS

Hon. Stanley Knowles (Winnipeg North Centre): Madam Speaker, I should like to address one of my questions to the Minister of National Health and Welfare. As a matter of fact, some of us feel very strongly about the way the Minister over the years has endorsed legislation for social development. However, there is one fact of law that is wrong and must be corrected, and I call on the Minister to do it. I refer to the fact that women between the ages of 60 and 65 who have no marital connection, and no income, are denied any pension at all. I ask the Minister to get the law corrected so that provision can be made for these women.

Some Hon. Members: Hear, hear!

Hon. Monique Bégin (Minister of National Health and Welfare): Madam Speaker, even if it is not in the tradition of Question Period, I do not think Hon. Members would mind if I recall to all of us that it was about 13 months ago, today or tomorrow, that the Hon. Member for Winnipeg North Centre

went through a very serious health problem which many other Canadians share with him. Obviously we are pleased that he has recovered and is with us today.

Some Hon. Members: Hear, hear!

Miss Bégin: It is worth giving him our best wishes. He is an example of hope for many Canadians that they too can recover.

Of course the serious problem the Hon. Member has defined in his question is a priority. However, it is not the first priority. The Government's first priority is to target assistance whenever possible to those single pensioners, mostly women, who are 65 years of age and older and who are still below the poverty line. In that respect the other problem becomes a second priority.

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INDUSTRY

ANNOUNCED CLOSING OF CANADA PACKERS PLANT IN PRINCE EDWARD ISLAND

Mr. Tom McMillan (Hillsborough): Madam Speaker, my question is directed to the Minister of Regional Economic Expansion. Canada Packers, Inc., Prince Edward Island's largest private sector employer, has just announced that it will close its doors next fall, thereby throwing hundreds of people out of work. In view of the fact that on P.E.I. such a plant closure is equivalent to a lay-off of some 2,000 or 3,000 workers in Quebec or Ontario, is the Government open to the idea of exploring with the owners of the plant, with the provincial Government, with the union and with other interested parties, every possible option for keeping the plant open and maintaining those jobs?

[*Translation*]

Mr. André Maltais (Parliamentary Secretary to Minister of Industry, Trade and Commerce and Minister of Regional Economic Expansion): Madam Speaker, I wish to thank the hon. member for his question. As soon as the company has informed the government of its intentions regarding shutdowns and lay-offs, at that time we shall do what is now being done for other eastern regions and Ontario and Quebec, namely, we shall meet with the union, the company and government officials in order to decide what programs to implement so as to provide direct aid for workers who may be laid off.

[*English*]

ALLOCATION OF NEED PROGRAM FUNDS

Mr. Tom McMillan (Hillsborough): Madam Speaker, my supplementary question is directed to the Minister of Employment and Immigration, if I may have his attention. He has indicated that he does not yet know how the Government will allocate funds to the various provinces under its new job creation program, NEED. If the Canada Packers plant cannot be kept open with the help of the federal Government, the Province and others, in any allocation of funds for Prince Edward Island will the Government consider not only current unemployment statistics on P.E.I., which God knows are bad enough, but also the fact that within a few months' time P.E.I. may well be facing the worst employment crisis in its history?

Hon. Lloyd Axworthy (Minister of Employment and Immigration): Madam Speaker, I should like to tell the Hon. Member that we are just about finished meeting with different provincial governments to discuss how we can put in place the final details of that Program. I hope to be in a position to bring those details forward in a matter of about a week's time. Also I indicate to him that we take into account regional differences in looking at the allocations, and that is one reason we have spent so much time talking in different regions to determine the best form of allocation. As well, I would remind him that there are other forms of assistance which we could provide to communities particularly hard hit by closures or lay-offs. I would be very glad to sit down with him or to have people from my Department do that, so that we could outline the range of options which might be helpful in this particular case.

* * *

[*Translation*]

PETITIONS

TABLING OF REPORTS OF CLERK OF PETITIONS

Madam Speaker: I have the honour to inform the House that the Clerk of the House has laid upon the Table the reports of the Clerk of Petitions stating that he has examined the petitions presented by Hon. Members on Tuesday, November 2, 1982, and finds that the petitions meet the requirements of the Standing Orders as to form.

* * *

BUSINESS OF THE HOUSE

DISPOSITION OF BILL C-137

Mr. Pinard: Madam Speaker, I would like to draw your attention to a number of agreements that have been reached concerning Bill C-137 which we are to consider later today. There are four agreements. The first one concerns a change in the motion for second reading so as to provide for referral of the bill to a committee of the whole as opposed to a standing committee, so that the bill will remain before the House a little later today. The second agreement is on the time limit for speeches. With the exception of the first spokesman for each party, both on second and third reading, speeches will be limited to a maximum of twenty minutes each. A third agreement was reached on extending today's sitting beyond the usual time of adjournment, if necessary, in order to finish third reading of the bill later today. Finally, the fourth agreement

concerns suspending the sitting of the House after third reading to wait for royal assent to the bill later today. Those, Madam speaker, were basically the four agreements that were reached. We shall not necessarily have to sit past six o'clock, but there is a possibility, and if we do, the other agreements I just mentioned will take effect.

[*English*]

Mr. Nielsen: Yes, Madam Speaker, that reflects accurately the agreement which was reached. It should be clear for the record, however, that our agreement to send the matter to Committee of the Whole will occur after second reading.

Mr. Deans: Madam Speaker, we also agree that those are the terms that we set down, discussed and agreed upon earlier today.

Madam Speaker: Therefore, does the House agree to the proposals of the Hon. President of the Privy Council?

Some Hon. Members: Agreed.

OBSERVANCE OF REMEMBRANCE DAY—TWO-DAY ADJOURNMENT

Mr. Pinard: Madam Speaker, as next week's Remembrance Day is most important—and this year it falls on a Thursday—and since many Members will want to leave to be in their constituencies on Thursday, we have discussed and agreed that we will not sit next Friday, provided the time will be recouped. Therefore, I think there is unanimous consent for the following motion:

That on Monday, November 8, 1982 and Tuesday, November 9, 1982, the provisions of Standing Order 6(1) shall be suspended; and

That when the House adjourns on Wednesday, November 10, 1982, it shall stand adjourned until Monday, November 15, 1982.

The effect of the motion is obvious. The House will sit between six and eight o'clock next Monday and Tuesday evenings, but it will not be sitting next Thursday and Friday.

Mr. Nielsen: Madam Speaker, that accurately reflects our agreement.

Madam Speaker: Therefore, it is agreed and so ordered.

Motion agreed to.

• (1510)

ROUTINE PROCEEDINGS

[*English*]

QUESTIONS ON THE ORDER PAPER

(Questions answered orally are indicated by an asterisk.)

Mr. David Smith (Parliamentary Secretary to President of the Privy Council): Madam Speaker, the following questions will be answered today: Nos. 2,561, 4,171, 4,300, 4,309 and 4,520.

[*Text*]

CORPORAL CYRIL HOUSE

Question No. 2,561—**Mr. Crosby:**

1. (a) Was Corporal Cyril House a member of the Royal Canadian Mounted Police and did he resign in May, 1981 or at any other time (b) what were the reasons stated in his resignation document and (i) does the Commissioner of the RCMP agree the reasons were a true and correct representation of the facts (ii) does the Commissioner think the reasons were false and vexatious?

2. Did Cpl. House apply for a position with a company or entity owned or operated by the Irving Oil Group in the Province of New Brunswick in 1980 or 1981 while he was a member of the RCMP and, if so, was the application consistent with the rules and regulations applicable to members of the RCMP?

3. Was Cpl. House charged with a violation of the Royal Canadian Mounted Police Act during his term of office and, if so, was he found guilty of any violation or was he otherwise punished or disciplined under the rules and regulations applicable to members of the RCMP?

4. Was Cpl. House charged or found guilty of insubordination or of violating the rules and regulations governing members of the RCMP by virtue of (a) providing secret documents or reports to members of the media and, in particular, to Mr. C. Arnold Patterson, President of Dartmouth Broadcasting Company operating Radio Station CFDR (b) improperly disclosing information provided to him on a confidential basis to the media and, in particular, to Mr. Patterson (c) issuing derogatory, defamatory and untrue statements about officers of the Bank of Nova Scotia and other chartered banks?

5. (a) Does Cpl. House have any legal training and, in particular, does he have any educational qualifications or training that would qualify him to give opinions or make judgments on matters of law (b) which persons in the RCMP are authorized under the Royal Canadian Mounted Police Act or are otherwise authorized to make judgments on matters of law?

6. Was Cpl. House at the time of his resignation the victim of any debilitating disease or other sickness affecting his mental or physical capacities or capabilities, including alcoholism or addiction to drugs?

Hon. Bob Kaplan (Solicitor General): 1. (a) Corporal Cyril House was a member of the RCMP, and he resigned July 3, 1981. (b) The reasons for Corporal House's resignation would be considered personal information under Part IV of the Canadian Human Rights Act. (i) and (ii) There are no comments on Corporal House's resignation document by the Commissioner of the RCMP.

2. Force management is not aware of Corporal House having applied for a position with Irving Oil Group or any of its subsidiaries in the Province of New Brunswick while he was a member of the RCMP. In such an event, he would not have been in contravention of any RCMP regulation.

3. No.

4. (a), (b) and (c) Corporal House was not charged with any violation of the regulations governing members of the RCMP, and we have no reason to believe he was responsible for any of the allegations suggested here.

5. (a) Corporal House's educational background would be considered personal information under Part IV of the Canadian Human Rights Act. (b) All members of the RCMP are making judgments on matters of law in the course of discharging their daily duties. However, legal decisions or opinions are made by agents of the provincial Attorney General or the federal Department of Justice.

6. The state of Corporal House's health at the time of his resignation would be considered personal information under Part IV of the Canadian Human Rights Act.

CHALLENGER AIRCRAFT

Question No. 4,171—**Mr. MacKay:**

1. Did Mr. Fred Kearns, President of Canadair, confirm in February, 1982 that some 50 Challenger aircraft were sold for about $4.5 million each as mentioned in the Montreal *Gazette* dated February 6, 1982 and did the Supplementary Estimates (E) for the year ending March 31, 1982 contain an item of $13.56 million for the purchase by the Department of Transport "of a 'Challenger' aircraft and assorted parts" and, if so, in detail, what accounts for this difference in price?

2. For what purpose is the $13.56 million "Challenger" aircraft going to be used?

3. What kind of oxygen system was originally specified for the $13.56 million "Challenger"?

4. Was the oxygen system which was eventually installed in the $13.56 million "Challenger" a system requiring obsolete oxygen bottles and the use of surgical masks or an up-to-date system used in modern passenger aircraft?

5. Did the Government commit itself to purchasing two Dash-7 aircraft at a cost of some $20 million and, if not, has the Government any plans to do so?

6. Has the Government any further plans to be "the purchaser of last resort" for aircraft produced by de Havilland of Canada and, if so, what are the funding plans?

Hon. Ed Lumley (Minister of Industry, Trade and Commerce and Minister of Regional Economic Expansion): In so far as the Department of Industry, Trade and Commerce is concerned: 1. Yes. Mr. Kearns, President of Canadair, did confirm that Challenger aircraft were sold for about $4.5 million each as mentioned in the Montreal *Gazette* dated February 6, 1982.

It was originally intended that the first 50 aircraft be sold at a fixed price of $4.375 million to initiate the sale of the Challenger aircraft at an attractive but competitive price. In fact, only 26 aircraft were sold at $4.375 million, 15 of which were in Canadian dollars and the remainder in U.S. dollars. The aircraft has subsequently been sold at prices ranging from $4.975 million fixed price (March, 1977) to U.S. $8.5 million plus escalation (July, 1981) for the CL-600 (Lycoming) Challenger and U.S. $9.5 million plus escalation for the CL-601 (GE) Challenger. The prices quoted are for aircraft without finished interior (protective zinc chromate (green) finish on bare structure only). It is the customer's responsibility to arrange for interior completion. Most of the price increase has been inflationary and consistent with similar price increases for competitive aircraft.

The "$13.56 million Challenger" purchased by the Department of Transport was purchased on resale from Canadair, fully equipped with executive interior, for $10.8 million Canadian dollars plus $972,000 tax for a total of $11,772,000. Under separate contract $750,000 worth of spares were purchased and additional costs were incurred to modify the aircraft to Department of Transport's commercial airliner standards (flight data recorder procurement and installation, etc.).

2. The aircraft is to be used in executive flight operations as a replacement for the now antiquated Jetstar I aircraft.

3. An airline standard oxygen system was originally specified for the Challenger. The present system is superior to airline standards.

4. The system installed in the Challenger includes the standard airline oxygen system (automatic drop-down face masks) good for 15 minutes, auxiliary stowed two passenger, walk around cannister packs good for 30 minutes and portable theraputic oxygen unit with surgical mask good for 30 minutes for on-board medical emergencies. Crew oxygen with quick access masks is good for 7½ hours.

5. The Department of National Defence purchased 2 Dash-7 in January, 1979 for $8.573 million, each.

6. No. The Government only procures aircraft when there is a clearly defined need for them.

AMOUNT OWED GOVERNMENT BY FOREIGN NATIONS

Question No. 4,300—**Mr. Patterson:**

What amount is owing to the Government by foreign nations and which, if any, of the loans are forgivable?

Mr. David Smith (Parliamentary Secretary to President of the Privy Council): In so far as the Canadian International Development Agency is concerned: The total amount owing to the Government by foreign countries as of December 31, 1981 is $2,313,170,151.68. All the loan agreements with foreign countries include repayment clauses.

In so far as Export Development Corporation is concerned: EDC makes loans to foreign customers to finance export sales of goods and services by Canadian exporters. Such loans may be made to sovereign and commercial borrowers. As of December 31, 1981, the amount of loans receivable due to EDC from borrowers abroad, net of participation by other lenders, was Can. $3.66 billion. None of those loans are forgivable.

In so far as the Department of Finance is concerned: The Department of Finance is responsible for government loans to foreign nations totalling $792,572,283 as of March 31, 1981. These loans are recorded in detail on page 6-28 of Volume I of the Public Accounts of Canada 1980-81. It is not the Government's policy to forgive loans to foreign nations, though from time to time it has renegotiated their terms.

IMPLEMENTATION OF RECOMMENDATIONS OF MARIN COMMISSION

Question No. 4,309—**Mr. Robinson (Burnaby):**

Since the Report of the Commission of Inquiry Relating to Public Complaints, Internal Discipline and Grievance Procedures Within the RCMP, otherwise known as the Marin Commission, was published in 1976 (a) how many and which of its recommendations were accepted by the Government (b) of the recommendations accepted, how many were implemented (c) on what date will the other acceptable recommendations be implemented (d) how many recommendations were rejected and for what reasons?

Hon. Bob Kaplan (Solicitor General): (a) All but 14 recommendations have been accepted. Thirty-seven were accepted without reservations and 84 were accepted with modifications.

(b) Eighty-five of the 121 recommendations accepted have been implemented through policy.

(c) The remaining acceptable recommendations will be implemented following enactment of Bill C-69.

(d) Fourteen recommendations were rejected:

COMP 24	Implementation would result in duplicate investigations and an unnecessary inconvenience to witnesses.
COMP 25	Judged to be impractical.
DIS 3	The familiar expressions of counselling, cautionings and warnings are to be retained.
DIS 7(1)	Judged to lack significant meaning and application.
DIS 9, 10, 11	Considered inappropriate in personnel administration.
DIS 13	Members will be required to answer questions relating to the matter under investigation if the member is alleged to have contravened the Code of Conduct. Answers given will not be admissible in any criminal proceeding or disciplinary hearing except to prove a false statement.
DIS 23	Not applicable—tribunal is one officer.
GRIEV 2	Considered inappropriate in personnel administration.
GRIEV 7	Redundant—by reason of provision in GRIEV 4, which has been implemented through policy and is proposed for Bill C-69. Sub-Section 31(5).
GRIEV 10	If a grievor chooses another member for assistance, then no cost attaches. If he chooses counsel, then it will be at his cost.
GRIEV 18	Division Staff Relations Representatives (DSRR) are elected by the membership of the Force, and the presence of the DSRR on all Boards will ensure that the interests of the grievor are always protected.
GRIEV 30	The present DSRR system is felt by the RCMP to be a suitable vehicle for bringing collective concerns to the attention of the Commissioner.

GAME "EXPLORATIONS"

Question No. 4,520—**Mr. Fennell:**

1. How many copies of the game "Explorations", marketed by Southam Printing Co. and available from the Office of the Commissioner of Official Languages, have been distributed by the Commissioner?

2. What is the total distribution?

3. How long has the game been available?

4. What is the total cost?

Mr. David Smith (Parliamentary Secretary to President of the Privy Council): The Commissioner of Official Languages reports directly to Parliament and not through a Minister. Questions can be made directly to him.

[*English*]

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

Some Hon. Members: Agreed.

* * *

MOTIONS FOR PAPERS

Mr. David Smith (Parliamentary Secretary to President of the Privy Council): Madam Speaker, would you be so kind as to call notices of motions for the production of papers No. 107 standing in the name of the Hon. Member for Vegreville (Mr. Mazankowski) and No. 112 in the name of the Hon. Member for Prince Edward-Hastings (Mr. Ellis).

[*Text*]

CANADIAN DAIRY COMMISSION REPORT "IMPROVEMENT IN THE SPREADABILITY OF BUTTER"

Motion No. 107—**Mr. Mazankowski:**

That an humble Address be presented to His Excellency praying that we will cause to be laid before this House a copy of the Canadian Dairy Commission report called "Improvement in the spreadability of butter" by Dr. A. Boudreau.

[*Translation*]

Mr. Marcel Dionne (Parliamentary Secretary to Minister of Agriculture): Madam Speaker, the answer to Motion No. 107 is as follows: The study concerned, which was started in February 1982, will not be completed until February 1984. The report will be available after that date. I therefore ask the Hon. Member to withdraw his motion.

Mr. Mazankowski: I ask that the motion be transferred for debate.

Madam Speaker: Transferred for debate.

[*English*]

Mr. Paproski: Transfer for debate.

Madam Speaker: Transferred for debate.

[*Text*]

PUBLICATIONS RESULTING FROM GRANTS GIVEN TO MR. BILL BISSETT

Motion No. 112—**Mr. Ellis:**

That an humble Address be presented to His Excellency praying that he will cause to be laid before this House copies of any publications or items published as a result of grants given by the Canada Council to Mr. Bill Bissett.

[*English*]

Mr. Jack Burghardt (Parliamentary Secretary to Minister of Communications): Madam Speaker, the publications of items published as a result of grants given by the Canada Council to Mr. Bill Bissett are listed in the reply to question No. 4,420 answered on October 28, 1982. These publications

are available to the public through publishers and bookstores. I would, therefore, ask the Hon. Member to withdraw his motion.

Mr. Ellis: Transfer for debate.

Madam Speaker: Transferred for debate.

Mr. Smith: Madam Speaker, I ask that the other notices of motions for the production of papers be allowed to stand.

Madam Speaker: Shall the remaining notices of motions for the production of papers be allowed to stand?

Some Hon. Members: Agreed.

GOVERNMENT ORDERS

[*English*]

WEST COAST PORTS OPERATIONS ACT, 1982

MEASURE PROVIDING FOR RESUMPTION OF LONGSHORING SERVICES AT WEST COAST PORTS

Hon. Chas. L. Caccia (Minister of Labour) moved that Bill C-137, to provide for the resumption and continuation of longshoring and related operations at ports on the west coast of Canada, be read the second time and referred to a Committee of the Whole House.

He said: Madam Speaker, in entering this debate I would like to say first that the role of Minister of Labour is one which holds many challenges and rewards in a country as economically and geographically diverse as Canada. On this particular occasion, I am faced with a situation which evokes mixed feelings on my part. On the one hand, I regret the necessity of having to introduce legislation to restore longshoring operations at Canada's west coast ports. On the other hand, I accept my responsibility to bring about a conclusion to a work stoppage which has brought the export of western grain to a virtual standstill and has caused hardship to the business community and its employees dependent upon water transportation for shipment of their goods and resources. It is a situation in which the parties to the dispute are able to inflict more damage on others than on themselves.

As well as conferring rights upon the parties to bargain collectively and arrive at acceptable terms and conditions of employment for the employees, the industrial relations framework, set out under Part V of the Canada Labour Code, clearly places the responsibility for resolving any labour-management disputes on the parties themselves. Unfortunately, there are occasions where the Government, as custodian of the economic and public interests of Canadians, must assume the responsibility entrusted to it and act in a firm and responsible manner to ensure that the interests of all those parties affected by a particular work stoppage are protected.

The contract negotiations to which this particular piece of legislation apply concern the renewal of a collective agreement involving the British Columbia Maritime Employers Association and the International Longshoremen's & Warehousemen's Union, Canadian Area, which expired on December 31, 1981.

The notice of dispute was filed by the union, representing some 4,000 regular and casual longshoremen in ports on the Canadian west coast, on January 7, 1982. Prior to this, the parties had been meeting in direct negotiations over a three-month period without reaching agreement on a new contract. A conciliation officer was appointed on January 19 of this year but was unable to assist the parties in resolving their outstanding differences. Following receipt of the report of the conciliation officer, I subsequently appointed Mr. H. Allan Hope, Q.C., of Prince George, British Columbia as Conciliation Commissioner in the dispute on March 3, 1982.

Following his appointment, Mr. Hope arranged conciliation meetings with the parties towards the latter part of March. In the course of these meetings, the Conciliation Commissioner convinced the parties of the merits of returning to direct negotiations, and in this regard the parties met in direct bargaining several times during the month of April and the first half of the month of May. Mr. Hope again entered the talks on May 20 and held a series of meetings with the parties throughout the month of June. Again, at the Conciliation Commissioner's urging, the parties returned to the process of direct bargaining on several occasions during July. With negotiations deadlocked and no prospect for a settlement in the dispute, the Commissioner filed his final report with me and it was subsequently released to the parties on August 13, 1982.

In his report, Mr. Hope made recommendations dealing not only with wage increases but also several contentious issues, such as container handling, shift differential premiums, training of casual longshoremen and the employer's right to institute continuous operations. The Conciliation Commissioner recommended a three-year agreement with wage increases of 12.4 per cent in the first year, 10.6 per cent in year two and a wage reopener in the third year of the contract. The current hourly base wage rate for west coast longshoremen is $12.55.

• (1520)

In the area of container handling, Mr. Hope recommended that there be a one-year moratorium on the application of the container handling provision in the collective agreement with an automatic reinstatement of the provision at the end of that time.

The Maritime Employers Association has maintained that the container handling clause, which provides the union with jurisdiction over the staffing and destaffing of consolidated cargo containers which are destined or come from any point within the Vancouver local area or the Prince Rupert port area, placed the Canadian ports at a competitive disadvantage with other major ports such as Seattle.

The employer felt that the removal of the limitations provided within the clause would sharply increase the amount

of traffic and the amount of skilled work available to the union. From its point of view, the union has viewed the employers' claim with skepticism and is concerned that if the forecast of increased traffic predicted by the Employers Association is wrong, the union will then have surrendered jurisdiction over a substantial part of its present work with no hope of retrieving it.

Conciliation Commissioner Hope proposed recommendations to deal with the problems experienced in adequately manning the Monday to Friday day shifts in the port. In an attempt to make the day shift more attractive for the longshoremen, Mr. Hope recommended a reduction in shift differential premiums for both the night and graveyard shifts. The report recommended a reduction in the night shift differential from time and a half the base rate to time and a quarter the base rate over the first two years of the new agreement. The report also suggested that the graveyard shift premium be reduced from two times the base rate to one and three-quarters times the base rate over the same two-year period.

As an additional measure to deal with the problem of insufficient manpower during the regular weekday shift, the Conciliation Commissioner recommended that the employer have an unfettered right to train casual employees in all categories in numbers sufficient to meet the many needs of the ports as assessed by the employer. After carefully weighing the requirements and concerns of both parties on the issue, the Conciliation Commissioner recommended that a provision be incorporated in the collective agreement permitting the employers, through their association or an individual basis, to institute continuous operations after full consultation with the union and the institution of rules that would protect against the potential abuse of inadequate relief for the employees. The recommendation also provides that the parties would have the right to submit any dispute in this area to arbitration under the existing provisions of the collective agreement. In addition to increases in the skill differential premiums, the report also called for increases in the employers' contributions to the pension, welfare and supplementary unemployment benefit plans.

The Employers Association indicated a willingness to accept the report of Mr. Hope as terms of settlement for the contract dispute but the union rejected the total report as an unacceptable package, indicating some willingness to negotiate further on those items where it was not prepared to accept the recommendations put forward by the Conciliation Commissioner.

The parties acquired legal rights to strike or lockout on August 21, 1982. Over the next six weeks, the parties met several times in direct negotiations with little in the way of progress being made toward the final settlement of the dispute. The union held a series of one-day port closures to inform their members as to the progress of negotiations. In addition, it instituted what it termed a work monitoring program which effectively slowed the loading of ships to the point where several major shipping consortia began diverting their vessels to the Port of Seattle.

On October 18, the Employers Association advised the union that unless the work slowdown was brought to a conclusion, it would stop the dispatch of labour to all terminals except for grain, effective at twelve noon on October 19. On the following day, when the union did not meet the employer's demand, the employer instituted a lockout at all west coast ports with the exception of the grain operations. However, the union then refused to allow its men to report to the grain loading operations, thereby closing down all longshoring operations on the west coast.

On October 25 I sent the following telegram to the Presidents of the Employers Association and the union:

> Once again all commerce through West Coast ports has been halted as a result of a labour dispute between the BCMEA and the ILWU. The history of labour relations between your organizations over the last thirteen years and resultant work stoppages is a dismal record to those who advocate and defend free collective bargaining. The BCMEA and the ILWU have always expressed a distaste for government intervention yet seem incapable of resolving their disputes without such intervention. The record indicates that not once in the past thirteen years, except during the A.I.B. regime, have you been able to arrive at a collective agreement short of intervention of high-level mediation from Ottawa or Parliament itself. The punishment inflicted on other Canadians and the economy generally is a matter of urgent concern in the best of times but in today's grave economic circumstances such action is intolerable. Grain export, an economic life-line of this country, is strangled and already massive layoffs of railway workers has taken place. I am a firm believer in collective bargaining and rights established by the Canada Labour Code. However, I feel compelled to say that such rights do not establish our West Coast ports, which belong to all Canadians, as the private poaching ground of any employer's Association or union. You have exhausted, as usual, conciliation provisions of the Canada Labour Code and now with all shipping from and to the West Coast halted apparently remain aloof not talking to each other. I strongly advise you to immediately resume negotiations. Failing an early settlement of this dispute the government will accept its responsibility repugnant though it might be to bring about resumption of vital shipping operations.

That is the end of the telex, Mr. Speaker.

Following receipt of the telegram, the parties did initiate direct negotiations on October 27. Despite these efforts on the part of the two sides, Mr. Speaker, negotiations have once again failed to result in a settlement of the differences between the parties, and I therefore stand before you today to introduce this legislation which translates this strongly worded message in my telegram into action.

Again, I must reiterate that, as Minister of Labour, I do not relish the idea of interference of this nature in the bargaining process, but I have only to weigh the economic and social consequences of this cessation of longshoring activity on the west coast to justify the action taken here today.

• (1530)

An official of the Port of Vancouver indicated that as of October 28 70 ships were waiting at British Columbia ports for loading or unloading purposes. Over 2,000 workers in other industries which rely on port operations have been laid off. CN and CP Rail, with a normal schedule of some 36 trains a day into the B.C. docks, have laid off over 1,800 workers between them. Grain companies which handle a million metric tons of export grain a month are also facing the prospect of laying off upwards of 300 workers. Mining and lumber companies, already facing depressed markets because of the current

economic situation, are talking of even further lay-offs and shutdowns.

Perhaps the most important consequence, however, is the long-term damage being done to the reputation of Canada's west coast ports and the ability of Canada as a major world trading partner to meet its export commitments. As I indicated earlier, prior to the lockout of union members by the Employers' Association, twelve major shipping consortia had already begun to divert general cargo carriers to the Port of Seattle, Vancouver's major competitor for Pacific container traffic.

I do not think any Hon. Member will deny that a critical and urgent situation exists in western Canada as a direct result of this cessation of longshoring operations in the west coast ports. Damage to the economy of Canada is readily evident and will mount at an increasing rate the longer the ports are closed.

The Bill before Hon. Members today, namely the West Coast Ports Operations Act, 1982, orders the immediate resumption of longshoring and related operations in the west coast ports and further provides that, if a settlement is not achieved through direct negotiations between the parties, the employees covered by the bargaining relationship will be brought under the provisions of the Public Sector Compensation Restraint Act. I emphasize that the first order of business contained in this legislation is to bring about an immediate resumption of the vital shipping operations on Canada's west coast, and this will come about upon the coming into force of this piece of legislation. The inclusion of the west coast longshoremen under the Public Sector Compensation Restraint Act is to come about on a day to be fixed by proclamation, and as I have suggested, the Government is prepared to allow the parties one final opportunity, over the next five days, to exhibit the faith which they place in the free collective bargaining process and in doing so remove the need for the Government to proclaim Section 4 of this particular Bill.

I am sure that there are some Hon. Members of this House who would consider this piece of legislation currently before them as a Draconian measure. However, I suggest to those Hon. Members who possess such sentiments that neither they nor the parties to the dispute should be surprised by the action now being taken by the Government. It is not without warning.

In his report, the Conciliation Commissioner made the following observation:

> I consider that the existence of high unemployment and low national productivity has generated a public mood that would find a disruption of our ports intolerable. I consider it likely that national policy would reflect that mood and that intervention would be swift in any dispute that tied up the waterfront.

Mr. Hope further warned the parties:

> I pointed out in particular that national policy now anticipates a diminished expectation in wage negotiations with guidelines recommending increases limited to six per cent and five per cent over the next two years.
>
> I have recommended wage increases that exceed those guidelines. I made those recommendations in response to the move by the Employers to achieve significant concessions from the Union in terms of working conditions and job jurisdiction. I speak particularly of the training of casual employees, the expansion of container traffic, the introduction of continuous operations, the control of regular work force rotation and telephone dispatch. The Union has made considerable concessions in those areas but only in the expectation of acceptance of its wage package and the introduction of a day shift premium. I consider it essential that those concessions be recognized in my recommendation as to wages. The Union proposal is beyond reasonable expectations in the current climate but significant recognition must be given to what the Union is being asked to accept in other aspects of the Agreement.
>
> In addressing the issue of intervention I emphasized the possibility, if not the probability, that the guidelines would be imposed to the detriment of the self-interest of both parties. In the application of the guidelines one would anticipate maintenance of the status quo on all issues except wages with wages limited to six per cent and five per cent for the guideline period.
>
> I repeat, I did not purport to speak on behalf of the Government, simply to point out the obvious, that the restraint program of six per cent and five per cent with no change in other terms and conditions was a possible result of any imposed settlement. My purpose was to urge the parties to continue to negotiate a settlement within the industrial relations milieu as the surest means of achieving their goals in some form of acceptable compromise.

This government has faced up to its responsibility by introducing this legislation which will bring about an immediate resumption of longshoring activities in Canada's west coast ports. The parties now have until midnight, November 8, again to reflect on the wisdom of the Commissioner's report and demonstrate, through action rather than rhetoric, that collective bargaining does work and, if left to their own devices, they can reach a collective agreement.

In closing, I ask Hon. Members for an early and speedy passage of the legislation, to bring about resumption of shipping operations and prod the parties to get on with the negotiation of a new collective agreement.

Hon. David Crombie (Rosedale): Mr. Speaker, despite the long and very detailed presentation of the Minister with respect to the background to this Bill, it might be useful if I pointed out at the outset that the Bill is a fairly simple one in terms of what it intends this House to do.

I think the two important principles involved are easily understood. The first principle or issue concerns whether or not the Government should intervene to restore confidence on the west coast. That is the first issue, the first question.

Since Parliament opened a week ago, our party has been pleading with the Government to bring in a bill to do just that. Make no mistake about it, Mr. Speaker; getting the work going again on the west coast is of fundamental importance to the whole of the country, not merely the west coast. It impacts on farmers, railways workers, on the whole of the general economy. Indeed, it seems to us that this should have been done long before today, so we support this Bill in relation to ending the work stoppage and getting the port back to work by the end of today.

• (1540)

Some Hon. Members: Hear, hear!

Mr. Crombie: Mr. Speaker, there is a second issue. The first is whether or not the Government should intervene. We want the Government to intervene. The second is the method and mode, the way in which the Government has chosen to intervene. That we have some considerable quarrel with.

First of all, I think it is fair for me to say that we find the Government's method of intervention both weak on the one hand and dangerous on the other. I want to explain both of those words because I think they are worth listening to. First of all, this legislation will do absolutely nothing to deal with the fundamental problems which have been festering on the west coast now for 13 years. The Minister himself felt it necessary to articulate all the problems because after 13 years the Government has not been able to solve any of them. The Minister went through the whole Commission report, but it is worth pointing out, Mr. Speaker, that the specific issues which have to be faced are not going to be solved by this legislation. The Government has not created an environment by which those very specific matters can be dealt with.

We had the problems in 1969-70. We had them later on in the mid-1970s, 1975, problems such as premium shift differentials, training of casual workers, destuffing container clauses. Those things are fundamental to a long-term solution not only to the west coast situation, but indeed the whole western Canadian economy. And the Government, be it noted, after 13 years is still simply articulating the problems. That is why it is weak. This intervention will not solve any of those long-standing problems.

What is also dangerous, Mr. Speaker, is the specific way in which the Government chooses to intervene. This is not the first time in the history of this country that the federal Government has had to intervene to bring about industrial peace because a dispute affected the general economy of the country. Because the Bill was just brought in last night, I had only a short time to look at some of the debates in the past 30 years, in 1950 and in 1960, throughout the whole period since World War II, where the Government has on a number of occasions had to intervene to bring about industrial peace. If you look at those debates, they involve expressions of opinion from the then CCF Party, the Liberal Party and the Conservative Party, some Members of which represented a variety of interests and walks of life. They agreed on two things when it came to federal Government intervention. First of all, I was proud to read from all sides of the House in those old debates that people were interested, while they were intervening, in protecting the rights of all people involved in the dispute. There was a lot of articulation about the rights of people. I have not heard anything about the rights of people so far today from the Government.

Secondly, there was direct Government intervention to get the work going again, but then they appointed arbitrators. They adopted the principle of arbitration. There were two reasons for that, Mr. Speaker. First of all, it allows an opportunity for some of the specific problems to be dealt with. Secondly, it disallows the politicization of the process. This Government is now going to intervene directly in terms of a solution, in terms of all of those matters, and is going to politicize the process.

The mechanism the Government is going to use, Mr. Speaker, is the Public Sector Compensation Restraint Act. That Act was not meant for this purpose. That Act was meant for the Public Service. It was meant to be used for the purpose of financial restraint. It was not to be an instrument by which the Government now directly controls the traditional rights of the private sector, both workers and management.

Some Hon. Members: Hear, hear!

Mr. Crombie: That is why it is dangerous. Make no mistake about that danger.

I think I have to make a plea to the Minister because I am going to be moving an amendment and I want him to consider that amendment in a moment. Sometimes, Mr. Speaker, in the heat of the needs of the time, when we have to do something unusual, whether in time of war or apprehended insurrections or in times of economic and social stress when the Government has to act, in the rush to act great harm can be done and people's rights and freedoms can be trampled on. Losing rights is easy to do. Gaining rights and keeping rights is very, very difficult.

The reason that using this Act is dangerous is that we have nothing less than the unilateral imposition of the Government's will on individuals and groups. If the Government, Mr. Speaker, can impose unilaterally and by direct action its will on individuals and groups such as the workers in this industry, why not workers in any industry? Indeed, if it can do it in this industry and to workers in any industry, why just workers? What holds the Government back? What holds this Parliament back from unilaterally imposing its will on individuals and groups?

That is why, Mr. Speaker, the tradition we have respected in this country has been the tradition of arbitration. It allows third party intervention and allows for some opportunity to deal with the root problems. More importantly, it does not politicize the process. That is why, Mr. Speaker, I am going to be proposing a series of amendments in committee, and I am going to be proposing that we adopt those amendments so that we can begin the arbitration process.

Make no mistake, Mr. Speaker, our position is this: we must support the Bill in order to get commerce moving on the west coast today. Secondly, we want the process of arbitration to begin so that the final solution and settlement between the parties will be determined by the traditions of this country and not by the unilateral imposition by this Government of its will on rights and freedoms which the traditions of this country have always upheld.

Mr. Sid Parker (Kootenay East-Revelstoke): Mr. Speaker, I am pleased to take part in this debate this afternoon. I would like to first of all comment on the Minister's remarks with regard to what has taken place and the necessity for this legislation. I want to reaffirm to the Minister of Labour (Mr. Caccia) that we pinpointed this very, very serious flaw that the Government was following with the introduction of Bill C-124, and the process of the Canada Labour Code and his involvement. We tried to have him appear before the committee to discuss those very serious problems, but we were unable to do so.

Now, this is a prime example of what has happened with regard to labour relations in Canada. And then he stands in this House and has the gall to tell us that he believes in free collective bargaining. I want to ask the Minister of Labour, why in goodness name did it take from January until November for the Government to come forward with some constructive proposals with regard to this dispute? Where, may I ask the Minister of Labour, was the process of mediation? Mediation did not play any part in this dispute solely because the employer decided it was to his advantage to sit back and wait. This was at the expense of the farmers, business people, railway workers and others in western Canada. The port employers decided to lock out the workers. It is important that we identify the fact that those workers were not on strike but were locked out by their employer.

• (1550)

It is unfortunate that we did not go through the mediation process whereby the port management would have called for a mediation officer and the workers would have called for a mediation officer. Those discussions and negotiations would have carried on without any interruption until such time as the mediation officer helped to resolve that dispute. I criticize the Government very strongly on the attitude it has displayed here.

There is another area of very deep concern. I want the western farmers, the railway workers and those in the port areas to recognize that, while this dispute is going on, the port at Roberts Bank with its coal facilities is carrying on uninterrupted. There is a long-term agreement whereby the workers, port management and railways work together to facilitate the movement of commodities.

There have been years of confrontation with the federal Government. There has not been a strong feeling of understanding between the workers, grain growers and railway workers. There should be a proposal that management and labour come forward with programs protecting the rights of everyone. Our ports could carry on in a strong and efficient manner in co-operation with everyone concerned.

It is sad today that the Government has chosen to bring in legislation that will send the workers back to work. We agree the port facilities must be opened and work must resume. However, we all recognize the need to protect the rights of all those concerned rather than bring in this kind of legislation. This legislation does not deal specifically with the dispute. What it does is order the workers and management to reopen the port under their existing agreement. If an agreement is not reached by Monday next, the Government will arbitrarily bring in the provisions of Bill C-124, the six and five program. If the workers do not co-operate and carry out their duties in a responsible way, they will be subjected to jail sentences. We in this House of Commons have a responsibility to see that everyone is treated in a fair and equitable manner. The farmers of western Canada do not want to see the workers legislated back to work.

I want to talk for one moment about 50 railroaders in Revelstoke, B.C. who were ordered back to work because of a slowdown. This legislation will respond to the question of a slowdown. A slowdown will be considered an illegal strike. Who will determine whether there is a slowdown if products do not move in a smooth and efficient way? The company will call upon the Government and the Government will appoint a judge to hear both sides. This is what happened in the dispute at Revelstoke where 50 railroaders were find $500 and ordered back.

If we believe in free collective bargaining and co-operation, especially during these tough economic times, and in moving our commodities in a swift and efficient way, we must work together, not in a spirit of confrontation but co-operation. We should discuss bringing forward not just short-term but long-term proposals to protect the interests of everyone.

In his remarks the Conservative Member advocated arbitrary compulsion. That is what he suggested. The Government should look at a more positive way of dealing with the situation. The problems in the Great Lakes dispute were resolved through the normal negotiating process and productivity increased by 15 per cent. That should be a lesson to show us that there is a way. The workers on the west coast are just as concerned about the movement of goods and productivity.

We have a serious problem. The Labour Code is not serving us because of legislation being brought in by this Government. The Minister referred to his telegram of October 25. This was sent while negotiations were taking place. The Minister of Labour knows full well that when negotiations are taking place it is a very vital time and he knows the importance of the two sides dealing in good faith. I want to quote a portion of his telegram because it shows the antagonism this Government has created:

> The history of labour relations between your organizations over the last 13 years and resultant work stoppages is a dismal record to those who advocate and defend free collective bargaining. The BCMEA and the ILWU have always expressed a distaste for government intervention yet seem incapable of resolving their disputes without such intervention. The record indicates that not once in the past 13 years, except during the AIB regime, have you been able to arrive at a collective agreement short of intervention of high-level mediation from Ottawa or Parliament itself.

Surely that is a message that the Minister of Labour has failed dismally in trying to bring about the positive approaches to the problems on the west coast. I urge the Minister to meet with representatives of all parties in this House so that we can dedicate our time and efforts, meeting with labour, management and the grain growers, in an attempt to resolve this very serious problem so that people can live decently. This legislation will seriously set back labour relations on the west coast. Government, the grain growers and everyone else concerned should get together to deal with this problem in a responsible and orderly manner.

I wish to point out another area where the Conservatives were also brave. They are pretty brave when it comes to threatening other governments with grain produced by our farmers. When they were in Government, the first thing they did was bring in their grain embargo on the wheat we produced. Their External Affairs critic now wants to do the same

thing. I notice there is no talk of embargoing anything produced by their pals in big business. Perhaps the saddest thing is to see how easily the members of the Liberal and Conservative Parties are willing to give up basic human rights and basic rights of workers. I know we are in difficult economic times, but the vicious attack on workers by the Liberals and Conservatives are destroying rights it took 100 years to build.

• (1600)

The saddest fact is that even in simple economic terms, these kinds of actions were unnecessary and just plain stupid. What does the Government think is going to happen if it legislates those workers back with a bad contract? What do you think those workers will do when they see the companies making giant profits and they know none is being passed on to them?

The Leader of the Conservative Party (Mr. Clark) was so anxious to see the workers legislated back that he stood up in this House and unequivocally stated: "Get the bill on and we will pass it through in a hurry without even seeing the legislation". That is the kind of concern the Conservative Party has for the working people and grain growers of Canada.

The Prime Minister (Mr. Trudeau) spent three nights on national television whining about how everybody was responsible for our problems and talked a lot about productivity. I can show him an example of productivity, Mr. Speaker. Last year there was a two-week labour dispute in the grain facilities in Thunder Bay. The two sides in that labour dispute settled their differences. They were permitted to do so without the Government stepping in on the side of the employers. There was, of course, some loss of shipping because of the dispute. At the end of the seventh week of the shipping season last year, only about 24,000 cars had been unloaded in Thunder Bay, compared to about 44,000 the year before. This is a lot of grain. But by the end of the 20th week the 20-car unloading shortfall had been made up. By the end of the year the port had moved 17.1 million tonnes as compared to 15.0 million tonnes the year before. That shows that with co-operation between labour and management, they can and will do the job, and will meet the needs of all of us across Canada.

My party, Mr. Speaker, is opposing this legislation not because we do not want the grain to move at the docks; we oppose it because it is stupid legislation that in the long run will only make sure that labour relations on the west coast docks continue to fester. We oppose it because it is another patchwork solution to a problem that requires a long-term solution. Most of all, we oppose it because it is another vicious attack on working Canadians by people who cannot understand there is a difference between power and leadership.

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

Some Hon. Members: No, no.

The Acting Speaker (Mr. Blaker): Is the Hon. Member for Churchill (Mr. Murphy) rising to contribute to the debate?

Some Hon. Members: Filibuster.

Mr. Rod Murphy (Churchill): Yes, I am, Mr. Speaker. I find it very interesting that the bill was introduced less than an hour ago, I am the second speaker for our party, and we hear from Hon. Members to my right that this is a filibuster. We have before us a House order saying that this Bill will be passed before we adjourn. For them to now say that we cannot speak shows what they think of democracy in this country. Yesterday in this House the Leader of that party got up and said: "We'll pass the legislation. We don't have to see the legislation; we will pass it today. We don't care what the Government presents, we will pass it."

It appears, Mr. Speaker, that one of the Members of the Conservative Party does not believe that is what the Hon. Leader said. Perhaps he was one of those 24 Conservatives who were not in the House the night before, and he was not here yesterday as well. I quote the Right Hon. Leader of the Opposition (Mr. Clark), who said as reported at page 20280 of *Hansard*:

> We on this side of the House would be prepared to deal today with legislation brought in today, and to deal with it in all stages.

This is important legislation. As somebody who represents Churchill with its port facilities, as somebody who comes from a Province which depends very much on the economic contribution of agricultural regions, I recognize the importance of this legislation. But I do not want to see this House railroaded by either the Government or the Official Opposition into passing legislation that is a mistake. The previous speaker, our labour critic, pointed out the very real danger that exists if we pass this legislation now. He pointed out we are creating trouble for ourselves and for people who will depend upon the grain handling facilities in this country in the future.

This Government, through a bill which is supposed to be introducing back-to-work legislation, is sneaking in its six and five régime. We are not asked just to order people back to work; we are being asked to again approve an extension of the Government's six and five program.

Normally, what happens in a dispute of this nature is that the Government will look at the conciliator's Report and will use it as the basis of any imposed settlement. It may not take the exact pay scale or the exact items that are listed in that report, but will use it as the basis of any imposed settlement because the conciliator was there to hear from both sides, to study the economic situation of the company, the situation of the workers and the comparable contracts of people working in similar jobs. So that a conciliation report, at least in some respects, is a realistic report. It is a report which may not be liked by either party, but it is probably much closer to what is really needed to ensure that we have peace in the future.

The Government, through its dogmatic insistence on imposing the six and five regime, is asking for trouble in the future, not only in terms of grain handling, but with respect to workers doing similar work in other parts of Canada.

• (1610)

There is another aspect to this legislation, this sneaking in of the six and five, which must be considered. That is that every

employer or group of employers subject to federal legislation, now know that if they can stall negotiations, if they can refuse to come to an agreement with their workers and there is public outcry as a result, the Government will step in and impose a six and five solution. What in God's name is going to make employers in this country come to a reasonable agreement in negotiations? The Government has now told them, through this legislation, that they do not have to negotiate as it will impose six and five. That means the whole collective bargaining process is being destroyed.

Last June, July and August we sat in this House and were told by the Government that six and five was only going to be enforced against employees in the Public Service, employees of Crown corporations, employees of CP and other rail lines. Now there is legislation before us imposing six and five on the longshoremen. Who is next?

I do not trust the Government. This Party will not give a blank cheque to the Government. Unlike the action of the Leader of the Official Opposition yesterday, this Party will not give the Government a blank cheque. That Party calls itself the Opposition Party but its members act like members of the Supreme Soviet.

Some Hon. Members: Oh, oh!

Mr. Murphy: The actions of the Polish Government toward the Solidarity union are much better than the actions of the Conservative Party in its dogmatic subservience to the Liberal Government.

An Hon. Member: Tell that to the farmers.

Mr. Murphy: As I mentioned earlier, I represent a western rural riding. I am very concerned about the movement of grain in this country and what we do to make sure of increased grain shipments. That is why, as the Member for Churchill, I have often talked about increasing the export of grain through that Port, unlike the Hon. Member for Lisgar (Mr. Murta) who has called the Port of Churchill a luxury that we cannot afford, and unlike the Hon. Member for North Vancouver-Burnaby (Mr. Cook) who has said we should close the Port of Churchill. I understand, and western Members in this Party and in the Conservative Party understand, that the amount of grain shipped through all ports must be increased. I am concerned about the shipment of grain. I am concerned that what the Government has done and is doing today is not going to help that process.

What should happen is what Members of this Party asked for last week when it became obvious that the two parties in this dispute could not come to an agreement. At that time we should have sent a senior officer of the Department of Labour—or even the Minister if he felt competent—to meet with management and labour and to sit with them until they came to an agreement acceptable to both parties. That is the role of the Department of Labour; it is not the role of the Department of Labour to hide when there is conflict.

This whole issue raises some questions, Mr. Speaker. It raises the question of the competence of the Minister of Labour (Mr. Caccia). It also raises the question of whether the employers knew or expected the Government to impose the six and five regime, and for that reason did not want a settlement of the dispute and therefore locked out the workers. It also raises the question of how the Government can expect trust and co-operation from longshoremen and other union members, not only for the six and five regime but in increasing the productivity of all sectors of the economy.

In his three-part soap opera of a couple of weeks ago the Prime Minister (Mr. Trudeau) said we should be ready when the economic upturn finally comes. But that readiness is going to depend on the co-operation of management, farm groups and labour. I would say that the action the Government has taken today not only in ordering people back to work but in sneaking in the six and five régime as part of the imposed package will only ensure that there is no trust in the Government by the various sectors of the economy.

Despite the trust the Conservatives have for the Liberals, other sectors of the country do not trust the Government. Until that trust exists, whether as a result of another election or whether the Government can improve its image now and show that it is concerned about the plight of ordinary Canadians, then legislation of this sort is only going to create more and more division in the country.

In its attempt to pit farmer against worker, worker against farmer, port handler against grain handler and so on, legislation of this kind is going to destroy any unity or any spirit of willingness to solve the problems we face. That is why we cannot support the legislation. In the past this Party, with great reluctance, has supported back-to-work legislation. We did so with reluctance but we cannot do it today.

In the past, much to the chagrin of some people, the Conservative Party has voted against putting grain handlers back to work. I wonder why that was? I suspect that in 1974 they thought the salary increase was too much and would hurt the employers. We did not hear any speeches from Conservative Members at that time about the plight of the farmers. These great defenders of the western plains did not shout that the workers must be ordered back to work. They voted against it because they were after the workers, not the employers. They forgot all about the plight of the ordinary farmer.

It is with some regret that we cannot support the legislation before us. I do not like supporting back-to-work legislation. In this case we certainly could not support it because it is going to destroy the Canadian economy and the willingness of Canadians to work together.

What we have said ever since Parliament convened in April, 1980 is that we need real trust, real co-operation, if we are to make the country work, if we are to have Canadians working together and if we are to avoid the divisive forces that the Liberals and Conservatives are creating.

• (1620)

Mr. Chuck Cook (North Vancouver-Burnaby): Mr. Speaker, I represent a British Columbia riding in which one-third of the Port of Vancouver is located. I talk to a great many people in that port constantly. I am delighted to speak on behalf of my Party as a representative of British Columbia and someone who is most concerned with the particular dispute and labour injustice which is taking place.

Why is it that even when the Liberal Government does something right, it does it so wrong? That is exactly what this legislation is. Don Garcia, head of the longshoremen's union on the west coast, stated yesterday that he thought this piece of legislation was the worst since 1800. With the greatest respect, he is wrong; this legislation is probably the worst since the Roman empire. The Government's settlement as proposed could lead to wildcat strikes, slowdowns in productivity, and even possible civil disobedience on the docks of the ports of the west coast. As one labour official said yesterday, "Six and five per cent means six and five production." Free men should not be legislated into a straightjacket, which is what the legislation proposes.

The Hope report suggested a raise of $1.55 in the first year and 23 per cent over two years. The British Columbia Maritime Employers Association offered 18 per cent over two years. Now the Government proposes to legislate 11 per cent for these people over the same period of time. There is one fact which the Minister of Labour (Mr. Caccia) seems to have overlooked. Because of a potential settlement of the strike and retroactive pay back to the first of January, maritime employers have been building up a fund to meet that retroactive pay. It now amounts to between $4 million and $5 million. This legislation does not indicate what it will do to that fund whatsoever.

The bludgeon and blackmail in the Bill makes it the most disastrous labour legislation as far as the ports on the west coast are concerned. The docks must operate, but the Bill only preserves and enhances the lingering cancers of the west coast dock situation.

For 13 years—in 1969-1970, 1975 and 1979—we have had the same issues and problems and there have been no solutions from anywhere. Why? I think there are some answers for what can be done and must be done on the west coast.

On the one side we have the British Columbia Maritime Employers Association. It is comprised of 64 employer companies and was formed in 1966, and we have not had peace on the waterfront since. There are two basic groups involved. We have the shippers who can move away, and many of them have. Then we have the port users and terminal operators who cannot move away. Destuffing of container cargo has been a major issue on the west coast for many years. It does not affect bulk loaders at all, outside of the fact that they are shut down, which is one of the major issues in the dispute. The British Columbia Maritime Employers Association had better re-examine itself because built within it are dilemmas and conflicts of interest among the 64 companies in regard to the usage of the port. Westshore Terminals is not part of the British Columbia Association at all; it has its own contract. As a result it has a permanent work force. It has not had any strikes and is doing quite fine. It is not part of the management group which bargains on behalf of far too many users of the port with different interests.

Let us look at the union side of it—the International Longshoremen's & Warehousemen's Union. The contract is binding on locals 500, 502, 503, 505, 506 and 508 of the ILWU. It affects Vancouver, Prince Rupert, New Westminster and Vancouver Island. It affects only longshoremen. It does not include, I might add, ILWU foremen who will be bargaining very shortly. I hope the Minister of Labour keeps that in mind with this proposed settlement.

Also the Employers' Association must deal with the Canadian area, not the locals of the union. What does this mean? It means that any settlement must be approved by a 19 member executive, many of whom have different ideas and different desires about the settlement of the labour dispute. With that type of thing going on, is it any wonder that in 13 years we have not had labour peace on the west coast and that we have not had settlement of these long outstanding issues? An overwhelmingly large employer group with conflicts of interest and a union organization with an executive of 19 members must all be involved in any decisions made. This is one of the major problems.

How do we address it? Well, we get the destuffing clause, this business of breaking up the containers on the dock or stacking them there. Union representatives say that if they give that up it will reduce work on the docks. Management representatives say that the ports are losing business to Seattle as a result of it. I rather favour management's view on that because a typical example is that the Government of British Columbia brings in all its liquor supplies and spirits through the Port of Seattle. Why? It is $200,000 in terms of charges, but at least it does not walk off the docks. The Alberta Liquor Board brings in its stocks through Texas as a result of the difficulties on the waterfront in Vancouver. Department stores import something like 170,000 tonnes a year from the Far East. Approximately 60 per cent of it was going through Seattle three years ago; today 75 per cent is going through there. Western Assembly Ltd. of Vancouver has told me that the reason for this is again the question of breaking up containers on the docks.

I am not suggesting that the union is wrong or that management is right. I am asking why one or the other of them has not done marketing surveys to examine the exact facts. If it means more work on the docks as management claims, then the union should be glad to give it up. If it means less work, management has a different problem for which it must compensate in some other way. It is something that can be determined as a fact.

Turning to the questions of full crews and the training of casuals, the situation on the docks is that full crews for the day shift are not available on many occasions. Longshoremen would sooner work afternoons at time and a half or the midnight run at two times. I do not blame them; I would too. But

there must be more casuals or more people to fill those gaps so that the ports operate efficiently. Work scheduling, shift differentials, coffee breaks and money are other issues, but there are two unwieldy groups attempting to bargain with each other and not once in 13 years have they been able to do it.

The port must operate. I have to vote for the port to operate. It is a hemorrhage to all Canada, particularly the west coast. Clause 4 of the new Bill suggests 6 and 5 per cent. As one outstanding maritime operator on the west coast told me on the telephone this morning, "If the Government brings this in, it will lead to open warfare on the west coast". And it will.

The National Harbours Board has a great deal to answer for in this regard. There are three container cranes in Vancouver and 24 in the Puget Sound area and long decision time from Ottawa, sending cargos elsewhere on the west coast. We hope the new Canada Ports Act will give Vancouver a chance to compete and a chance to have a great many more jobs for longshoremen on the west coast. Is there a solution? Yes, there is one and it is quite simple. It is to allow collective bargaining to continue after the port is open.

• (1630)

An Hon. Member: Vote that way.

Mr. Cook: Let us have an industrial inquiry commission set up on the west coast. This should have been done years ago. This is absolutely necessary in order to determine the facts, to look at the management group, its bargaining tactics, whether it can really bargain properly in the best interests of the west coast and in its own best interests. As well, this type of commission should have a look at the union. Why should the Port of Vancouver not be dealing with Local 500 rather than the whole of the Canadian section of the union? Those are factual matters which an industrial inquiry commission could determine.

I say to this Liberal Government that we must have back-to-work legislation for the good of all Canada. We must have collective bargaining. We can have arbitration if absolutely necessary but we should have very definitely and as soon as possible an industrial inquiry commission set up with terms broad enough so that the facts can be brought out and we can have an end to 13 years of labour unrest in all of British Columbia's ports.

Mr. Les Benjamin (Regina West): Mr. Speaker, I listened with care to my colleagues, the Hon. Member for Rosedale (Mr. Crombie) and the Hon. Member for North Vancouver-Burnaby (Mr. Cook). I feel much as they do. I suspect that Members on all sides of the House feel similarly that this is a very difficult occasion and a very difficult thing for Members of Parliament to do. It is difficult for a government to legislate workers back to work. It always has been. Governments of every political stripe, both federally and provincially, have had to bring in this kind of legislation. It does not matter whether it is a Liberal, a Conservative, an NDP, a CCF, Social Credit, or whatever kind of government. A move such as this has always been done with restraint and forbearance in the hope that collective bargaining would succeed.

I want to point out to my colleagues on all sides of the House that since July, 1972, this is the twelfth occasion when we have been faced with back-to-work legislation. On five of those occasions, the legislation passed with all-party support. There were six times when my party supported back-to-work legislation and there were six times when we opposed back-to-work legislation, trying as best we could to judge each one of these instances on the basis of the merits and the demerits of the particular case.

There was an occasion, and I felt for them, when my good friends in the Official Opposition opposed back-to-work legislation while the Liberal Government and the New Democratic Party supported it. It was a tough time for the Conservatives. They had to agonize and struggle. I am referring to the grainhandlers' dispute in 1974.

Of these 12 occasions, this is the fifth time we have had to deal with longshoremen and the ports. That has to tell you something about the situation in our ports from coast to coast. We legislated the longshoremen back to work regarding the St. Lawrence ports dispute in 1972. We legislated the longshoremen and the grain handlers on the west coast back to work in 1972, once in July and again in August. We legislated the ports dispute in Quebec in April, 1975. We legislated the port of Halifax dispute in October, 1976. We legislated the resumption and continuation of shipping services on the Great Lakes and the St. Lawrence Seaway in 1978. Now we are dealing again with the longshoremen on the west coast.

As I recall the debates on other occasions when we dealt with ports disputes involving port employers and longshoremen, Members from all sides of the House repeatedly asked the Government—as my colleague, the Hon. Member for North Vancouver-Burnaby has just done—to set in process by whatever method an inquiry or a Royal commission to bring about a resolution to the problems that face us every time these contracts are up for renewal.

The Hon. Member for Rosedale and the Hon. Member for North Vancouver-Burnaby both made, I thought, good speeches and gave some good reasons for voting against the legislation. I appreciate this matter is not easy for them. They are going to vote for it. I understand that, because excellent arguments can be made on either side. Something that all Hon. Members in this place strive for, and I believe we succeed most if not all of the time is the achievement of sincerity, consistency and integrity.

The six and five proposal was fought tooth and nail by my colleagues and I. It caused Members of this House to sit extra time in the summer. We continue to oppose and fight the six and five kind of law. I believe even though my colleagues in the other parties disagreed with us, they at least respected us for the position we took. I believe also that we would be the worse off, either in my Party or any other, if we were to cease or deviate from the whole matter of consistency or integrity whether or not our constituents, the public, or for that matter the press, agree or disagree with us.

We also agreed that this debate should be expedited. It will serve no purpose to drag it out for days. It will not help the farmers, the railroaders or the small-businessmen. It will not help the workers directly affected because the law is retroactive. That is why we agreed to expedite this legislation.

I hope the Minister will have paid attention to what was said by the two speakers from the Official Opposition and my two colleagues and I when he is dealing with the Bill in Committee of the Whole. I hope the Minister will recognize what the Hon. Member for Rosedale talked about when he referred to hitting at the rights of individuals and groups and the unilateral imposition of something that is patently inequitable and unfair. I hope the Minister of Labour (Mr. Caccia) and his colleagues will recognize that and will make appropriate amendments or support appropriate amendments which may or may not come from this side of the House. Let me illustrate what is probably the most glaringly inequitable and unfair imposition.

The National Harbours Board approved and awarded to the Maritime Employers Association on the west coast a 14 per cent increase in their rates in handling containers effective last January 1. I see nothing in this bill that would roll back that increase. This was done with the understanding and knowledge of the National Harbours Board and the Employers' Association that the employers would propose a 10 per cent increase in wages for the longshoremen. That was the main reason for the 14 per cent increase for the employers on their rates for the handling of containers. Now the Bill proposes that if there is no agreement reached between the two sides by next Monday, the employees are subject to six and five. What about the employers being subject to six and five on the 14 per cent increase they received? As the Hon. Member for North Vancouver-Burnaby pointed out, it is just another example of contributing to continued strife and industrial relation wars in our ports.

• (1640)

The Minister's Bill deals with slowdowns. It will be interesting to see who will interpret what is and what is not a slowdown and when and how a slowdown is initiated. When a company has a good, conscientious employee who works to and obeys all the rules laid down by his employer, and the Government has the nerve to call it a slowdown, I suggest that the Government and the employees are admitting that there is something wrong with the rules. I find it passing strange to criticize an employee because he works according to the rules of his employment. That logic escapes me completely. Both the employer and the employee can work to rule. This occurs on occasion because it is sometimes the only mechanism that one or the other has to convey its position to the other.

I suggest as well that the record will show that my colleagues and I, my friends in the Official Opposition and on the Government side, are fighting and working for workers, farmers, pensioners and all average Canadians. That is on the record and cannot be denied. I know better than most and as much as the remaining Members in this place that no matter what any single Member of Parliament or Party in this place says about a measure such as this, someone will be hurt. Surely it is incumbent upon all legislators who believe in trying to meet the best test of sincerity, integrity and consistency, to practise fairness and equality with regard to both sides affected by this legislation. When we are faced with a situation such as this for the twelfth time in ten years, we must go to extraordinary lengths to ensure equity. Without that equal measure of fairness and equity, we are defeating the objective of every Hon. Member.

We want the ports to be in operation but we do not want the employees to be handed a six and five situation at the bargaining table by a third party—namely the Government of Canada—when, in fact, the employer offered 10 per cent and 8 per cent, the employees wanted 13 per cent and 10 per cent and the conciliator recommended 12 per cent and 9 per cent. I do not believe there is much argument over monetary matters.

The intervention of the third party—the Government of Canada—was also faced by the grain handlers, and I was about to say that we may be back in the House dealing with this same situation concerning the grain handlers who have been in a position to strike for the last month or two. However, I have just received word that they signed an agreement last night. Hon. Members can breathe a sigh of relief that we will not face that situation in a couple of weeks. We have seen that collective bargaining does work. However, one of the reasons that it took so long for the grain elevator operators and the grain handlers to reach an agreement was that when the conciliator's offer was accepted by the union, the companies were faced with a 6 per cent regime on their handling, elevation and storage charges. While the companies agreed to a 10 per cent pay raise in the second year of the contract which the companies insisted on having, the intervention of the third party at the bargaining table, namely the Government, with its six and five program put the employers in an impossible position in terms of what they were willing to accept as pay raises for the grain handlers.

Surely this situation applies to the matter we are concerned with today. The employers offered 10 per cent, the conciliator recommends 12 per cent and the union wants 13 per cent. In comes the third party and messes it up.

Back to work legislation, as distasteful as it is to all Members of the House, to all parties and to all Governments, is less distasteful if it is fair and equitable and treats each side equally. If this does not happen, you can mark my words, Mr. Speaker, that one or two years down the road we will once again be dealing with a longshoremen's port shutdown, if not on the west coast, then on the St. Lawrence River or the east coast. As sure as we are sitting here, it will happen again.

The time to seriously deal with problems faced in our ports must begin tomorrow so that we will not have to face today's situation once again. I can call it nothing more than incompetence or indifference on the part of the Government. It has known of these problems and has been faced with them time and time again, year in and year out. However, it will not deal with these problems.

I agree with the Hon. Member for North Vancouver-Burnaby when he says that the employers are not 100 per cent right and the employees are not 100 per cent right. I have yet to meet anyone who is 100 per cent right. The Government must get together with both sides to deal with matters such as containers and shift differentials. This should be done either through a Royal Commission, judicial inquiry, conciliation or mediation.

These problems cannot be dealt with unless job security is also dealt with. Do not ask a worker in any occupation in this country to agree to more job insecurity because he will then be all the harder to bargain with. Who can blame them? All of us would act in the same manner. No one in this place can stand up and point fingers with any kind of a holier than thou attitude except concerning what I just said about the failure to act on what has been causing these difficulties. This has happened for the fifth time in ten years over our ports. It must be dealt with and it can be dealt with. No one says it will be easy. However, if none of us want to face this kind of situation again, and I include the Minister of Labour, if he lasts long enough in his portfolio, then he is the one who must take the lead. He and this Government must take the lead, and I am sure they would have the blessing of Hon. Members on this side of the House if they were to get together with the longshoremen, employers and harbour authorities to arrive at an equitable solution to the difficulties which arise whenever contracts are up for renewal, no matter how long it takes, whether six months or a year.

• (1650)

I do not want to oppose the legislation, but because of what is in it and, more particularly, what is not in it, and because of my desire of myself and that of my colleagues and, I am confident, that of Hon. Members in the other two parties, we should continue to strive not only for sincerity but also for consistency and integrity, for our previous actions mean that we must vote against the legislation. I hope my remaining colleagues will understand because they have also been in the same position at one time or another and we will probably be there again on another occasion over another dispute. Who knows? But that is what we are facing. I cannot support the legislation. Much as I would like to get the ports operating again and elevator agents, railroaders and farmers going again, the legislation flies in the face of what we said and did over six and five, and also hits co-operatives and wheat pools, which are already under the six and five regime on the handling charges for country elevator systems, in the face of rising costs—

The Acting Speaker (Mr. Corbin): Order, please. I must inform the Hon. Member that the time allocated for his speech is now exhausted. He may continue only with the unanimous consent of the House. Is there unanimous consent?

Some Hon. Members: Agreed.

Some Hon. Members: No.

The Acting Speaker (Mr. Corbin): There is not unanimous consent.

Is the House ready for the question?

Mr. Ian Deans (Hamilton Mountain): Mr. Speaker, I will not be very long but I think it is important to put some thoughts on the record with regard to what we have before us today. What we are seeing from the Government is another example of the way in which it approaches the economy of Canada. Over the past number of years and, in particular, over the last two years, the Government has shown that it is a government of crisis management, that it never does any advance work, that it never considers the long-term implications of its actions, that it never involves itself in problems as they arise in an effort to avoid their reaching the crisis level, that it is constantly trying to patch together the results of its own lack of understanding, the problems resulting from its own lack of understanding of many of the conflicts which have arisen across the country.

I want to say to the Government that some eight or ten days ago it was suggested to the Minister of Labour (Mr. Caccia) that he should go to Vancouver to sit down with the parties involved in the dispute and that he should make a personal effort to bring them together. I want to suggest that that is not out of character with what other ministers of Labour have done in the past. However, this Minister of Labour chose not to do it. I wonder why he did not choose to go. Was it because he felt that he was incompetent or perhaps did not have the knowledge or expertise in the field of labour relations to be of any particular value? Was it because he felt that the parties involved in the dispute would perhaps not take kindly to a minister who really had no background in the field forcing himself into the dispute, or was there a reason which was even worse? Did he fail to go to Vancouver because those in the Cabinet and Government thought in the back of their minds that they wanted to impose the six and five regime? Did he fail to make the effort when it might well have resulted in success because the Government carefully considered the possible implications and came to the conclusion that, if it did not take part in finding a solution, it would be able to impose on this part of the private sector that which it was imposing on the public sector? I do not want to try to guess what was in the Minister's mind, but it is not unreasonable to think that that may well have been in the minds of some of the members of the Cabinet.

I can recall that last week the Minister of Finance (Mr. Lalonde) stood in his place and was putting his financial statement before the House of Commons. In the middle of it he stopped and inserted certain paragraphs which were not contained in the original document. Those paragraphs directly related to the labour dispute which was going on in the Port of Vancouver. On Wednesday, the House resumed sitting, he said that if this dispute were not resolved "by Monday midnight next, the Government will move in and solve it". I know that your own experience in labour relations, Mr. Speaker, will allow you to understand that if one were somewhat reluctantly sitting at the negotiating table and either management or

oneself were having some considerable difficulty in arriving at an agreement—and at the point in time when the Minister made his statement the Government was in fact at the negotiating table—if one were unable to see exactly where the negotiations were leading, it would not be an incentive for an outside party to say, "Do not worry about it. If you do not get it solved, we will impose something which will be far less than you have already offered". Would that be an incentive to continue with negotiations and find a satisfactory resolution to the dispute at the bargaining table? I am sure that Hon. Members opposite can see the rationale. They can understand what was in my mind as I listened to the Minister. As I heard him speak, I thought to myself, "That is the end of negotiations in Vancouver. He signalled to the company that it is all right, the Government will fix it all up at six and five on Monday next". Of course, I was absolutely right. That is exactly what happened. From the moment the Minister of Finance made it clear that the Government's intention was to impose six and five, in whatever form, and to settle the dispute on their behalf, negotiations ceased to all intents and purposes. This is what makes this Bill so odious and unacceptable. The fact is that the Government did not attempt to resolve the dispute nor find a way to bring the parties together. It did not go into that last minute, long-term operation, that overnight tough bargaining which brings about a resolution of a dispute in the final moments.

• (1700)

This Government decided a week before that it was going to impose six and five, it was not going to allow the settlement to occur. Therefore, for that reason if for no other, it would be impossible for me to bring myself to support the Government's action in this regard. It would be impossible for me to lend my support to this scheme cooked up in the back rooms of the Cabinet offices to further inflict the six and five regime on the public and private sector after having imposed it in the public sector. That makes it for me a relatively simple decision on the face of it.

There are, however, many other considerations, one of which is of course the one raised by my colleague, the Hon. Member for Regina West (Mr. Benjamin), who made it quite clear that there were conflicting problems here. The Government should have seen that there were problems other than simply the longshoreman and their employers. The Government should have understood that this was having a widespread effect on the economy of western Canada. It should have understood that the farmers were under severe distress as a result of the negligence of this Government. The Government should have been involved weeks ago in trying to find a way to solve the problems in order to move the grain, open the ports and force the employers to accept their employees in their place of work and allow them to do the job they had been willing to do all along. But, no, no, no. The Government had made a decision. You see, it made a decision that it was going to allow this to reach that crisis level and then it was going to intervene, and intervene it did. That is why we on this side of the House find this kind of measure so unacceptable.

It happens over and over and over again. What we are seeing today being supported, I suspect very willingly, by all the Liberal backbenchers and with obscene haste by the Conservatives is only the thin edge of the wedge. It is going to be gradually imposed, little by little, all across the country in ways similar to this. Not openly, not above board, but slowly imposed in every sector little by little. The end result of that would be to undermine severely the collective bargaining system.

Mr. McDermid: Exactly what David said.

Mr. Deans: I want to say that the collective bargaining system in this country, notwithstanding those who speak out against it, has worked extremely well. It has worked from any perspective you want to take. It has provided a satisfactory means of resolving 90 per cent or more of the disputes between management and labour, without any work stoppage and without any confrontation. So the difficulty now is that as Government begins to use the instrument of back-to-work legislation to impose its economic policy, we can see the gradual erosion of the collective bargaining system as it has applied across the country.

What will be the end result? It will not be labour peace. Because if you take employees and employers who have outstanding issues which they know they must resolve, and if you force them by law to go back to work with those issues still unresolved, there is an accumulation of problems which ultimately will result in a blow-up and serious problems in the workplace. Therefore, if you did not believe in collective bargaining even as a safety valve, it has provided such a measure of opportunity to resolve problems which otherwise may well have totally destroyed the manufacturing sector and the employee-employer relations of this country. So I really do worry about the way in which this has been approached. I worry about the way the Government has, in my judgment, abused, its power. I worry about the way the Government moves in a heavy-handed and uncompromising way to settle things that it knows little about, that it has paid little attention to and that it has made no effort to resolve in any other way. I worry, too, when I hear the Tories talk of their desire to return to free enterprise. They want to get Government out of business, but the first time there is a problem between management and labour they are prepared to intervene on behalf of management every time. Every time!

It interests me, Mr. Speaker, that when companies open and subsequently close the Tories and Liberals tell me that this is management's prerogative. A company can set up a plant, sometimes with Government grants, operate the plant for a time and then close it down. It can destroy an entire community in the process, but that is seen by both Liberal and Conservative Party Members as management's prerogative. They can disrupt and ruin the futures of families, but they do not see a responsibility on the part of Government to move in and try to rationalize those situations and act on behalf of the community and the people in the community, the employees who have worked there and who may have put in many, many

years of service. When a company decides, as the Iron Ore Company of Canada did, to take all the profits that it has made, all the benefits it has received from Canada, and move it away to another part of the world and set up a new operation, when the President of that company finally makes his decision to close it down and disrupt an entire community and throw people out of work—a President, incidentally, who may well be a leadership candidate for the Tory Party—when he decides to do those kinds of things, I do not hear screams and shouts from the backbenches of the Conservative Party demanding equity and fairness for the employees, demanding that the company be forced to live up to its obligations to Canada and to its employees. When International Nickel rapes an entire community for years and takes money off to South America and other places, money made in Canada, and then cuts the prices which normally would be received by the Canadian operation, and then gradually reduces the work force by 25 per cent, 30 per cent, 35 per cent and 40 per cent over time to the point where it will shut down totally, I do not hear the Tories or the Liberals standing up and saying: "By God, we expect that company to live up to its obligations and provide employment for those people and safeguard those communities." But when some employees, acting in their own best interests, decide that they must withdraw their services, the economic consequences of which they are prepared to accept, then, by God, the Government and the Tories together are quick on their feet to send them back to work.

I say to the labour critic for the Conservative Party that I would like to see where the Tory Party policies are which say that companies have no right to shut down plants and throw people out of work. I would like to see them talking about the obligation those people who have taken from this country have to put something back into it. I would like to see where the Tory Party's obligation is concerning a guarantee that there will be no dislocation of employment as a result of management decisions taken in the best interests of a few to relocate in another part of the country or the world, this without any concern for the interests of the workers or their communities. No, all I can see is the obscene haste on the part of both these Parties to pick on the working people of Canada constantly as though somehow or other they were there simply to be picked on. I see both of these Parties failing to put in place the proper procedures to encourage collective bargaining, failing to provide the necessary support, which is absolutely fundamental to good collective bargaining. I fail to see the position of the Government and the Conservative Party with regard to the fact that if employers are going to have the right to lay people off, shut things off and close things down in their economic interest, employees concurrently should have the right in their economic interest to decide to withhold their service until they are able to find a reasonable and satisfactory resolution to their dispute. This has not happened.

● (1710)

I truthfully cannot blame the Tories for not intervening in this dispute in western Canada, but I worry about the haste with which they want to pass the legislation. It is the Government that set up the scenario. The Government decided to impose the six and five regime. The Government made the decision that collective bargaining should not work. The Government decided it would say to the employers, "Don't bargain, you do not have to, we will solve it for you", and that is why we reject it.

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

Some Hon. Members: Question.

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

Some Hon. Members: Agreed.

Some Hon. Members: No.

The Acting Speaker (Mr. Corbin): All those in favour of the motion will please say yea.

Some Hon. Members: Yea.

The Acting Speaker (Mr. Corbin): All those opposed will please say nay.

Some Hon. Members: Nay.

The Acting Speaker (Mr. Corbin): In my opinion the yeas have it.

And more than five Members having risen:

The Acting Speaker (Mr. Corbin): Call in the Members.

The House divided on the motion (Mr. Caccia) which was agreed to on the following division:

(*Division No. 259*)

YEAS

Messrs.

Allmand
Andre
Appolloni (Mrs.)
Axworthy
Bachand
Baker (Nepean-Carleton)
Beatty
Beauchamp-Niquet (Mrs.)
Bégin (Miss)
Berger
Blais
Blaker
Blenkarn
Bloomfield
Bockstael
Bosley
Bossy
Bradley
Breau
Bujold
Burghardt
Caccia
Campbell (Miss) (South West Nova)
Campbell (LaSalle)
Campbell (Cardigan)
Carney (Miss)
Chénier
Chrétien
Clark (Yellowhead)
Clarke (Vancouver Quadra)
Coates
Collenette
Comtois
Cook
Cooper
Corbett
Corbin
Corriveau
Cosgrove
Cossitt (Mrs.)
Côté (Mrs.)
Cousineau
Crombie
Crosbie (St. John's West)
Crosby (Halifax West)
Crouse
Cullen
Cyr
Darling
Daudlin
Dawson
De Bané
de Corneille
Demers
Deniger
Desmarais
Dingwall
Dion
Dionne (Chicoutimi)
Dionne (Northumberland-Miramichi)
Domm
Dubois
Duclos
Dupont
Dupras
Duquet
Ellis
Elzinga
Epp
Erola (Mrs.)
Ethier
Evans

Messrs.

Fennell	Kushner	Olivier
Ferguson	Lachance	Ostiguy
Fisher	Lajoie	Ouellet
Fleming	Lambert	Paproski
Flis	Lamontagne	Parent
Forrestall	Landers	Patterson
Foster	Lang	Pelletier
Francis	Laniel	Penner
Fraser	Lapierre	Pepin
Fretz	Lapointe	Peterson
Friesen	(Beauce)	Pinard
Frith	La Salle	Portelance
Gamble	Lawrence	Prud'homme
Garant	LeBlanc	Reid
Gauthier	Leduc	(St. Catharines)
Gendron	Lefebvre	Reid
Gilchrist	Lewis	(Kenora-Rainy River)
Gimaïel	Loiselle	Roberts
Gingras	MacBain	Robinson
Gourd	MacDonald (Miss)	(Etobicoke-Lakeshore)
(Argenteuil-Papineau)	(Kingston and the Islands)	Roche
Gourde	MacDougall	Rompkey
(Lévis)	MacEachen	Rooney
Gray	MacGuigan	Rossi
Greenaway	Mackasey	Roy
Guilbault	MacKay	Savard
Gurbin	MacLaren	Schellenberger
Gustafson	MacLellan	Schroder
Halliday	Malépart	Scott
Hamilton	Malone	(Hamilton-Wentworth)
(Qu'Appelle-Moose	Maltais	Scott
Mountain)	Marceau	(Victoria-Haliburton)
Hargrave	Massé	Siddon
Harquail	Masters	Simmons
Hawkes	Mayer	Smith
Hees	Mazankowski	Stewart
Henderson	McCain	Tardif
Herbert	McCauley	Taylor
Hervieux-Payette	McCuish	Tessier
(Mrs.)	McDermid	Thacker
Hopkins	McKenzie	Thomson
Howie	McKinnon	Tobin
Hudecki	McKnight	Tousignant
Huntington	McLean	Towers
Irwin	McMillan	Trudeau
Isabelle	McRae	Turner
Jarvis	Mitges	Vankoughnet
Jelinek	Munro	Veillette
Johnston	(Esquimalt-Saanich)	Watson
Joyal	Munro	Wenman
Kaplan	(Hamilton East)	Whelan
Kelly	Murta	Wilson
Kempling	Neil	Wise
Kilgour	Nicholson (Miss)	Wright
Killens (Mrs.)	Nickerson	Yanakis
King	Nielsen	Yurko—228.
Korchinski	Nowlan	

NAYS

Messrs.

Althouse	Keeper	Ogle
Anguish	Knowles	Orlikow
Benjamin	Kristiansen	Parker
Blackburn	Lewycky	Riis
Blaikie	Manly	Robinson
Broadbent	McDonald (Ms.)	(Burnaby)
Deans	(Broadview-Greenwood)	Rose
de Jong	Miller	Sargeant
Heap	Mitchell (Mrs.)	Skelly
Ittinuar	Murphy	Waddell
Jewett (Miss)	Nystrom	Young—31.

[*Translation*]

Madam Speaker: Motion agreed to, bill read the second time and the House went into committee thereon, Mr. Blaker in the chair.

● (1750)

[*English*]

The Deputy Chairman: Order. House in Committee of the Whole on Bill C-137, to provide for the resumption and continuation of longshoring and related operations at ports on the west coast of Canada.

Shall Clause 2 carry?

Some Hon. Members: Carried.

Clause 2 agreed to.

Mr. Nielsen: Mr. Chairman, I rise on a point of order. I believe that the Government has an amendment. I am not too sure whether it applies to Clause 2 or a later clause.

Mr. Blais: Mr. Chairman, I rise on a point of order. I have a motion to propose to amend Clause 6 of the Bill.

The Deputy Chairman: I thank the Minister for advising the Chair of his proposed motion. I had understood that possibly other amendments may be coming shortly.

Shall Clause 3 carry?

On Clause 3—*Resumption of operations and work.*

Mr. Nielsen: Mr. Chairman, we have no objection to Clause 3 carrying, but we do have an amendment to Subclause (2), paragraph (b) which is consequential on an amendment that we have to Clause 4. I would ask the indulgence of the Committee to stand Clause 3(2)(*b*) until after the Committee has dealt with our substantive amendment to Clause 4.

● (1800)

The Deputy Chairman: If the House is agreeable, we will stand Clause 3 until consideration of the amendment under Clause 4. That will achieve the same effect as the Hon. Member suggested.

Clause 3 stood.

On Clause 4—

Mr. Crombie: Mr. Chairman, in Clause 4 I have a motion to propose which would involve, as my friend says, a consequential amendment to Clause 3 and perhaps to Clause 5 as well. The amendment I propose with respect to Clause 4 reads as follows:

That Bill C-137, an Act to provide for the resumption and continuation of longshoring and related operations at ports on the west coast of Canada, be amended by deleting Clause 4 thereof and substituting the following therefor:

4 (1) The Minister of Labour shall, after the coming into force of the Act,

(a) within 14 days appoint an arbitration board consisting of three members, of which Business, Labour and Government would each nominate one member, and refer to that Board the further extension of the term of the collective agreement to which this Act applies to include the period referred to in subsection 2(a) and all the matters relating to the amendment of the collective agreement that in the opinion of the arbitration board, at the time of its appointment, are in dispute between the employers association and the union; and

(b) provide for the form in which the decision of the arbitration board in respect of all matters referred to it shall be set forth.

(2) The arbitration board has, with such modifications as the circumstances require, all the powers and duties of an arbitrator under Section 157 of the Canada Labour Code.

(3) Notwithstanding any other provision of the Act or of the Canada Labour Code, the arbitration board shall be required to decide all matters referred to it under this Act within sixty days of its appointment.

Mr. Chairman, that is the amendment to Clause 4. I would like to now explain what the purpose of that amendment would be. In my remarks with respect to second reading of this bill I indicated that it was far more favourable, in our view, for all sides and, indeed, for precedents with respect to industrial disputes that we stick with the tried and true, traditional Canadian way of settling disputes through the process of arbitration. That should be the form that the intervention takes. We feel that it would hurt all sides and precedents for the future of industrial peace in the country to have this direct, unilateral intervention by the Government.

The specific wording that I have used comes directly from an intervention made by the Government in 1978 in the dispute under the Shipping Continuation Act in October, 1978. During a strike with respect to Great Lakes shipping, the Government decided that what it would do is not resort to this direct kind of unilateral intervention but indeed use the traditional arbitration process. That measure was brought in by the Liberal Government to deal with the strike on the Great Lakes in 1978. I have used exactly the same wording that the Government used in 1978.

I might say that it is worth while looking at the remarks of Government Members at that time to see whether or not it was preferable to use the arbitration procedure rather than this novel departure from our traditions. It was better to have arbitration as the way to solve our disputes rather than unilateral Government intervention.

The Government Minister of Transport of the day, Mr. Otto Lang, said this when dealing with that particular legislation:

We have presented to the House a bill which proposes a system for the ending of this strike immediately, and a manner of developing the collective bargaining agreement, the final agreement, between the parties. I urge members to support that bill.

The Minister of the day, Mr. Lang, was confronted with exactly the same situation on the Great Lakes that the Government today now has on the west coast. The Government of that day decided that it would stick with the traditions of this country that allow for the protection of all parties to the dispute, that they would go back to work and a final settlement would be decided by arbitration and not by direct Government intervention.

Indeed, the principles stated by the Minister at the time are certainly worthy of the consideration of Governemnt Members. He said this:

It is not with gladness that we ever ask parliament in this way to end a strike, but with the feeling that the public interest will be served, recognizing the harm that might befall the economy if this strike continues—and some members will say too much harm has already befallen it—and recognizing also the importance of the collective bargaining vehicle and the need generally to have people in our society accepting that the law is moving when it ought to move and in a manner in which it ought to move.

I believe that restraint in the collective bargaining process is necessary.

We know that in the face of another situation which demonstrates that, although people may all too easily think that the law can be a mechanism for causing certain things to happen, the law has its own limitations based upon our constant desire to respect—

And I underline this.

—the liberties of individuals and to assure that we move in a careful and guarded manner.

Mr. Chairman, this mechanism of reaching a final settlement between the parties does not deal with the root causes, as many people indicated earlier, of a 13-year long dispute. It was weak in that way and it is dangerous to substitute the traditional Canadian practice of having our disputes settled by arbitration and substituting in its stead direct unilateral Government intervention.

There is more at stake here than only the current problem. We have to get the people back to work. We will do that, but in our rush to do that we should not give up what Canadians have depended upon for generations when it comes to this kind of Government intervention in industrial disputes. That is why I hope the Minister and the Government will recognize the wisdom, at least, of their own move four years ago when Otto Lang brought in, in exactly the same circumstances, this legislation that I am proposing today.

The Deputy Chairman: The Chair has a procedural problem. The Hon. Member for Rosedale or other Members may wish to address themselves to this.

The amendment proposed by the Hon. Member for Rosedale essentially deletes Clause 4 of Bill C-137. There is some question in the minds of the authorities as to whether or not the entire deletion of a clause can be considered an amendment or whether the proposal which interests the Hon. Member for Rosedale ought to be presented after a vote has been taken on Clause 4.

The Chair would be pleased to have suggestions from any Hon. Member who may wish to pursue that matter. However, the indications so far would indicate that the authorities would oppose the submission of an amendment that deletes a complete clause.

Mr. Nielsen: Mr. Chairman, I would like the Chair to indicate more specifically what authorities the chair has in mind to support the contention that amendments cannot be moved for the purpose of deleting a Clause and substituting the wording that, in this case, has been substituted. In order to guide us in intelligently discussing the question that the Chair has raised, we should at least have the benefit of the basis for the Chair raising the question at all.

With respect to the second point made by the Chair, that the Committee should first deal with Clause 4 and then consider an amendment, I would respectfully suggest to the Chair that the authorities are quite abundant in prohibiting an amendment to a Clause which has already been adopted by the Committee. Once Clause 4 is adopted there is no way that the

Chair can properly entertain an amendment to that Clause. If the Chair would indicate specifically the authorities it has in mind, perhaps I might answer his reservations more fully.

• (1810)

The Deputy Chairman: The Chair has been referred to two copies of the House of Commons *Debates* which have been placed before me. The first reference is to page 5385 of the *Debates* for December 3, 1963, and I will read the relevant sentence only in order to guide Hon. Members. The second reference is to page 4219 of the *Debates* for October 31, 1963. In both cases, just to summarize the matter, the issue was whether or not the amendment was relevant to the Clause which it proposes to amend. Clause 4 of the Bill before us proposes to establish the control of the Public Sector Compensation Restraint Act, and the Hon. Member's amendment proposes to delete that Clause altogether and to provide for arbitration proceedings. There does not necessarily seem to be a relation between them.

I refer the Hon. Member for Yukon to Beauchesne's Fifth Edition at page 233, wherein Citation 773(1) states:

> An amendment is out of order if it is irrelevant to the bill, beyond its scope or governed by or dependent upon amendments already negatived.

I would also refer to Erskine May's Nineteenth Edition at page 521, wherein subparagraph (1) states:

> An amendment is out of order if it is irrelevant to the subject matter (d) or beyond the scope of the bill (e), or if it is irrelevant to the subject matter (f) or beyond the scope of the clause under consideration (g).

The issue is whether or not the amendment goes beyond the scope of consideration under Clause 4, which relates to the Public Sector Compensation Restraint Act.

Mr. Nielsen: Mr. Chairman, I thank you for enlightening me as to the reasons for the reservations of the Chair. I thought that they would be far more serious. My submission is that the rule as to relevance really is not applicable in this instance at all. That rule certainly does not apply to these circumstances.

What we are dealing with here is a Bill, the principle of which is to put the ports of British Columbia back to work. The manner in which those ports are put back to work is something else again. Clause 4, in its present form, deals with the manner in which the Government intends to put those ports back to work. We are dealing with that matter in a different form, indeed a radically different form, which would preserve the rights and freedoms of the workers of this country, which the Government seems to want to destroy in one fell swoop while at the same time intruding on the private sector through the six and five program.

I have a much deeper reservation with respect to Clause 4, one which I will certainly not raise here as a means of knocking it out, one which I draw to the Chair's attention in the form of a caveat.

The question is whether or not the words of Clause 4 in the form they are used are intra vires the process at all. It raises the question as to whether the Public Sector Compensation Restraint Act itself must be amended by an amending section to that Act rather than through an attempt to smuggle it in through an amendment in a brand new Bill in Parliament. I simply raise the caveat, but I do not raise it as an objection at this stage.

I do suggest that the amendment proposed by the Hon. Member for Rosedale is in order under Citation 425, which will be found at page 153 of Beauchesne's Fifth Edition. It states:

> The object of an amendment may be either to modify a question in such a way as to increase its acceptability or to present to the House a different proposition as an alternative to the original which must, however, be relevant to the subject of the questions.

I would therefore submit that this amendment falls squarely within the meaning of Citation 425, it being the objective of the amendment put forward by the Hon. Member for Rosedale to modify the question in such a way as to increase its acceptability, certainly to all Hon. Members on this side of the House. And, more strongly, the amendment indeed modifies the Clause in such a way as to present to the House, to use Beauchesne's words, "a different proposition as an alternative to the original". In my respectful submission, that does not mean that the amendment must be relevant to the proposition set forth in the existing Clause 4. Indeed, Beauchesne goes on to use those words. One can make a proposition quite different from the one we find in Clause 4. Beauchesne states "but it must be relevant".

If the Chair interprets that phraseology in Beauchesne to mean that a different proposition is only acceptable if it conforms to the wording of the existing Clause 4 of the Bill, then those words in Beauchesne have no meaning at all. The relevance is relevance to the Bill and not to the Clause. I see some doubt expressed on your face, Mr. Chairman. Consider those words and I think the Chair will agree that an amendment can put forward an entirely "different proposition as an alternative to the original". The original proposition here is that the Public Sector Compensation Restraint Act will apply to the workers going back to work in the ports.

What the Hon. Member for Rosedale is doing in his wording is putting forth an entirely different proposition, as Beauchesne sets forth. Beauchesne goes on to say that the proposition must "be relevant to the subject of the questions". The subject of the questions, I submit, is not the subject of the Public Sector Compensation Restraint Act. It is the subject, the question, the principle, of the Bill itself.

This amendment does not negate Clause 4 whatsoever. It proposes a different method of dealing with the bargaining process. The Government wants to treat it in a mandatory, unilateral way and impose a wage ceiling upon the workers. We want to treat it in a different way, one which will give the collective bargaining process a chance to work and, failing that, after 14 days to implement arbitration proceedings.

The Chair made one other point when citing Beauchesne and Erskine May. I believe the phrase used by the Chair was that "no amendment had been negatived yet". That is not a necessary precondition of the Chair's acceptance of this amendment. One must not negative an amendment before it

finds acceptability by the Chair. I presume the reason that citation was mentioned by the Chair was in support of the proposition that perhaps we should pass Clause 4 before dealing with our amendment. But I respectfully suggest to the Chair that the authorities are quite abundant—if the Chair is not prepared to concede that point I will turn them up for him—that it is improper to entertain an amendment to a Clause once it has passed. For those reasons, Sir, knowing that we are all here to vote on the matter, I would suggest if the Government is not prepared to accept the amendment, we should vote on the matter now.

• (1820)

I would add my encouragement to the Government and urge the Minister to accept that approach. It was an approach adopted by a predecessor Liberal Government in office. The wording the Hon. Member for Rosedale has put in his amendment is, word for word, verbatim, the wording that the Government of that day put forward in order to end the Great Lakes shipping strike. I seldom commend any Liberal Government, but certainly the Government of that day was to be commended for the efforts it made to preserve the collective bargaining process which will be utterly and completely destroyed if the House accepts the approach of the Government unilaterally to impose a settlement, which it has given a clear indication it intends to do next Monday unless a collective bargaining agreement is reached between the parties.

What the Government is doing is using this device as a club over the heads of the workers. It is saying to the workers in British Columbia: you guys get back to the bargaining table. If you do not, and if you do not reach an agreement by next Monday night, we are going to impose a ceiling of 6 per cent on you, far less than the last offer by management. It seems to me that is a very iron-fisted approach, and the Government would not want to take that approach in view of the destruction which would be caused to the process of collective bargaining in this country.

Failing Government acceptance of that very reasonable proposal, Mr. Chairman, I urge you to find the amendment in order for the reasons expressed.

The Deputy Chairman: I see the Hon. President of the Privy Council rising to contribute to the point of order. I wonder if I can reduce the amount of time spent on the issue by pointing out some options available to Hon. Members and the House as to how to proceed.

Quite obviously the amendment presented by the Hon. Member for Rosedale seems to have the support of a considerable number of Members, and presumably his party. Nothing prohibits the Hon. Member from attempting to amend the Bill with the contents of that motion, and I would refer again to Ersking May, Seventeenth Edition, Page 549, which says that amendments which are irrelevant to the clause under consideration should, as a general rule, if they are within the scope of the Bill, be moved as new clauses.

So having offered that as one option on which the Hon. Member and others may wish to proceed, the Chair still has some difficulty, despite the arguments of the Hon. Member for Yukon, as to whether this proposed amendment may or may not be in order.

The Chair would be pleased to listen to other contributions on the subject.

[*Translation*]

Mr. Pinard: Mr. Chairman, I just want to refer you to citations 426 and 428, Beauchesne's Parliamentary Rules and Forms, Fifth Edition. Citation 426 emphasizes that every amendment must be relevant to the question on which the amendment is proposed. Citation 428 explains the amendment procedure, and it certainly does not provide for removing an entire clause. The citation is as follows:

428. (1) A motion may be amended—

—either by—

—(a) leaving out certain words—

—certain words and not every single word—

(b) leaving out certain words in order to insert other words;—

—or by—

(c) inserting or adding other words.

That is the amendment procedure.

There is also citation 436 which I think is quite relevant and which reads as follows:

436. (1) An amendment proposing a direct negative,—

I submit that is the case we have here.

—though it may be covered up by verbiage, is out of order.

Therefore I submit that the verbiage indulged in by the opposition is being used to camouflage a direct negation of a clause of the bill, and we fully agree with the Chair when it says that the correct procedure is not to request removal of one clause in order to substitute an entirely new proposal, something which is against the Rules of the House and against parliamentary procedure, and that the Chair should be asked to rule whether it is appropriate to add a clause to this bill.

[*English*]

Mr. Nowlan: Mr. Chairman, we all know that you can prove anything with figures and you can get almost any argument you want out of Beauchesne to prove a point. But surely, Mr. Chairman, using your own words and trying to reduce this to basic common sense so we can get on and vote on the issue without getting tied down in the paralysis of procedure, as I understood it, the Chair mentioned that there could not be anything irrelevant to the Clause. Surely, as I read this Bill, the amendment being attempted amends Clause 4, which adopts by reference, in effect, the compensation which is going to be paid under the imposition of this Bill. The title of the compensation itself in effect refers to Section 3 of the Public Sector Compensation Restraint Act. It is by reference to that

Bill that you come to the compensation which is the other part of this Bill. One is to put them back to work; how do they go back to work? This is one of the conditions.

Surely, Mr. Chairman, the amendment of the Hon. Member for Rosedale is most relevant, again to use your word, because the amendment does not refer to the Public Sector Compensation Restraint Act, adopting that by reference; it is adopting, admittedly, another procedure. It is adopting the arbitration procedure, which is relevant because instead of having the Public Sector Compensation Restraint Act adopted as a condition to these people having to go back to work under this law, we are trying to substitute and use the age-old words "deleting and substituting therefore", which is quite acceptable, and I must say I was surprised when the Chair wondered why the amendment was even being made.

Again, to try to simplify this, because of the hurried way the Bill was drawn up, surely if the Hon. Member for Rosedale does not succeed at this stage, then perhaps we should go right back to Clause 3. Again, in talking about terms and conditions, of going back to work, which are in Clause 3, in effect the same amendment could be, for all practical purposes and under the rule of common sense—not the bureaucracy of Beauchesne—adopted in Clause 3 to put the same amendment as to the conditions. You either have a collective agreement under paragraph (a) or you have the amendment put by my friend, the Hon. Member for Rosedale, paragraph (b). Then, again to use the words of the Chair, voting on that amendment would thereby negative the existing paragraph (b), so you would not have to worry about Clause 4.

Now, surely with common sense you can do it either through the front door or you can do it through the back door. Surely there must be some procedure whereby we can have a mechanism of arbitration to substitute, without getting perjorative as to what I might think about the Public Sector Compensation Restraint Act, for the six and five procedure.

So I certainly lay that on the Table. You cannot do it now because of some of the hurdles from Beauchesne which you have raised, and we have not passed Clause 3, which clearly states the terms and conditions—one term is the collective agreement, which we all know became impossible once the Government disclosed it is going to impose six and five. So the next term is paragraph (b). Subclause (4) refers to Clause 4. Our amendment there could refer to the amendment moved by the Hon. Member for Rosedale which is not Clause 4, that is, the public restraint bill six and five. It is the artibration procedure which must be, I submit, most acceptable to the Chair.

• (1830)

Mr. Deans: Mr. Chairman, I am following this debate with great interest. Just so that we might have it more clearly before us what the issue is, I wonder if maybe the Official Opposition could provide us with a copy of the amendment.

The Deputy Chairman: There are other Members to my left who may wish to rise, but may I repeat a point, particularly in view of the remarks made by the Hon. Member for Annapolis Valley-Hants. I quote again the reference in Erskine May. It reads:

> Amendments which are irrelevant to the clause under consideration should, as a general rule, if they are within the scope of the bill be moved as new clauses.

It seems to me that the Chair has provided an opportunity, particularly to the Hon. Member for Rosedale and the Hon. Member for Yukon to consider whether that might be a convenient way of dealing with the matter. The advice the Chair has received from the Table is consistently that the amendment is not consistent with the Clause that is out of order. I have to recognize other Hon. Members for a few moments.

Mr. Howie: Mr. Chairman, I just have one small point to make. It is that if the amendment is moved as a separate clause, I submit it will by implication amend Clause 4 of the Bill. The Bill before us does not seek to amend the Public Services Restraint Act. Clause 4 seeks, instead, to incorporate some provisions of that Act by direct reference. They are the monetary provisions.

I submit that the relevance of the amendment is that it too deals with remuneration by setting out a formula, and that we are not here looking at an amendment to the Public Service Restrain Act. We are looking at a brand new act which simply by reference sets out the formula in part of this Act, the six and five formula.

What our amendment does is to deal directly with that formula in this Act only. It does not come in conflict with the Public Service Restraint Act. Whether we deal with this amendment by proposing to wipe-out Clause 4 and substitute it or whether we propose it as a separate clause is not really relevant. If we propose it as a separate clause, we will by implication also amend Clause 4. I submit we are looking at a distinction without a difference.

Mr. Nielsen: Mr. Chairman, I was ready for the observation that you made, that an amendment is possible in another way. I had that process all ready for you but I considered this to be the simplest method of approach because it is in precisely the same words that the Government used in its legislation in the Great Lakes shipping strike.

Logically, there has to be a follow-up on the amendment which we propose to Clause 4 by moving an amendment to Clause 5. Once the arbitration process has been concluded, what does the arbitrator do? What happens to the collective bargaining agreement? My friend from Rosedale has a copy of our proposed amendment to Clause 5, and will provide it immediately to the Government.

Those words are exactly the same as the words that are used in the Act which ended the Great Lakes shipping problem which was assented to on October 24, 1978 and which are to be found in the Revised Statutes of Canada for that year, commencing at page seven. The words that are used in our amendment to Clauses 4 and 5 commence on page 9 under the

heading "Arbitration", Clause 6 in that legislation and going on to page 7, Clause 7 of that legislation. The words are exactly the same, the proposal is quite different.

It would, in my submission, be much simpler for the Government to reject, as is their wont, the amendments that we propose now that they have had a full explanation of them. Indeed, they were the authors of those very two sections.

I suggest it would be much simpler to accept the amendments in their present form, vote on them and get them out of the way. The Chair in its wisdom does not propose to do that. As I indicated, I am ready to propose an appropriate amendment which would probably give rise to more procedural arguments and delays. We could dispose of these very quickly and simply, if the Government does not accept their own principles of 1978.

Mr. Gamble: Mr. Chairman, I listened with considerable interest to your suggestions about the addition of entirely new paragraphs that conceivably might have the same effect. Let me draw your attention, if I may, to the kind of process that would be involved.

What we would do is suggest that Clause 3(2) be amended by adding a further subparagraph which would be (*c*). Subparagraph 3(2)(*c*) would provide for the full provisions of the amendments that have been added by the Hon. Member for Rosedale. We would then provide under a new clause, which would be Clause 6, a provision which would say that the provisions of Clause 3(2)(*c*) shall be immediately imposed by the Government prior to the proclamation of Clause 4. If I may analyse mechanically what that would do, it is this. Having regard to the fact that Clause 3(2)(*c*) would now provide that of three provisions, the first one that applies should be the one that governs. Those would now be, if I may suggest it, a revised collective agreement as the Clause now provides, the proclamation in force of Clause 4 or, adding the new amendment, the establishment of binding arbitration.

We would have provided that the Government must indeed establish the binding arbitration mechanism before it proclaims Clause 4, which has the effect of bringing within the ambit of this entire Bill the provisions of the Public Sector Compensation Restraint Act.

Let me suggest that, upon reflection, what we have here is not a negatived provision. We do not have an irrelevant provision. If we analyse what the Bill intends to achieve, it is surely one thing, the establishment of peace on the waterfront in the western ports.

The issue as to compensation is but ancillary to the main purpose of the Bill. If I may take you through an analysis, Mr. Chairman, if the Government were to invoke the provisions of Clause 4, for someone who was earning currently $30,000 a year, the effect would be an $1,800 increase. If the provisions of the amendment are brought into effect, what this amendment does is to replace that sum with a sum to be determined. Accordingly, a mechanism of determining that sum is but ancillary to the main purpose of the Bill and, accordingly, should not be regarded as being irrelevant or negative to the main purposes of the Bill.

• (1840)

Mr. Caccia: I do not speak on a point of order, I speak on the substance of the amendment, whether or not you are accepting it.

The Deputy Chairman: The subject matter on the floor of the House at the moment is the question of whether or not the amendment proposed by the Hon. Member for Rosedale is in order. I have to dispose of that issue before we can have debate on another matter. I do not see any other Hon. Members seeking the floor.

I want to indicate that the Chair has obviously listened to the argument of several members. The advice the Chair has received, as I indicated earlier, is consistent. It seems to me, I am faced with the proposition that the Hon. Member for Rosedale would like to see the proposals contained within his amendment brought before the House, given consideration and possibly voted upon. I have offered Hon. Members an option by which that might be done; that is, rather than by way of amendment of Clause 4, a new clause could be brought in on a motion by the Hon. Member, or by some other Hon. Member.

I am concerned that the Hon. Member and his supporters not be deprived of the opportunity to bring the matter to a vote, but I am satisfied that he can bring the matter to a vote, so I will proceed.

I have already listed Citations of Beauchesne and Erskine May. I do not think it will benefit the House by taking up any further time. Accordingly, the motion to amend Clause 4 of the bill as proposed by the Hon. Member for Rosedale is ruled out of order.

Shall Clause 4 carry?

Some Hon. Members: No, no.

The Deputy Chairman: The Hon. Member for Yukon on a point of order.

Mr. Nielsen: Mr. Chairman, in the hope that we can save some time, and in order that the issues which the Member for Rosedale wants to be placed before the committee can be discussed, I am going to propose that the committee accept the procedure of discussing the substance of the amendments to be proposed by the Hon. Member for Rosedale to Clause 4 and Clause 5, which are going to be combined in one new Clause, Clause 6, with existing Clauses 6 and 7 renumbered 7 and 8. The amendments dealing with the creation of an arbitration board, and the function of that board after it has performed its function, will be dealt with together. That will be done by submitting an amendment to existing Clause 5 of the Bill, making Clause 5 subject to the operation of the new Clause 6.

The wording of that amendment would be that Clause 5 be deleted, for the sake of expediency, and new Clause 5 substituted, subject to renumbered Clause 6 of the amended Bill. Clause 4 of the measure shall come into force on a day to be fixed by proclamation. In other words, what the whole process is concerned with is that Clause 5, the power to proclaim Clause 4, will not operate until after the arbitration process has been exhausted. What I am asking for now is the consent

of the committee to proceed in that way; otherwise, we would have to let Clause 4 and Clause 5 pass before we could get to our amendments.

The Deputy Chairman: The Chair recognizes the Hon. Member for Vancouver East on the same point of order.

Mrs. Mitchell: Mr. Chairman, it was on Clause 4, but my colleague has a point of order.

Mr. Deans: Thank you, Mr. Chairman. This is becoming extremely confusing. We are dealing with Clause 4 of the bill. I would ask, if you would not mind, that you allow us to deal with Clause 4 of the bill. If the Hon. Member for Yukon then wants to subsequently move another amendment, he may do so. But, surely, we can deal with Clause 4 which is now before us.

Mr. Nielsen: If that were to be done the operative amendment could not be considered. I would suggest that in order to ease the confusion, we stand Clause 4 and then get right into Clause 5. We will then move the amendment.

The Deputy Chairman: Does the House agree to stand Clause 4? The Hon. Member for Vancouver East.

Some Hon. Members: No, no.

Mrs. Mitchell: I wish to speak to Clause 4, Mr. Chairman.

The Deputy Chairman: I have to ensure that the Hon. Member's rights are not diminished in any way. The Chair sought the consent of the House to stand Clause 4. That consent would have to be unanimous and it is clear that there is not unanimity. Accordingly, the Chair will have to recognize the Hon. Member for Vancouver East on Clause 4.

Mrs. Mitchell: Thank you, Mr. Chairman. This party strongly opposes the application of the Public Sector Compensation Restraint Act which is proposed in Clause 4. We strongly oppose the six and five settlement because we feel, of course, this is no way to settle disputes. In fact, it will exacerbate problems on the waterfront.

I would like to make two or three points, Mr. Chairman, related to this. We all know this is a very serious situation in the Port of Vancouver, and as a member representing a good portion of the riding containing that port I think I can speak about this firsthand. It is a problem that concerns every sector of our economy. Not only are the longshoremen and their families very concerned about settling this dispute and getting the port open, we know that farmers, railway workers, grain handlers and people in almost every sector in society are equally concerned. There is no question but that we want the lockout in the Port of Vancouver settled. We want an end to it, and get our port operating again. This is essential to the economy of the West Coast.

Having said that, I want to spend a moment talking about the victims of this six and five cutback proposal being imposed by the Government. The longshoremen in Vancouver and, indeed, all people who support collective bargaining and the rights of trade unionists, seriously resent the kind of union bashing that has been going on. I think it is very important that people like the Prime Minister know enough to refer to this in the correct term as a "lockout" rather than a strike. It would be very helpful also if our Central Canada media did the same.

We know, if we look back into the history of this dispute, that longshoremen did not want this lockout. They have had no settlement since the beginning of January. They work in very difficult situations. I think it is important for Members of the House to know this. It may seem they receive a fairly good hourly rate, but I think most Hon. Members should realize that many longshoremen spend three hours of unpaid time travelling to and from the hiring hall and the dock where they work. They also work in very bad weather, on nightshifts and on weekends, and safety on the docks is a major concern.

The union has been very adamant that there must be no changes in the basic contract, particularly regarding shift differentials and container destuffing.

Therefore, Mr. Chairman, I think it is extremely important to look at the Government's role in this dispute. We know the Government could have intervened earlier in a positive way. The Minister himself could have been much more constructive in his approach, instead of sending a very insulting and, in fact, a very intimidating kind of telegram which called both parties in this dispute dismal failures. What a way for a new Minister of Labour to start his career. The Government could also have moved in earlier, before Parliament came back, having a Government official try to settle the dispute. I am inclined to agree with union members who feel very strongly that the timing of the lockout was very convenient for employers, being just one week before Parliament resumed.

• (1850)

Finally, Mr. Chairman, if the Government had to intervene in the interests of the total economy, surely we could have had an end to the lockout and a resumption of negotiations without the six and five rollback. We oppose the six and five because we think it is grossly unfair to the public sector, and particularly unfair in the longshoremen's dispute. This is private sector employment. Bill C-152 was drafted for the public sector but now a precedent is being set by its application to the private sector.

I should like to point out that I have documents to prove that employers in Vancouver, supported by the head of the National Harbours Board, have charged 14 per cent tariffs to all customers using the Port since last January. This action was based on the anticipation of a 14 per cent increase in wages. The employers have been pocketing a 14 per cent profit all this time. How must a longshoreman feel who has been told by the Government that he is not going to receive any increase between January and July, while the employers have been charging an extra 14 per cent to cover that increase and then, after that, that he is only going to have a pay increase of 6 per

cent? What is going to happen to those profits? What kind of equity and fairness is that?

We oppose this Bill very strongly, Mr. Speaker. We also oppose the blackmail tactic implicit in the timing of this and the way it is being imposed. To delay several days, saying, "Okay fellows, you can finish your negotiations and we will not impose it" is ridiculous. It is intimidating. It is saying, "All right, employers, you don't have to worry. We are going to give you a drastic decrease in wage increases and you can keep the difference between that and the 14 per cent." It is saying to the unions, "You are supporting the employers on those basic contract clauses, the container clause and the shift policies." These are absolutely not negotiable from the point of view of the workers. They have been there since the docks were opened on a 24-hour basis. They are there to protect their jobs. If the clause is changed, the union estimates that close to 300 jobs will be lost.

There is no way we will support the imposition of a six and five wage increase. We believe that this Bill symbolizes the unwillingness of the Government to support free collective bargaining. It is obvious that the Government is moving in favour of intimidating, police state tactics.

Mr. Waddell: Mr. Chairman I should like to speak briefly on this matter and then ask a question of the Minister. I represent a British Columbia riding of working people, in Vancouver-Kingsway. Many of these people are unionized. There are some longshoremen in my riding and there are also retired farmers from Saskatchewan, Alberta and Manitoba.

I have tried in this House to find a national point of view. I know that Canada is a very difficult country to govern. This Bill and this problem indicate how difficult it is to govern. I have tried to take a national point of view. Any Member who says there are not competing interests in this Bill is kidding himself or herself. This problem is difficult to resolve, but the Bill itself is not difficult to deal with.

I do not want to spend my limited time attacking other Members, although I will have one comment to make later about the Hon. Member for North Vancouver-Burnaby. I will point out some inconsistencies in his view.

It seems to me there are two competing principles at work here, and one is the right to free collective bargaining. One of the reasons for our opposition to the Public Sector Compensation Restraint Act was that this clause we are now discussing interferes with and takes away collective bargaining. Many Canadians who are watching this debate on television tonight may ask why we are so much in favour of collective bargaining. Mr. Chairman, we are in favour of it because it is what has kept our country working and what has kept our country free.

People in Poland are prepared to give up their very lives for the right to collective bargaining. I think every Canadian can understand that. When Pope John Paul or Lech Walesa speak about Poland, they are speaking of free collective bargaining. This principle is at stake here.

Another principle that is at stake is the common good of getting an industry going, specifically the grain industry. It is probably the only industry in the country today that is working to capacity. My colleagues from the prairies have been explaining the situation to me. They tell me that farmers can lose up to $8 million per day and that they will not get it back.

There are two competing principles here, Mr. Chairman, that of free collective bargaining and the Government not interfering with that, and the principle of legislating for the common good of the country. I sometimes wish we could put the farmers in the same room with the unions and employers, but I know that is difficult in a country as large as this. I say that apropos the position I was prepared to take, to keep an open mind on this legislation.

The Hon. Member for Regina West in a very careful, articulate and good speech, set this out clearly when he said that this Party has not been hung up on the rigid proposition that because this Bill legislates people back to work we automatically must say we are against it. That is not the case at all. I think the Hon. Member said that we are prepared to consider each problem on a case-by-case basis.

The public must understand, and I think it will, that what has happened is that the Government has thrown in a kicker in Clause 4. It has said that the Public Sector Compensation Restraint Act will apply; in other words, the six and five will apply. They sneaked the six and five into the Bill. It would have been better not to have done that, but to treat this Bill as bills have been treated in the past. In that case, this Party might have been able to look at this in a different way.

I should like to turn to some remarks made by the Hon. Member for North Vancouver-Burnaby. I agree with him when he said that this legislation is the worst labour legislation since the time of the Roman Empire. I am not familiar with the legislation that existed in the days of the Roman Empire but I gather he meant it was bad. Why is he voting for the legislation if it is the worst since legislation of the Roman Empire? I see the Hon. Member in the House. He is my good friend and comes from the same area of the country. If this legislation is so bad, and I agree with him,—Clause 4 shows that—why does he vote for it?

He went on to say that free men should not be legislated into a straightjacket. I agree with that, Mr. Chairman. Free women ought not to be legislated into a straightjacket either. The Hon. Member said that, and then he voted for the Bill. I think we must be consistent here. It seems to me that the Hon. Member might be trying to have his cake and eat it too.

• (1900)

I want to conclude by making two points on this particular Clause; one is a comment and one is a question. Some of my constituents might ask, "If you are opposed to this Bill, why are you letting it go through today?" I want to answer that question. It seems to me that some bills should be delayed. There are reasons for delaying bills, but I do not see the sense of it in this case for a very practical reason. The reason is that

I understand the unfair wage provisions in the Bill are retroactive. If we dragged the Bill out for two or three days, which I was quite prepared to do, where would it get us? It would still get us into a position where we would have unfair wage provisions being retroactively enacted, and the workers would be in the same position.

We fought the six and five for six weeks. We have fought the fight on that and I think the people of the country know it. I say to my constituents as well as to Hon. Members of the House that with respect to the six and five one of the reasons I was elected to the House of Commons was that working people in my riding did not like wage and price controls because they saw them only as wage controls. I say to the working people of Canada that again Clause 4 applies the six and five, but this time to the private sector. It may be longshoremen today, but it will be other workers tomorrow. We will get into a situation where the wages of all workers are controlled, but not prices or profits.

Ordinary Canadians have a gut feeling for justice. They are prepared to co-operate and sacrifice for the country because they all love the country. It is a great country, but the problem is that they see the sacrifices being made by the wrong people. They do not see these sacrifices as being just or across the board. The Government is sneaking in the six and five with this Clause.

I am not sure whether I am permitted to ask the Minister of Labour a question at this point, but I will ask one. If I am not permitted to do so, then it can be considered a rhetorical question. If I am permitted to do so, perhaps he could answer it.

Why should the employers settle before next Monday? In fact, why should these employers return to the bargaining table if the Government has already said that it will be six and five? That is a good deal for employers. Why should they return to the bargaining table and deal with the conciliator's report which suggested about 12 per cent? Why would they go back with this Clause in the Bill? The Minister does not want them to go back; that is the answer. He wants to slip in the back way the Government's six and five program to make some political points for what Keith Davey read in the public opinion poll instead of bringing in a bill—and I agree with the Conservative Party on this—that would at least face the issue squarely so that we could decide the issue on its merits and decide the dispute on its merits.

This is why people from the Prairies, people from my Party and people from all over Canada are against the Bill. The Government sneaks in other unfair clauses. I echo the words of the Hon. Member for North Vancouver-Burnaby, that free men should not be legislated into a straightjacket. Indeed, it is the worst legislation we have seen in a very, very long time. If I am permitted to ask that question, I should like the Minister to respond to it.

Mr. Caccia: Mr. Chairman, not being an employer it is difficult to answer on behalf of one. If I were an employer with a concern for the long-term competitiveness of my harbour, and looking south of the border with increasing competition coming from Seattle, I would be very keen to come to a settlement which would improve the productivity and the competitiveness of my harbour. Therefore, I would be very anxious for a settlement in the dispute.

Mr. Yurko: Mr. Chairman, my remarks will be very brief. When we discussed and passed Bill C-124 last summer, the Public Sector Compensation Restraint Act, many of us supported it. I supported it because it was based on the understanding that the wage and price controls in that Act were to apply only to the public sector and that voluntary collective bargaining was still the process to be used in the private sector. That Act, C-124, is being applied selectively to a new piece of legislation dealing with the private sector, and I wonder about the legality of such a practice. Because that legislation, C-124, is strictly limited to the public sector, I wonder about the legality of applying it to the private sector in such a selective manner.

Miss Carney: Mr. Chairman, I am speaking to this issue at the moment because my riding of Vancouver Centre embraces much of the Port of Vancouver and I want to emphasize the dangerous precedent which this legislation, as proposed by the Government, would create.

I would like to tell the Minister, who is justifying the imposition of six and five on the basis that it would encourage employers to improve productivity versus the Port of Seattle, that I was told in Vancouver this week that if they impose the six and five on employees, they are likely to get six and five productivity. It does not solve the basic problem of the port, and it works against the traditional Canadian method of dealing with these kinds of disputes. The basis of our amendment is to send people back to work tonight and then send the issue to arbitration.

In particular, I would like to point out the danger of imposing this kind of program in the most unionized province in the country, British Columbia. At the moment that Province is suffering enormously from the impacts of recession, the lack of jobs in the resource sector and the effects of the Liberal Government policy. There is an element of fear, concern and worry about the whole status of collective bargaining in the Province throughout all resource industries. The imposition of this band-aid measure and the imposition of an Act which was never designed for such a situation could be very, very dangerous. I would like the Minister to tell us why he does not feel he could support our proposal—send the longshoremen back to work tonight, get the grain moving tonight, get the ships moving tonight, get the docks working tonight, and send the issue back to arbitration.

Mr. Deans: Mr. Chairman, I rise on a point of order. I have consulted with certain Members and I was wondering whether it is required that we notify the restaurant that we will be sitting later, because I know a number of Members are hoping to eat at some point.

Mr. Thacker: That is an important point of order!

Mr. Deans: Mr. Chairman, I do not care. I was not going to eat anyway.

Mr. Cook: Mr. Chairman, I felt I should rise for one moment only. I was asked by the Hon. Member for Vancouver-Kingsway, who agreed with me on some matters, why I am voting for the Bill. I will tell him why I am voting for it. It is for the very reason that all of us are here tonight—to get this ruddy Bill through and, in the interests of Canada, to get the ports open.

Some Hon. Members: Let's go, let's go!

Mr. Cook: I only hope we could stop having long speeches by Members of the New Democratic Party which are delaying consideration in Committee of the Whole and delaying the entire procedure of getting the ports open in the best interests of Canada.

Some Hon. Members: Hear, hear!

Mr. Kristiansen: Mr. Chairman, in spite of those provocations, which I do not take very seriously, I want to ask the Minister a very simple question but one which goes to the essence of the problem facing us.

I think Hon. Members on all sides of the House would agree that the principles at stake—not just money, time and jobs—are important ones. If we are to be asked to consider a piece of legislation which transgresses on certain fundamental freedoms that are held very closely by many people, we should know exactly what it is we are considering and what we are either voting for or voting against. I do not think that is too much to ask. Therefore, I ask the Minister—his officials are here and other Members of the Government are present—are we dealing with legislation that will put into place 6 per cent and 5 per cent increases, or are we dealing here with legislation which will provide a 9 per cent increase for the first six months and then the six and five formula will apply, or what is it we are dealing with?

• (1910)

I would like a clear answer to that question. It is the Government's law. The Government is asking us to transgress on certain people's rights. I think we have a right and a responsibility not only to ask that question but to get an answer to it. If we cannot have a very clear answer, then I think the Government has absolutely unmitigated gall to place such a proposition before us.

Miss Carney: Mr. Chairman, I rise on a point of order. Before the Minister answers the question put by the Hon. Member for Kootenay West, could he answer my question, which is: Why can he not support the traditional methods of dealing with this kind of problem through arbitration rather than the imposition of a Bill which is not designed to cover labour-management disputes in the private sector?

The Deputy Chairman: Hon. Members will realize that is not an effective point of order, but I do think there is a courtesy in that it may be recalled that the Hon. Member had a question earlier.

Mr. Caccia: Mr. Chairman, as to the first question asked by the Hon. Member for Kootenay West, the Public Sector Compensation Restraint Act will prevail. He will recall that for agreements expiring before June 28, 1982 increases of 9 per cent, 6 per cent and 5 per cent will apply. As I understand it, a 9 per cent increase will apply for the portion of this year which precedes June 28.

As to the question of the Hon. Member for Vancouver Centre, and I am sorry I did not sense she had a question in her intervention earlier, otherwise I would have replied, but I think she is posing the substance of the amendment put forward by the Hon. Member for Rosedale. I would be glad to deal with it but it is not before us. I was waiting for the Chairman to rule at which point we would be dealing with it. For the sake of saving the time of the House, I was waiting for that matter to be before us so we can debate it. I will deal with it when the matter is before us.

Mr. Taylor: Do it now.

The Deputy Chairman: The Hon. Member for Kootenay West is rising on a point of order?

Mr. Kristiansen: No, not on a point of order, Mr. Chairman. I am rising on a point of clarification.

The Deputy Chairman: Then I will have to recognize other Hon. Members who have not yet spoken.

Mr. Robinson (Burnaby): Mr. Chairman, I have a question for the Minister. However, first I want to make a couple of points with respect to the particular Clause that is before us. In my view, this Clause and the imposition of the six and five formula on the private sector and on these particular employers and employees constitutes the most serious assault on free collective bargaining that we have seen in this country for many, many years.

We have heard from representatives of the Official Opposition and we have heard from my colleague, the Hon. Member for North Vancouver-Burnaby, that this action is a mistake. Yet what utter hypocrisy! On the one hand, the Official Opposition support the six and five formula for the public sector, yet when that formula is being applied to the private sector suddenly we hear the Hon. Member for Vancouver Centre, for example, suggesting that this action will reduce productivity. What hypocrisy! If such a formula is good enough in the minds of the Official Opposition for the public sector, presumably it is good enough for the private sector as well.

What does this legislation do to the principle of free collective bargaining and to the freedom of association, which supposedly this Government and this Parliament guaranteed in the Charter of Fundamental Rights and Freedoms? What we are saying is that people have the right to free collective

bargaining until such a time as our economic interests are jeopardized and then they will be sent back to work.

I have a number of constituents in my riding of Burnaby who are being ordered back to work as a result of the provisions of this bill. They are being told that if they do not work or if they engage in any form of work slowdown, the work to rule, for example, that is referred to in Clause 2, the federal Government may bring an application before the Federal Court for contempt of court. The implications that over 3,000 working men and women in the Province of British Columbia will be thrown into jail if they demand that this Government respect their fundamental freedom of association and not ram a settlement of six and five down their throats.

Is the Minister seriously asking this Parliament to pass legislation which tells these 3,000 men and women that unless they go back to work and work to full capacity they will be thrown in jail? It was pointed out earlier by the Hon. Member for Vancouver-Kingsway that this principle of free collective bargaining and the right to withdraw their labour, which through the provisions of Standing Order 43 we stand up and demand on behalf of trade unionists in Poland, should not be jeopardized. Yes, we are very free to speak up for trade unionists in Poland. But when it comes to trade unionists in the Province of British Columbia, they are being told to take a real cut in their standard of living.

At the same time the employer has been banking significant amounts of money each month on the assumption that an increase would be made which would keep up with the cost of living. A government conciliator has recommended an increase well beyond the so-called six and five formula. Is the Minister telling my constituents that they will go to jail if they tell him they are not prepared to accept this assault on their freedom of association?

Mr. Caccia: Mr. Chairman, I have every confidence that the men involved in this dispute will obey the law of the land as passed by this Parliament. As to the question raised by the Hon. Member that the men are being forced to go back to work, may I draw to his attention that we are dealing here with a lockout and not a strike.

The Deputy Chairman: Shall Clause 4 carry?

Mr. Deans: On division.

Mr. Nielsen: Mr. Chairman, I rise on a point of order. Could I at this stage say that we do not intend to put up any further speakers on this Clause. We do feel that the Committee should divide on the principle which the Hon. Member for Rosedale wants to put forward. He cannot put that amendment forward if Clause 4 is passed because the amendment is in direct conflict with Clause 4 as passed. The rule is quite clear that one cannot amend if that be the result.

I ask for the indulgence of the Committee to stand Clause 4 until my friend from Rosedale has the opportunity to put his amendment which would add a Clause containing the collective bargaining agreement and amend Clause 5 to make the operation of Clause 4 subject to the intended new Clause 6.

The Deputy Chairman: The Chair has no difficulty with what the Hon. Member proposes. I did think another Hon. Member must be recognized, however.

• (1920)

Mr. Kristiansen: I have a very short supplementary question to the Minister about his earlier answer. In answer to that question as to whether Clause 4 meant six and five, or nine and six and five, the Minister said—I think I am quoting him relatively accurately—that it is his understanding that it will be 9 per cent to June 29 of 1982 then 6 per cent and 5 per cent for the appropriate periods after that. I believe the Minister is a good man, an honest and understanding man. However, I want more information, before I decide on a question like this, as to whether it is simply his understanding. Do I understand that it is a commitment of the Minister and the Government that what the Bill before us means is 9 per cent to June 29, 1982, then 6 per cent, then 5 per cent? Is that a commitment or an understanding?

Mr. Caccia: Mr. Chairman, I welcome the question by the Hon. Member. As I understand the Public Sector Compensation Restraint Act, the answer is that it would be 9 per cent in the first year and 6 per cent and 5 per cent in the two subsequent years.

Mr. Kristiansen: Is that what it means? Never mind the understanding. Is that a commitment; will you back that up with your office?

Mr. Caccia: It is my understanding of what the Act means, Mr. Chairman.

The Deputy Chairman: It is moved by the Hon. Member for Yukon that Clause 4 be stood. Is that the agreement of the House?

Some Hon. Members: No.

The Deputy Chairman: Is there unanimous consent to stand Clause 4?

Some Hon. Members: Agreed.

Some Hon. Members: No.

The Deputy Chairman: There is not unanimous consent.

Mr. Nielsen: Mr. Chairman, I rise on a point of order. I am really surprised that the NDP would adopt that position—

Mr. Deans: What is the point of order?

Mr. Nielsen: —when we, as well as the Government, have already given the assurance that we have no intention of having any other Members speak on this side. We merely want to enjoy the democratic right of dividing on a principle. All that we want to do is have a vote. We cannot have a vote on

the amendment proposed by the Hon. Member for Rosedale if we accept Clause 4 at this stage. All that we are doing is asking to stand it so that we can put our amendment and then vote on it. Then we would get back to vote on Clause 4.

Mr. Deans: Mr. Chairman, it is also our intention to attempt to divide on a principle. The principle which we want to divide on is the principle of the six and five regime being imposed on the workers on the docks of Vancouver. We want to do that now.

Mr. Nielsen: Once again, Mr. Chairman, I appeal to the Members of the NDP. They will have the opportunity to divide, as we already have on second reading, on that principle. We will be dividing at the report stage. We will be dividing at third reading.

Unless they consent to allow us to put the principle of arbitration before this Committee, we will never divide on that principle. All that we are asking the NDP is to allow us to divide on the principle that arbitration is far more acceptable than the imposition of the six and five. It is that simple.

Mr. Deans: Mr. Chairman, I appreciate the concern expressed by the Hon. House Leader for the Official Opposition. However, there is quite clearly a way that the Official Opposition can, in fact, test its theory with regard to compulsory arbitration. It can, if it is able to get sufficient support to defeat the six and five proposal by the Government, replace that with what it proposes. We would like to vote on the six and five proposal in Clause 4.

Mr. Crombie: Mr. Chairman, I think it was about an hour and a half ago that I first moved the motion which was intended to amend Clause 4. At that time I put forward the principle that was involved behind the motion. I clearly understood the views of the Government, at least as stated by previous speakers. I had not yet heard from the spokesman from the NDP on the question.

I would like to make a comment before you make your final decision, Mr. Chairman. My difficulty is that I am now dealing with a procedure which was totally in order four years ago. Exactly the same words came from the Government. The words I have used are exactly the same words that the Government put in order to solve the same problem on the Great Lakes that is occurring on the west coast. It is exactly the same but because of the arguments made by Members of the Government to the Chair, I found that I could not put, or was having difficulty putting, that motion in form.

At least as a matter of courtesy by the Members of the New Democratic Party—

Mr. Deans: Do not talk to me about courtesy.

Mr. Crombie: I would like to have the opportunity to have the House deal at least with what I consider to be an important principle.

Mr. Waddell: Talk to your House Leader.

Mr. Crombie: They had the opportunity during second reading to divide—and I agree with them on the question of principle that the House should divide. They had that opportunity in second reading. They will have the opportunity to vote at third reading. They will have the opportunity to vote on Clause 4. That is three opportunities to vote on their principle. They will not give me or anyone in the House the courtesy to deal solely and clearly with the question of arbitration. That is despicable.

Some Hon. Members: Hear, hear!

Mr. Waddell: Get yourself a new House Leader.

Mr. Crombie: All that is being asked is for the right of Members to have a vote on the question of compulsory arbitration. I think that it is not a difficult matter in terms of democratic process. Some Members may want to divide and not support that principle but I, and I am sure others, will certainly remember for a long time what the NDP has done. I, myself, have displayed that courtesy to all those Members during the Constitutional debate. I gave them opportunities when they asked me. I can tell you, Mr. Chairman, that I now understand. The next time they ask me, it had better be important.

All that I want is the right of this House to be able to choose whether or not the west coast people involved in this dispute have the right to decide whether they will have compulsory arbitration or unilateral intervention by the Government, which will have consequences for industrial peace for a long time to come. They have denied it with their own phony politics.

Some Hon. Members: Hear, hear!

Mr. Deans: Worthy of a Shakespearian award, Mr. Chairman.

Some Hon. Members: Oh, oh!

Mr. Deans: I want to make our position quite clear. Clause 4 of the Bill is before us. It is a clause that we are opposed to. We have already stood in the House and voted against Clause 4. The Conservatives, of course, joined with the Liberals and voted for it. They voted for the six and five regime when they voted on the principle of the Bill.

I am now unprepared to stand in my place again, together with my colleagues, and vote against Clause 4. If Clause 4 is defeated, as I hope it will be and as the Hon. Member for Rosedale hopes it will be, as I understand him, he can then introduce his amendment. His amendment can then be voted upon. If Clause 4 is not defeated, then the proposal before us in this Bill which contains the six and five regime is open to a further vote. If the Conservatives are opposed to six and five as contained in Clause 4, let them rise and vote with us against the Government.

Mr. Nielsen: One last effort, Mr. Chairman. The Hon. Member for Hamilton Mountain obviously does not under-

stand the effects of what will happen. I can tell him that if he insists on withholding, as he is doing, unreasonably, consent to allow us to divide on the question of arbitration in preference to unilateral imposition of a wage ceiling, we will be voting against Clause 4 ourselves. The Government has a majority. It will win the vote. Therefore, our amendment will be precluded from future proceedings and we will be denied the opportunity—

• (1930)

Mr. Clark: And the workers.

Mr. Nielsen: —and the workers will be denied, through their Members, of choosing whether they would prefer a ceiling imposed on their wages by the Government or whether they would prefer the process of arbitration. In fact, what the Hon. Member for Hamilton Mountain is saying on behalf of his Party is that his Party is against the principle of arbitration because that will be the result of their conduct. In effect, by their conduct they deny the principle of arbitration, a principle well rooted in our treatment of the workers of this country as one of their fundamental rights and freedoms. They not only deny the workers that right, but they also state that there is a preference that the Government impose six and five on the workers. That is the result of their conduct. Why are they so frightened of dividing on the principle of arbitration? The Government has already indicated its willingness to allow us to do that. We want to do it. The only hold-outs are those Hon. Members down there in the corner. The only conclusion that can be reached by the workers of this country, particularly in B.C., is that they are against the principle of arbitration and want the Government to impose six and five. That is their preference.

The Deputy Chairman: I think it would be reasonable for the Chair to suggest that while a point of order was possibly involved—

Some Hon. Members: Oh, oh!

The Deputy Chairman: —somewhere in this matter, the Committee may wish to consider that the contributions to the subject have been made.

Mr. Deans: With respect, Mr. Chairman, I will not engage in silly talk with the Hon. Member for Yukon. It is quite clear where the Tory party stands on six and five.

Some Hon. Members: Oh, oh!

Mr. Deans: We all understand the indecent haste with which the Tories supported the Government in the attempt to impose it in the first place. We understand that they are prepared to impose it on all the workers of Canada. We understand those things and so do the workers of Canada. We do not have to tell them. The problem is that Clause 4 would impose the six and five regime upon those workers. We want to vote in opposition to it now.

The Deputy Chairman: Shall Clause 4 carry?

Some Hon. Members: Agreed.

Some Hon. Members: No.

Clause 4 agreed to: Yeas, 98; nays 89.

On Clause 5—*Coming into force.*

Mr. Crombie: Mr. Chairman, I would like to move the following amendment to Clause 5:

That Bill C-137 be amended by deleting Clause 5 thereof and by substituting therefor the following:

"Subject to Section 6 of this Act, Section 4 of the Act shall come into force on a day to be fixed by proclamation".

It would be my intention to move a further motion which would essentially combine my original Motions Nos. 4 and 5. I am trying to follow what I took to be the instructions of the Chair that I should find a way in which to add a clause. I am trying to do that. Therefore, following the motion concerning the deletion of Clause 5 and the addition of fixed proclamation, I would further move:

That Bill C-137, an Act to provide for the resumption and continuation of longshoring and related corporations and ports on the West Coast of Canada, be amended by adding the following clause as clause 6 and renumbering clauses 6 and 7 of the said Act as clauses 7 and 8 respectively:

6. The Minister of Labour shall, after the coming into force of the Act (a) within 14 days, appoint an arbitration board consisting of three members, of which business—

Would you like me to dispense with reading it, Mr. Chairman? The point, of course, is to add what was originally part of an amendment to Clause 5 dealing with what would happen to the decisions of the arbitration board once they had been made. Therefore, I am taking the original parts of Motions Nos. 4 and 5. That is my amendment to Motion No. 5, which will allow me to deal with the principle of arbitration.

I take it, Mr. Chairman, as I have tried to follow your own instruction, or suggestion, that that is in order, because if it is not—I am getting smarter—

Some Hon. Members: Hear, hear!

Mr. Crombie: —if not on the procedure, of course the principle has always been clear, and that is that the working people of this country like to have free collective bargaining and when the Government must intervene, they like to have the traditional rights which they have known for many generations. Many people, including the parents of many people in this chamber, have worked very hard to ensure that when the government intervenes, it does so through the imposition of arbitration procedures which protect the rights of people. That is the principle. It is not complicated. It is clear and obvious to everyone.

• (1940)

I know when I look across at the Government benches, when I look at those eyes, that those people know what I am saying and they agree. In the past 13 years this Government has used exactly this motion each time. Do not forget that. These words are not mine. They belong to Otto Lang who brought them

into the House at a time when we had the same kind of industrial strife on the Great Lakes.

I hear a Member saying: well, it did not have the six and five. That is precisely the point. We did not have the six and five and it was never meant to be used here. I am glad to hear the Hon. Member raise it again because there is great danger that Members opposite are forgetting. That Act was never meant to be a vehicle to solve industrial peace. And you are going to create havoc for years to come.

Some Hon. Members: Hear, hear!

Mr. Crombie: It is always easy when you think that the heat of the moment requires that you act, but I am telling you there are rights people have had that are going to be interrupted by the fact that the Government, and the New Democratic Party—unbelievable—are now saying no to arbitration and yes to six and five, with all the loss of collective bargaining rights which they talked about not only on this Bill, but—on Bill C-124.

Mr. Clark: Shameful betrayal.

Some Hon. Members: Hear, hear!

Mr. Crombie: Mr. Chairman, the Government is doing this for political reasons, trying to breathe life into six and five in the private sector, and it is going to create great problems. People know them because they live in the world of expediency. The Members of the New Democratic Party, when they go home tonight and recognize that what they have done is oppose the arbitration process and supported, indirectly, unilateral Government intervention on individuals, and groups of working people in this country, they will wonder about their own leadership, I can tell you.

Some Hon. Members: Hear, hear!

The Deputy Chairman: I have to ascertain with a little more certainty precisely what is the motion being put forward by the Hon. Member for Rosedale. Obviously the Hon. Member is deleting Clause 5 and putting in the words he proposes, which makes Clause 5 subject to Clause 6. My problem then is in relation to what happens to currently numbered Clauses 6, 7 and 8. I presume they are renumbered seriatim and the new Clause 6 is the motion made by the Hon. Member. I thank the Hon. Member.

Mr. Deans: Mr. Chairman, it is difficult to replace one bad procedure with another.

Some Hon. Members: Oh, oh!

Mr. Beatty: No doubt you will do your best.

Mr. Deans: The problem with what is being proposed, and I think with all good intentions, by the Hon. Member for Rosedale is this: arbitration was available to both parties all the time. Arbitration is even yet today available to both parties if they want arbitration. The parties have said quite clearly they do not want arbitration. We are therefore not prepared to impose on them the arbitration they have said they do not want.

Some Hon. Members: Oh, oh!

Mr. Deans: I say to the Hon. Member for Rosedale that I think in his naiveté with regard to matters relating to collective bargaining he believes that to put that in place, the compulsory arbitration process, is somehow protecting collective bargaining. It is in fact not protecting collective bargaining. I suggest to the Conservatives that they consider this and consider it carefully.

As Hon. Members know, we in this party have steadfastly stood against the six and five regime because we believe it to be unfair. They also know that we have steadfastly stood up on behalf of the collective bargaining process because we believe it works almost all of the time to the advantage of the country as a whole. We have paid particular attention to the parties involved in this dispute and we have attempted to seek out whether or not the parties involved in the dispute are desirous of having arbitration available to them. They have said no. We are not, therefore, prepared to impose it upon them.

[*Translation*]

Mr. Pinard: Mr. Chairman, on a point of order.

The Deputy Chairman: The President of the Privy Council (Mr. Pinard), on a point of order.

Mr. Pinard: The amendment is in my view out of order for all of the reasons we discussed earlier. Clause 4 carried and the motion is a clear negation of Clause 4. I also think that it would be useful for all members to look at Citation 773(9), Beauchesne, 5th Edition, which indicates that in the circumstances, the hon. member may not substitute a new clause for Clause 5, as he is doing now. So for all these reasons, it seems to me that in the circumstances he cannot try to repair, as I believe he said himself, the damage caused by the refusal of the New Democratic Party to give unanimous consent a few moments ago.

[*English*]

Mr. Nielsen: I think I can deal with that very quickly and very easily, Mr. Chairman. We are not at all attempting to substitute a new Clause. It was simply for the purpose of neatness that we took the Clause out and reworded it. We could just as well have amended the Clause by adding a proviso: provided that no such proclamation shall be fixed until Clause 6 has been complied with. We could have done it that way. I can do it that way now if the committee wants to be delayed. The Government House leader very graciously agreed with the process of allowing us to put our amendment. The NDP did not. Surely for the sake of allowing us to divide on the principle of arbitration he could agree to accept this amendment in that spirit of co-operation his Prime Minister and Cabinet Ministers—indeed all Members on that side—have been requesting of us since this session resumed. We now

ask for the same co-operation and grace which he evidenced a few moments ago when we were seeking ways and means of causing division on this principle of arbitration.

In that sense, and in order that the matter might be better understood, perhaps I could get agreement at this stage to stand Clause 5 so that we can amend, by adding Clause 6, renumbering existing Clauses 6 and 7 to become 7 and 8, and have the divison on the principle of arbitration which we have been so desperately seeking to obtain.

[*Translation*]

Mr. Pinard: A while ago we were prepared to agree to a procedure that was regular and in order. The member for Yukon (Mr. Nielsen) had presented a motion to stand consideration of the clause, which was entirely according to the rules, and we said yes, we agree with this motion. But if we are subsequently asked to agree to some irregular procedure or something that is not in accordance with the rules, that is not the same thing. The Hon. Member will remember that when he reacted earlier to the refusal of the New Democratic Party to stand Clause 4 before proceeding with a division, he said that it was no longer possible for his party to propose an amendment for compulsory arbitration as opposed to applying the 6 and 5 policy. So now he is trying to present an amendment which, as he said earlier, could no longer be presented. He knows perfectly well that we cannot agree to an irregular procedure, and that is why the situation is entirely different from the one we had earlier, when we were ready to agree with a motion that was in order.

• (1950)

[*English*]

Mr. Nielsen: Mr. Chairman, obviously, in the words of the Chair, the Chair does not share that view. Hence, I do not propose to deal with it. I am proposing something that is very simple and is in order. I am proposing at this stage that we stand Clause 5.

Mr. Pinard: Agreed.

The Deputy Chairman: I will take it that the previous motion made by the Hon. Member for Rosedale has been withdrawn. Is that correct?

Mr. Nielsen: The Hon. Member for Rosedale will withdraw that proposal and stand Clause 5.

The Deputy Chairman: We will assure there is consent to the withdrawal of the motion to Clause 5. The question now before the Committee, put by the Hon. Member for Yukon, is, shall Clause 5 stand?

Some Hon. Members: Agreed.

Some Hon. Members: No.

The Deputy Chairman: Is that agreed?

Some Hon. Members: Agreed.

Some Hon. Members: No.

The Deputy Chairman: I have to put the question once more because I require unanimous consent in order to stand the clause. Shall Clause 5 stand?

Some Hon. Members: Agreed.

Some Hon. Members: No.

The Deputy Chairman: The question has been put three times. I am certain that I heard "no" to that proposition.

Mr. Nielsen: There appears to be unanimity, Mr. Chairman. I will make the motion formal, that we stand Clause 5—

The Deputy Chairman: I think the Hon. Member may have misunderstood. I put exactly that question three times, and on each occasion I heard "no".

Mr. Nielsen: I move:

That Clause 5 stand.

The Deputy Chairman: The Hon. Member for Yukon has put a motion that Clause 5 stand. In my view, we require unanimous consent in order to stand Clause 5, under Standing Order 75(1). The Standing Orders require that we proceed with each clause in its proper order. In order to deviate from that process of proceeding with each clause in its proper order, I have been seeking unanimous consent to stand the clause. If my recollection is correct, we stood Clause 3 by unanimous consent.

Mr. Nielsen: Mr. Chairman, with no disrespect to the table, I often think of advisers in relation to my recollections of investigations by the police into forged handwriting. They always start with the premise that they have to find a valid comparison and proceed from that base. I say that without intending any reflection.

Either we are allowed to divide on that question, or we will be put to the trouble of adding an amendment by way of a proviso to Clause 5, providing that Clause 5 be allowed to stand or providing that Clause 5 be not now voted upon, but be stood until a later time in the consideration of this Bill.

The Deputy Chairman: As is obvious to Hon. Members that the Chair has taken the opportunity to consult with officers of the table. For reference, Members may wish to see Section 775 of Beauchesne's Fifth Edition. The motion that Clause 5 stand has been put on the floor. The Chair declared a moment ago that it was deemed that the motion put by the Hon. Member for Rosedale had been withdrawn and the Committee indicated its acceptance of that. The motion by the Hon. Member for Yukon that Clause 5 stand is deemed by the Chair to be in order. Debate may follow. Shall I put the question?

Some Hon. Members: Question.

The Deputy Chairman: Shall Clause 5 stand?

Some Hon. Members: Agreed.

Some Hon. Members: No.

The Deputy Chairman: All those in favour please say yea.

Some Hon. Members: Yea.

The Deputy Chairman: All those opposed will please say nay.

Some Hon. Members: Nay.

The Deputy Chairman: In my opinion the yeas have it. I declare Clause 5 stood.

On Clause 6—*Definition.*

Mr. Blais: Mr. Chairman, I move:

That Clause 6 of Bill C-137 be amended by striking out lines 17 to 22 on page 4 and substituting the following:

"employee organization"	"and who is a member of a union;
"employer"	"employee organization" means a union;
	"employer" means a company."

● (2000)

This amendment is of a technical nature, Mr. Chairman, and has the effect of removing the words"—within the meaning of Part I" from each of the definitions in that Clause. Those words are not necessary in the definitions as the expression "union" and "company" in the definitions are defined in Clause 2 for the purpose of the whole Bill, not only for Part I.

The Deputy Chairman: The amendment proposed by the Minister of Supply and Services is deemed to be in order by the Table.

Mr. Nielsen: I wonder, Mr. Chairman, if we should not, before dealing with that amendment, deal with the new proposed Clause 6, and the renumbering of Clause 6 and 7, and divide on that?

The Deputy Chairman: The House has heard the amendment proposed by the Hon. Minister of Supply and Services. Shall the amendment be carried?

Some Hon. Members: Carried.

Amendment (Mr. Blais) agreed to.

Clause 6, as amended, agreed to.

Mr. Crombie: Mr. Chairman, I would like to move:

That Bill C-137, an Act to provide for the resumption and continuation of longshoring and related operations at ports on the west coast of Canada, be amended by adding the following Clause 6 and renumbering Clause 6 and 7 of the said Act as Clauses 7 and 8 respectively, and Clause 8 as Clause 9. Clause 6(1) would read:

"6 (1) The Minister of Labour shall, after the coming into force of the Act,

(*a*) within 14 days appoint an arbitration board consisting of three members, of which Business, Labour and Government would each nominate one member, and refer to that Board the further extension of the term of the collective agreement to which this Act applies to include the period referred to in subsection 2(*a*) and all the matters relating to the amendment of the collective agreement that in the opinion of the arbitration board, at the time of its appointment, are in dispute between the employers association and the union; and

(*b*) provide for the form in which the decision of the arbitration board in respect of all matters referred to it shall be set forth.

6 (2) The arbitration board has, with such modifications as the circumstances require, all the powers and duties of an arbitrator under section 157 of the Canada Labour Code.

6 (3) Notwithstanding any other provision of the Act or of the Canada Labour Code, the arbitration board shall be required to decide all matters referred to it under this Act within sixty days of its appointment.

6 (4) When the arbitration board decides all matters referred to it, the collective agreement to which this Act applies is deemed to be amended by the incorporation therein of such decision and by the incorporation therein of such other amendments as may have been agreed to by the parties thereto prior to the decision of the arbitrator, and the collective agreement, as so amended, constitutes a new collective agreement that shall be deemed to have effect on and from the date of that decision.

6 (5) Nothing in subsection (1) shall be deemed to limit or restrict the rights of the parties to the collective agreement to which this Act applies to agree to vary or amend any of the provisions of the collective agreement as amended by or pursuant to this Act other than a provision relating to the term of the collective agreement and to give effect thereto."

That is the whole of the amendment, Mr. Chairman. It combines the two motions which I originally moved some two or three hours ago. I hope this time the Chair and the House will see fit to accept it so we can have a vote on the matter.

The Deputy Chairman: Since Hon. Members do not appear to find any issue they wish to raise as to the procedural acceptability of the proposed amendment, the Chair will proceed to put the question on the amendment. Shall Clause 6, as amended, carry?

Some Hon. Members: No, no.

The Deputy Chairman: That is what I was inquiring about. Is it a new Clause 7?

Mr. Nielsen: Clause 6, with existing Clauses 6, 7 and 8, being renumbered 7, 8 and 9.

The Deputy Chairman: I thank the Hon. Member.

Shall new Clause 6 as proposed by the Hon. Member for Rosedale carry? Those in favour, please say, yea.

Some Hon. Members: Yea.

The Deputy Chairman: Those opposed will please say, nay.

Some Hon. Members: Nay.

The Deputy Chairman: In my opinion, the nays have it.

Amendment (Mr. Crombie) negatived: Yeas, 72; nays, 126.

● (2010)

On Clause 7—*Order to comply.*

Mr. Kilgour: Mr. Chairman, I have a question for the Minister of Labour with respect to Clause 7. If this Clause should pass, can the Minister tell us whether the Government

may, by a subsequent amendment, such as Clause 4, make Bill C-124, which is an Act dealing with the public sector of Canada, applicable to all of the private sector which falls within the jurisdiction of the federal Government? If that is the case and we pass Clause 7, would all private agreements such as this one not then be subject to contempt proceedings?

Mr. Caccia: The answer is definitely no, Mr. Chairman.

Mr. Kilgour: I appreciate that the Minister of Labour is not a lawyer, but I see the Minister of Justice is here. Would somebody on that side who knows something about administrative law reply to the question?

Some Hon. Members: Oh, oh!

Mr. Caccia: Mr. Chairman, I would say to the Hon. Member that each case would be dealt with separately.

Mr. Kilgour: I should like to submit to the House and to the Minister that tomorrow the Government could bring in a new Clause 4 and make it applicable to every agreement in the private sector that falls within federal jurisdiction. If it is made a matter of contempt of court, then any group in the private sector in banking, the railways or whatever would be subject to contempt proceedings for breaching it.

Mr. Fraser: Mr. Chairman, I have a question for the Minister of Labour. I take it from what has happened tonight that when we have another dispute which is not settled effectively by the parties and Parliament has to intervene, this will be the pattern of legislation. Can the imposition of six and five be expected in such disputes?

Would the Minister of Labour answer that question, please? Is this Bill a precedent? Is the Minister going to be bound by this? What are the signals the Minister is giving to the public, to labour, to management, where disputes fall within federal jurisdiction, as a result of what is being done tonight?

Mr. Caccia: If the Hon. Member wants a frank answer, the signal to the world outside is that it is much better to settle things by themselves.

Mr. Nickerson: Mr. Chairman, I have a brief question for the Minister concerning the drafting of Clauses 7 and 8 and the interpretations in Clause 6. In Clause 6 there is a definition of "employee organization" which is precisely the same as the definition of "union" in Clause 2. Similarly, the term "employer" is used and it means exactly the same as the term "company", which is defined in Clause 2. Why has this been changed half way through the Act?

Mr. Caccia: Mr. Chairman, the Hon. Member is dealing with an amendment that has already been adopted.

Mr. Nickerson: These terms are referred to and defined in Clause 6, which has been dealt with very quickly and without any explanation, except to say that these were technical terms. The first opportunity we have to find out why the changes were made is in considering Clause 7, which is the first time the terms are actually used.

Mr. Caccia: I will give the Hon. Member a more comprehensive answer than the one that was given when the amendment was moved. This is an amendment of a technical nature. I have difficulty understanding the substance of the Hon. Member's question. That Clause is not before us at the present time. The main point is that we made an amendment of a technical nature which is required for clarity of the Bill.

Mr. Nickerson: The technical amendment was made in Clause 6. Why is the term "employer" used in Clause 7 when it means precisely the same thing as "company," which is defined in Clause 2 and is used substantially in Clauses 3 and 4? Why has that been done?

Mr. Caccia: It is because the definition of "employer" in Clause 7 is compatible with the definition in Clause 6 as amended.

Mr. Nickerson: I should like to point out that the Minister of Labour is not making any sense whatsoever, Mr. Chairman. He has obviously not considered this matter. I do not know about my colleagues, but it would satisfy me if I could get an explanation of this fuzzy drafting. It appears to be a cut and paste job, as if some sections were taken from one Act and some sections from another, and then put together. If the people responsible for drafting the Bill wish to make an explanation to me privately, I would be satisfied; that is, if the Minister cannot do better.

Mr. Robinson (Burnaby): I should like to put a question to the Minister, Mr. Chairman. Can the Minister clarify for Members who do not have a legal background precisely what is meant by "punished by the court as for other contempts of court". Would the Minister tell us precisely what the punishment is for such a contempt of court? Will he confirm that any employee or any officer of a trade union who does not give notice under Clause 3(3)(a) to the members of a union that they are to return to work, or any individual person ordinarily employed in longshoring who does not forthwith return to work, will be thrown in jail if an application is brought by the federal Government? Will the Minister explain to the House, very clearly, what is intended as the ultimate sanction for violation of this legislation?

Mr. Caccia: This Clause refers to "employer or employee organization". I understand that the court sets its own punishment. In other words, there is no specific punishment involved in this Clause. The court sets its own punishment.

Mr. Robinson (Burnaby): Would the Minister indicate to the House what the maximum punishment is which the court can set for violation of this Clause?

• (2020)

The Deputy Chairman: Shall Clause 7 carry?

Mr. Robinson (Burnaby): Mr. Chairman, perhaps the Minister did not hear the question. Would he indicate and confirm to the House, if I could have his attention, that working men and women are subject to terms of imprisonment under the Clause which is presently being debated? Is that the intent of the Minister?

Mr. Caccia: I do not think it is the Minister's role to interpret the law. The Bill is before the House. Once passed, it will then be for the court to implement it.

Some Hon. Members: Oh, oh!

Mr. Robinson (Burnaby): The constituents we represent are entitled to know, in dealing with this legislation, precisely what are the sanctions contained in it. This is a very serious question because if one looks at the provisions of the Bill under Clause 2, for example, any slowdown in work, any failure on the part of the union to forthwith notify and any failure to comply with an order or request made pursuant to the collective agreement, leaves the individuals in question open to punishment for contempt of court.

What precisely does the Minister of Labour intend by this provision? Does he intend to give the courts of the country the power to throw those individuals who have violated these sections in jail? If not, he should make that clear. If that is his intention, the people of the country, and particularly Hon. Members of Parliament, have a right to know it. What is the Minister's intention? Is imprisonment intended to be one of the sanctions which will be imposed for contempt of court?

Mr. Caccia: Again, the court has the power to set its own penalties for employer and employee organizations in cases of contempt.

Mr. Robinson (Burnaby): I ask the Minister to answer a very simple question. Under the powers accorded to the court, is it the Minister's intention that those powers should include the power of sentence to a term of imprisonment, either definite or indefinite?

Mr. Caccia: In some cases this would be within the discretion of the court.

The Deputy Chairman: Shall Clause 7 carry?

Some Hon. Members: Agreed.

Some Hon. Members: No.

Clause 7 agreed to, on division.

On Clause 8—*Order against employer.*

Mr. Gamble: Mr. Chairman, I have a question for the Minister of Labour. He will recognize that the words "agent of the employer" appear in Clause 8(1) on three occasions. Also he will know that it is not defined in the Bill and, accordingly, we are thrust back on the general law of the agency in determining who these people are. Also I suspect that he will know that this liability concept is not new to federal statutes, but it is new to the extent that it applies to agents rather than to officers and directors of corporations.

What troubles me—and I wonder whether the Minister has directed his attention to this issue—is that an employer may be liable where an offence apparently has been committed and where the employer has failed or refused to comply with the provisions of the Act, whether or not the director, officer or agent is identified. While it is quite permissible not to identify the officer or director, surely the employer should be entitled to know the identity of the agent who is neither an officer nor a director of the employer. The one defence which surely must be available to the employer is the defence of "he was not my agent". How can the employer say, "he was not my agent" when under the terms of Clause 8 the Crown need not identify the name of the alleged agent?

Mr. Caccia: Mr. Chairman, the advice that I am receiving is that this would not be imposed on a person who could not be established to be the agent of the employer. This would not be a question of identifying the person by name, if I understand correctly, but of identifying the function of that individual.

Mr. Gamble: This is a serious matter because of the penalties involved. It does not say that he is not to be identified by function. It says whether or not the officer, director or agent is identified. Having regard to the process of the issuing of a summons or an indictment, the person allegedly acting as an officer, director or in this case agent, is generally named in the instrument which gives rise to the commencement of the court proceedings. I quite understand, as I have indicated, how it is possible to leave out the name of the officer and director and specify the office that the person may hold or the fact that the person may be a director, but how can the Minister simply say that an agent of the employer failed to do something? The obvious defence in all these cases is surely—"he was not my agent". But very clearly, if one has regard to the particulars of the defence, the Crown need never identify him. Surely if it is the intention of the Government to identify at least the name, then let it be spelled out where the word "identify" is placed in the section. The Clause should read that the function of the agent need not be identified but the agent must be identified by name, because that is what the Minister is telling the House.

I pause to comment about the fact that this is an extension of the general provisions of liability imposed upon corporate entities by the Crown where the actions of the directors or the actions of the officers become the responsibility of the employer corporation, but here we are starting on a new path of vicarious liability without giving to the accused so much as an opportunity to say, "that was not my agent", a defence which, quite frankly, is very common in civil matters.

Mr. Caccia: Mr. Chairman, may I defer to the most distinguished legal adviser available in the Chamber tonight.

Mr. MacGuigan: Mr. Chairman, I hesitate to rise after that introduction, but it seems to me that when we look at the words closely, " . . . to show that an officer, director or agent of

the employer," it is clear that the fact that he is in that relationship with the employer would have to be proved if this were a matter of dispute at trial. What does not have to be proved is his name. He does not have to be pointed out as a particular individual, but the fact that he is related to the employer could surely be challenged and could surely be a matter for proof at the hearing.

Mr. Gamble: I wonder if the learned legal counsel relied upon by the Minister of Labour could point out one other single federal statute which imposes this kind of liability upon corporations as a consequence of there being an act undertaken by an agent in the fashion of this Bill.

• (2030)

Mr. MacGuigan: Mr. Chairman, I am not in a position so to indicate. I think the important point here is that these events may be taking place in fast-moving circumstances in which it is not easy to identify a particular person involved. But it may, nevertheless, be clear that the person is acting on behalf of the employer.

Mr. Gamble: Mr. Chairman, in the light of what I conceive to be serious and substantial departures from the practice of drafting statutes imposing liability upon corporations through these words, and in light of the fact the Minister of Justice has been unable to confirm to this House that there has been another single case of a federal statute of which he knows drafted in this fashion, accordingly I move:

That the word "'agent" as it appears in the seventeenth, nineteenth and twenty-first line of Clause 8(1) be deleted.

The Deputy Chairman: Is it the pleasure of the House to adopt the amendment?

All those in favour will please say yea.

Some Hon. Members: Yea.

The Deputy Chairman: All those opposed will please say nay.

Some Hon. Members: Nay.

The Deputy Chairman: In my opinion the nays have it.

Amendment (Mr. Gamble) negatived.

Shall Clause 8 carry?

Some Hon. Members: Carried.

Clause 8 agreed to.

The Deputy Chairman: May I now put Clause 3 before the House? Clause 3 had been stood earlier. Shall Clause 3 carry?

Some Hon. Members: Carried.

Clause 3 agreed to.

Schedules I and II agreed to.

Clause 1 agreed to.

Title agreed to.

The Deputy Chairman: Shall the Bill as amended carry?

Some Hon. Members: Yes.

Mr. Deans: No.

Bill as amended agreed to on division.

Bill reported, read the third time and passed.

The Acting Speaker (Mr. Blaker): I am advised by the Clerk that the procedure will be to suspend the House to the call of the Chair because I understand the Senate is considering the same Bill. Accordingly, this House stands suspended to the call of the Chair.

At 8.38 p.m. the sitting was suspended.

SITTING RESUMED

The House resumed at 12.10 a.m.

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

Madam Speaker: The Hon. Member for Portage-Marquette (Mr. Mayer) is rising on a point of order.

Mr. Mayer: Madam Speaker, I should like to raise a few issues tonight that concern me about the debate, particularly the conduct of the NDP as it relates to this matter. I would have thought there would be some Members of the New Democratic Party in the House. They get a lot of their support from the western part of the country, the areas that are most affected by this debate. My concern is that some of these Members should be present tonight, Madam Speaker.

Madam Speaker: I think the Hon. Member is debating something. He does not have a point of order.

Mr. Mayer: I am rising on a point of order if I may, Madam Speaker. I understand that is in order. What I want to talk about is the conduct of the NDP and, as far as I can determine, that is in order. I think it is deplorable. It is unfortunate that the Hon. Member for Humboldt-Lake Centre (Mr. Althouse) is not here. He comes from an area that is affected by this strike, so it is unfortunate that he is not here this evening to see the Bill through, and signed. It affects an area of the economy about which he should be most concerned and which is going to be looked after as a result of this legislation. I should like to know where he is and why he is not here this evening.

There are Members of this party present who come from the Maritimes, from Ontario and from the west. This party is well represented and I think I can say the same for the Government Party. It is unfortunate that Members of the NDP did not see fit to show up.

Madam Speaker: I wonder if the Hon. Member realizes that there is nothing before the House. The session has been suspended and I am just waiting for a message from the

Senate. There is nothing before the House, so the Hon. Member cannot have a point of order.

Mr. Nielsen: Madam Speaker, with great respect, this situation arises very rarely, but having arisen I believe the Hon. Member is in order as was the Hon. Member for Nepean-Carleton (Mr. Baker) in a similar situation. He rose on a similar point of order which raised a grievance, and that is exactly what the Hon. Member is doing now. I suggest he is perfectly in order. The precedent has been set and I know the Chair always follows precedent and did so as occupant of the Chair, in recognizing the Hon. Member for Nepean-Carleton when he was doing precisely the same thing as the Hon. Member for Portage-Marquette is doing now. I suggest it was quite in order for him to continue.

Mr. Deans: Madam Speaker—

Madam Speaker: I have to answer the Hon. Member for Yukon. The sitting has been suspended. We are just waiting for a message and, therefore, this is not the same situation as to the one to which the Hon. Member referred, when the Hon. Member for Nepean-Carleton took advantage of a situation which was not similar to this one. He raised a grievance, and that was in order. We have a different situation now, where we have suspended the sitting.

Mr. Pinard: Madam Speaker, to make intelligent use of the time, I seek unanimous consent so that we may adopt without debate all the bills pending on the *Order Paper*.

Madam Speaker: I think it is time for the Speaker to be productive. I have a few things to read to the House.

* * *

[*Translation*]

MESSAGE FROM THE SENATE

Madam Speaker: I have the honour to inform the House that a message has been received from the Senate informing this House that the Senate has passed Bill C-137, to provide for the resumption and continuation of longshoring and related operations at ports on the west coast of Canada, without amendment.

* * *

THE ROYAL ASSENT

Madam Speaker: I have the honour to inform the House that a communication has been received as follows:

Rideau Hall
Ottawa
Government House

November 3, 1982

Madam,

I have the honour to inform you that the Honourable Antonio Lamer, Puisne Judge of the Supreme Court of Canada, in his capacity as Deputy Governor General, will proceed to the Senate Chamber today,, the 4th day of November, at 12.15 a.m., for the purpose of giving Royal Assent to a Bill.

I have the honour to be,
Madam,
Your obedient Servant,
Edmond Joly de Lotbinière
Administrative Secretary
to the Governor General

• (0020)

[*English*]

Mr. Nielsen: Madam Speaker, I have a further point of order. I suggest that the Chair was premature in reading both those notices to Members since the House is not seized of the legislation referred to in either notice. The Senate has not yet reported, through Black Rod. I suggest that while it is perfectly proper to cut corners within the rules, it is not when we do not have the Bill reported back from the Senate.

With respect to the analogy between the situations, I certainly agree that the session was suspended. As soon as you, Madam Speaker, took the Chair that ended the suspension of the session, however, and we were once more properly formed. We have a solid precedent where Your Honour recognized the Hon. Member for Nepean-Carleton once you had returned to the Chair. Now the Hon. Member for Portage-Marquette is doing exactly the same thing.

I would suggest that if we are following precedent in this place, he should be recognized and allowed to continue, until Black Rod arrives.

Madam Speaker: To begin with, it was not premature because I had the message and the confirmation of the message in this letter. So I did not act prematurely. I had the message and it was my duty to read it to the House.

Mr. Pinard: Madam Speaker, on the point made by the Hon. Member for Yukon (Mr. Nielsen), since the House is sitting and is not adjourned, I think under Standing Order 18(2) it is up to the Government to choose the order of business. I have just sought the consent of the House to deal with pending legislation, in order that we be productive and show good faith. I should like to have the reaction of the Hon. Member for Yukon to that suggestion.

Mr. Nielsen: Madam Speaker, certainly the Government House Leader tried exactly the same ploy in the circumstances that gave rise to the situation that obtained with respect to the Hon. Member for Nepean-Carleton. At that time the Chair said it was out of order for the Government House Leader to intervene at that stage, because the Hon. Member for Nepean-Carleton had the floor. He was allowed to continue until Black Rod came in.

Madam Speaker: I want to make it clear to the Hon. Member that I could hear the Hon. Member for Portage-

Marquette on this particular point now. It would be proper now for me to recognize him. Before this time we were not sitting and I could not recognize him because there was nothing before the House.

Mr. Deans: Madam Speaker, I want to take a moment, since there is a moment available to us, to raise another matter—

THE ROYAL ASSENT

[*Translation*]

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

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

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

And being returned:

Madam Speaker: Order. I have the honour to inform the House that when the House did attend His Honour, the Deputy to His Excellency the Governor General in the Senate chamber, His Honour was pleased to give in Her Majesty's name the Royal Assent to the following bill:

Bill C-137, An Act to provide for the resumption and continuation of longshoring and related operations at ports on the west coast of Canada—Chapter No. 126.

It being 12.30 a.m., the House stands adjourned until 2 o'clock this afternoon, pursuant to Standing Order 2(1).

At 12.29 a.m., the House adjourned, pursuant to Standing Order.

HOUSE OF COMMONS

Thursday, November 4, 1982

The House met at 2 p.m.

• (1405)

MOTIONS UNDER S.O. 43

[*English*]

HUMAN RIGHTS

SOVIET AUTHORITIES URGED TO FREE ANATOLY SHCHARANSKY

Hon. Flora MacDonald (Kingston and the Islands): Madam Speaker, I rise to move a motion under the provisions of Standing Order 43. The harassment and imprisonment of Anatoly Shcharansky have been the subject of previous emergency motions in this House. Mr. Shcharansky, a leading Soviet refusenik and internationally renowned scholar, has been on a hunger strike for several weeks, as a means to obtaining his freedom. His rapidly deteriorating health now places his life in very grave danger. Therefore I move, seconded by the Hon. Member for Don Valley West (Mr. Bosley):

That this House urge Soviet authorities to immediately grant Anatoly Shcharansky the freedom for which he is so valiantly struggling, thus ending his hunger strike and the grave threat to his life. The Soviet authorities should do this, both for humanitarian reasons, and in accordance with the terms of the Helsinki Final Act.

Madam Speaker: Is there unanimous consent for this motion?

Some Hon. Members: Agreed.

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

Some Hon. Members: Agreed.

Motion agreed to.

* * *

THE MEMBER FOR BRANDON-SOURIS

BEST WISHES FOR RECOVERY OF HEALTH

Mr. David Smith (Parliamentary Secretary to President of the Privy Council): Madam Speaker, I rise pursuant to the provisions of Standing Order 43 on a matter of urgent and pressing necessity. Whereas our colleague, the Hon. Walter Dinsdale, a Member of this House from Brandon-Souris for over 30 consecutive years, suffered a serious stroke this past summer, I move, seconded by the Hon. Member for Oxford (Mr. Halliday) and the Hon. Member for Beaches (Mr. Young):

That this House convey to the Hon. Walter Dinsdale our very best wishes for a complete recovery and a successful return to the House.

Some Hon. Members: Hear, hear!

Madam Speaker: Is there unanimous consent for this motion?

Some Hon. Members: Agreed.

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

Some Hon. Members: Agreed.

Motion agreed to.

* * *

AGRICULTURE

PRESERVATION OF AGRICULTURAL LANDS

Mr. Arnold Malone (Crowfoot): Madam Speaker, I rise to move a motion under the provisions of Standing Order 43. Since there is one acre of agricultural land for every citizen on earth, and whereas we in Canada enjoy the luxury of three acres of agricultural land for every Canadian, but because we are destroying our food producing lands at a rate whereby we will be left with only three-quarters of an acre of farm land per Canadian citizen by the year 2005, and since Canada has no co-ordinated effort toward preservation of agricultural lands, I move, seconded by the Hon. Member for London-Middlessex (Mr. Bloomfield) and the Hon. Member for Humboldt-Lake Centre (Mr. Althouse):

That this Parliament encourage the Minister of Agriculture and the Minister of the Environment to cause appropriate consultation with provincial governments and Canadian soil scientists, bearing in mind the provincial nature of this issue, and seek their co-operation to establish an umbrella agency whose objective is to preserve and improve agricultural lands in Canada.

Madam Speaker: Is there unanimous consent for this motion?

Some Hon. Members: Agreed.

Some Hon. Members: No.

S.O. 43

EXTERNAL AFFAIRS

AMBASSADORIAL APPOINTMENTS

Mr. Donald W. Munro (Esquimalt-Saanich): Madam Speaker, I rise on a matter of urgent and pressing necessity under the provisions of Standing Order 43. In view of the deplorable practice of this Liberal Government of naming unemployed and unemployable ex-Cabinet Ministers to ambassadorial posts abroad, as illustrated by the appointments of one ex-Minister, Mr. Edgar Benson, to the bucolic charms of Éire, and of another, Mr. Don Jamieson, to the hallowed halls of Great Britain, I move, seconded by the Hon. Member for Don Valley West (Mr. Bosley):

That this House regrets the dismantling of the merit system in the Department of External Affairs and the elbowing aside of professional diplomats in such appointments in the interests of the Liberal Party of Canada.

Madam Speaker: Is there unanimous consent for this motion?

Some Hon. Members: Agreed.

Some Hon. Members: No.

* * *

REFUGEES

PROVISION OF WORK PERMITS FOR SALVADORAN REFUGEES

Mr. Dan Heap (Spadina): Madam Speaker, I rise on a matter of urgent and pressing necessity occasioned by the news in the media that over 600 refugees in Canada, many of them from El Salvador, have recently been cut off from receiving any public assistance. This underlines the fact that the Government normally takes a year or a year and a half to process their applications. Very many of them have been refused effective permission to work to maintain themselves and their families, and the Government has failed to acquaint its own staff fully with special provisions for Salvadoran refugees. Therefore I move seconded by the Hon. Member for Cowichan-Malahat-The Islands (Mr. Manly):

That the Government instruct all of its staff fully on the special provisions for Salvadoran refugees, give them temporary permission to work while they await the Government's decision on their fate, and add the necessary staff to the Refugee Status Advisory Committee to speed up the processing beyond the present timing of a year and a half.

Madam Speaker: Is there unanimous consent for this motion?

Some Hon. Members: Agreed.

Some Hon. Members: No.

• (1410)

CORPORATE SHAREHOLDING LIMITATION ACT

REASONS FOR INTRODUCTION

Mr. Don Blenkarn (Mississauga South): Madam Speaker, I rise on a matter of pressing and urgent necessity. One of the serious impediments to confidence and job creation in our country has been the continual war between the provinces and the federal Government. Yesterday in the Senate, the Government introduced a Bill which once again escalates this distrust and lack of confidence. I therefore move, seconded by the Hon. Member for Fundy-Royal (Mr. Corbett):

That the Prime Minister immediately on Motions following the Question Period today explain fully to the people of Canada and to the House the reason why this piece of legislation was introduced without discussion with provincial governments and exactly what is the danger to the peace, order and good government of Canada that this Bill attempts to prevent.

Madam Speaker: Is there unanimous consent for this motion?

Some Hon. Members: Agreed.

Some Hon. Members: No.

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UNEMPLOYMENT INSURANCE

DISQUALIFICATION OF UNEMPLOYED BRITISH COLUMBIA CARPENTERS

Mr. Thomas Siddon (Richmond-South Delta): Madam Speaker, I rise under the provisions of Standing Order 43 on a matter of pressing and urgent necessity affecting some 120 unemployed carpenters in Richmond, British Columbia. These carpenters, who were formerly employed by Citation Cabinets, have been disqualified from receiving unemployment insurance benefits although they were laid off after the plant re-opened following the strike.

Whereas these employees have paid into the Unemployment Insurance Fund, and whereas they are now having to turn to provincial welfare benefits to sustain their families, I move, seconded by the Hon. Member for Surrey-White Rock-North Delta (Mr. Friesen):

That the Minister of Employment and Immigration be directed to approve the immediate payment of unemployment insurance benefits to the 120 unemployed carpenters recently laid off in Richmond, B.C.

Madam Speaker: Is there unanimous consent for this motion?

Some Hon. Members: Agreed.

Some Hon. Members: No.

SCIENCE AND TECHNOLOGY

IMPACT OF CHANGE—SUGGESTED ESTABLISHMENT OF SPECIAL COMMITTEE

Mr. Lorne Nystrom (Yorkton-Melville): Madam Speaker, in light of yesterday's release of the Report of the special federal Government Task Force on Micro-electronics and Employment with its farreaching recommendations on the implications for workers of advanced technology, and in light of the effect that advanced technology is having and will continue to have in areas like trade, jobs, industrial relations and economic development, I move, seconded by the Hon. Member for Regina East (Mr. de Jong)—and I appeal to all three parties to support this motion:

That this House establish a special House of Commons Committee on the social and economic impact of technological change in Canada.

Madam Speaker: Is there unanimous consent for this motion?

Some Hon. Members: Agreed.

Some Hon. Members: No.

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PETRO-CANADA

LEASING OF EUROPEAN OIL RIGS

Mr. Joe Reid (St. Catharines): Madam Speaker, every time that we buy a gallon of gasoline at a gasoline service station we are making a donation to Petro-Canada. It is our dollars that it uses to build or lease offshore rigs and vessels. Showing its usual insensitivity to the difficulties being faced by the Canadian shipbuilding industry and to Canada's staggering record unemployment, Petro-Canada recently announced that it will use more of our dollars to lease European oil rigs rather than do business with Canadians. I therefore move, seconded by the Hon. Member for Fundy-Royal (Mr. Corbett):

That the Minister of Energy, Mines and Resources remind Petro-Canada of its own high priced ads and urge that company to take a chance on Canadians by doing business with its owners.

Madam Speaker: Is there unanimous consent for this motion?

Some Hon. Members: Agreed.

Some Hon. Members: No.

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THE ADMINISTRATION

DEMAND FOR RESIGNATION

Mr. Gordon Taylor (Bow River): Madam Speaker, I rise on a matter of urgent and pressing necessity under the provisions of Standing Order 43. Quietly, subtly, inch by inch, the Right Hon. Prime Minister of Canada and his Liberal hierarchy are getting control of every segment of Canadian life: through NEP and Bill C-48, energy; through the CRTC, telecommunications; through the taxpayers money, the arts; through Canagrex, the food industry; through bills like Bill C-137, the workers; through definition of a letter, the mail; and on it goes. Therefore, I move, seconded by the Hon. Member for Lethbridge-Foothills (Mr. Thacker):

That this House urges every organization and all individuals in Canada who value their freedom and their liberties to rise up and demand the resignation of this dictatorial Government.

Madam Speaker: Is there unanimous consent for this motion?

Some Hon. Members: Agreed.

Some Hon. Members: No.

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HUMAN RIGHTS

CONDEMNATION OF VIOLATIONS BY SOVIET AUTHORITIES

Mr. Robert Wenman (Fraser Valley West): Madam Speaker, I rise, pursuant to Standing Order 43, to speak on a matter of continuing concern. The abysmal record of the Soviet regime in respect of basic human rights, as per the United Nations Charter and the 1975 Helsinki Accords, continues unabated. The world demands and expects nations to respect the conventions of documents they have signed; deeds, not words, are the hallmark of international trust, justice and fair play.

Given the imprisonment or forced emigration of virtually all members of the Helsinki Watch Group in the Soviet Union, I move, seconded by the Hon. Member for Laurier (Mr. Berger) and the Hon. Member for St. John's West (Mr. Crosbie):

• (1415)

That this House condemn the continued abuse of human rights and violations of the Helsinki Final Act in the Soviet Union in contravention of recognized international obligation.

Madam Speaker: Is there unanimous consent for this motion?

Some Hon. Members: Agreed.

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

Some Hon. Members: Agreed.

Motion agreed to.

An Hon. Member: Madam Speaker—

Madam Speaker: I cannot allow debate. Anyway, the motion has now been passed by the House and it is past 2.15 o'clock. Oral Questions.

ORAL QUESTION PERIOD

[*English*]

CORPORATE SHAREHOLDING LIMITATION ACT

INQUIRY RESPECTING CONSULTATION WITH PROVINCES

Hon. Jake Epp (Provencher): Madam Speaker, I would like to direct my questions to the Minister of Consumer and Corporate Affairs as a follow-up to questions directed by my Leader yesterday to the same Minister. The Minister will recall that in yesterday's exchange he was asked why Bill S-31 was presented to the Senate and not to the House of Commons, and whether that matter could be discussed.

In view of the consternation the Bill is creating among the people whom it will directly affect, namely, the people of the provinces of Canada, I would like to ask the Minister whether there was any consultation with regard to the nature and spirit of Bill S-31 prior to its presentation in the Senate. Additionally, in view of the consternation which has developed with regard to Bill S-31, could he tell us whether he has held any consultation with the provinces subsequent to the time it was introduced in the Senate, and whether he could report on such consultation, if it took place?

[*Translation*]

Hon. André Ouellet (Minister of Consumer and Corporate Affairs): Madam Speaker, I do not know what consternation the Hon. Member is referring to. In fact, I believe this bill has been well received by all business circles across Canada. I also think that has been the case among the provinces, which clearly recognize the primacy of the Canadian Government in the transportation sector covered in this bill.

[*English*]

Mr. Epp: Madam Speaker, I do not think the Minister would really want to follow up by saying that it was well received by business, or that he would want to leave the impression that the provinces are in agreement with Bill S-31, nor is anyone arguing about primacy. What a person is arguing about here concerns the co-operative federalism which the Prime Minister once declared dead and tried to resurrect two weeks ago, and which now the Minister, by his actions, is saying is of little consequence in practical terms for the Government. That is the issue.

Some Hon. Members: Hear, hear!

APPLICATION TO HYDROELECTRIC LINES

Hon. Jake Epp (Provencher): I would like to ask the same Minister a supplementary question with regard to the legislation which goes into the transportation aspects and what he calls the federal primacy, and no one is arguing that point. For example, hydroelectric lines are not directly mentioned in the Bill and are not dealt with as being pipelines. However, the Minister has referred to Part III of the National Energy Act which in fact includes hydroelectric lines. Are hydro lines included under the provisions of the Bill? Are hydro lines which are to be used for the purpose of exporting electrical energy to another country, included in the Bill as they are in Part III of the National Energy Act?

[*Translation*]

Hon. André Ouellet (Minister of Consumer and Corporate Affairs): Madam Speaker, I may remind the hon. member that our reasons for introducing this legislation were to prevent any future conflicts with the provinces. We thought it was vital to act now, in order to prevent any erroneous interpretations or being obliged to correct situations that might arise later on. To my knowledge, we have had no reactions to the bill, except for one from a minister. Only one provincial minister has commented to date on the bill and that was the Minister of Transport from Quebec. I do not know whether the hon. member has received instructions from the Parti Québécois to ask questions in the House today, but as far as I know, that is the only government that has reacted to the bill until now.

We do not want any fights with the provinces. That is certainly not our intent. The bill clearly establishes the rules for the future and safeguards the primacy of the federal government in this area in clear and carefully defined terms. The hon. member asked a specific question regarding power transmission lines. I may point out that if he reads the bill carefully, he will find that these lines are not affected by the bill. If he wants us to add an amendment, this will be considered at the appropriate time.

• (1420)

[*English*]

REQUEST THAT MINISTER CONSULT PROVINCES

Hon. Jake Epp (Provencher): Madam Speaker, I should like to put a supplementary question to the Minister, whose defence is personal attack. He can do that, but if it is the level to which he has to resort, it is, of course, just the voice of the desperate. We will leave it at that.

The Minister says he wants no fight with the provinces and that he wants to avoid any future difficulty. He knows that the legislation can be made retroactive through court action, however. The Minister knows that, so what is he trying to prevent? He says it is not directed at the provinces, but it is, whether one wants to talk about Northlands Rail, about B.C. Rail, or about the transportation system in the potash industry—the list goes on and on.

When will the Minister sit down with the provinces to look at these specific issues, if he says he does not want any fight and wants co-operative federalism? He knows very well that what he has embarked upon is the very fight that he claims to want to prevent.

Hon. André Ouellet (Minister of Consumer and Corporate Affairs): Madam Speaker, the Hon. Member could ask this question a dozen times. In his first question he indicated that there was consternation; there is none, Madam Speaker. Only

one statement has been made by a single provincial Minister thus far. I have received no indication from those who have read this law and understand what it is—

Mr. Broadbent: Did you ask the others?

Mr. Ouellet: I have received no indication, at all, of major objections to it.

QUEBEC INVESTMENT IN CANADIAN PACIFIC LTD.

Hon. Allan Lawrence (Durham-Northumberland): Madam Speaker, I should like to put a question to the Minister of Consumer and Corporate Affairs on the same subject. If this Bill is passed into law, can he tell us whether it will prevent the Caisse de Dépot et Placement du Québec from expanding their investment in Canadian Pacific Ltd?

Hon. André Ouellet (Minister of Consumer and Corporate Affairs): The answer is yes, Madam Speaker.

POWER CORPORATION INVESTMENT IN CANADIAN PACIFIC LTD.

Hon. Allan Lawrence (Durham-Northumberland): Madam Speaker, I have a supplementary question for the Minister. Has he personally, or indirectly through his Department, received any indication from Mr. Paul Desmarais and Power Corporation that they wish to expand their investment and ultimately control Canadian Pacific Ltd.?

Hon. André Ouellet (Minister of Consumer and Corporate Affairs): The answer is no, Madam Speaker.

REASONS FOR NOT ACTING AGAINST PRIVATE COMPANIES

Hon. Edward Broadbent (Oshawa): Madam Speaker, I have a question for the same Minister. As the Minister well knows, the federal Government already has constitutional authority to regulate firms engaged in interprovincial transportation activity. Why is the Government now introducing a measure that would restrict provincial governments from ownership in such sectors when it has taken no steps at all to stop private companies from becoming as large as they want in the same sectors?

[*Translation*]

Hon. André Ouellet (Minister of Consumer and Corporate Affairs): Madam Speaker, I think that we have here a very important interpretation and basic philosophy. The free movement of goods and services in Canada and the primacy of the private sector have always been protected. This has always been to the advantage of Canadians, and we believe in maintaining this approach.

[*English*]

Mr. Broadbent: Madam Speaker, the insensitivity of this Government to the provinces and to other ways of doing things, is truly remarkable.

TREATMENT OF MULTINATIONAL CORPORATIONS

Hon. Edward Broadbent (Oshawa): Madam Speaker, I should like to ask the Minister why he thinks it is appropriate to trust the Exxon Corporation, which is owned and controlled outside Canada and which happens to control Imperial Oil which, in turn, controls Interprovincial Pipelines. Why is it more appropriate to trust this multinational with our national interests than the provincial governments of Canada which are elected by Canadians?

• (1425)

[*Translation*]

Hon. André Ouellet (Minister of Consumer and Corporate Affairs): Madam Speaker, the Canadian Government can, of course, act far more readily to control private enterprise in certain cases. We can pass appropriate regulations applying to private enterprise. If, however, we must introduce regulations to counter action taken by provincial governments, we then have a federal-provincial conflict on our hands. That is why today, while there is no conflict, while the situation is relatively calm and it is easier to intervene since there are no structures to dismantle, that is why we want to establish a set of very clear regulations marking the primacy of the Canadian Government, in order to avoid future conflicts with the provinces.

[*English*]

PROPOSED MERGER OF QUEBECAIR AND NORDAIR

Hon. Edward Broadbent (Oshawa): Madam Speaker, the Minister was wrong in principle in his earlier answer. He is wrong in fact in the one he has just given.

Will he confirm that he received from the Minister of Transport in the Province of Quebec a request which was made jointly by the provinces of Ontario and Quebec to move to rationalize their air transportation system by merging Quebecair and Nordair, I repeat a request which came as early as August from two provincial governments to take appropriate action to rationalize their airway systems? Did the Government receive such a request in August? If so, will the Government explain what is so wrong in this country about two provincial governments getting control of airlines that will in a regional way benefit their own people?

Hon. Jean-Luc Pepin (Minister of Transport): Madam Speaker, I might answer this question. Indeed a couple of months ago I received such a suggestion. What was mentioned at the time was not that the Government of Ontario and the Government of Quebec were going to take over whatever would be the result of this operation. It was, as a principle, private sector entities that were supposed to come in, so in that case the present bill would not apply. My friend, the Minister of Transport for Quebec, suffers from a persecution complex. Everything I do seems to hurt him. On the Quebecair situation, a number of months ago the Government of Quebec

moved in and acquired shares in a new company which acquired Quebecair.

Mr. Broadbent: What is wrong with that?

Mr. Pepin: There is nothing wrong with that. As a matter of fact, this was approved by the CTC, and the present law is not retroactive, so this acquisition can be considered to be acceptable. Should something develop in terms of a regional carrier that would involve the Province of Quebec and the Province of Ontario, either alone or with private sector entities, there is a possibility under this law to make an exception and pass an order in council to approve that. As the Minister said, I do not think my friends on the other side should get overly nervous about this matter.

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WELFARE

FINANCIAL BURDEN OF MUNICIPALITIES

Mr. Norman Kelly (Scarborough Centre): Madam Speaker, my question is directed to the Minister of National Health and Welfare. With the increase in the number of people seeking social assistance, municipalities such as Metropolitan Toronto may have difficulty coping with the added financial burden. Can the Minister indicate to the House any efforts she has under way to deal with the problem of individuals having to turn to welfare?

Hon. Monique Bégin (Minister of National Health and Welfare): I am sorry, Madam Speaker, the microphone did not seem to be working well. I understood the beginning of the question to deal with the welfare burden on the municipalities. I would like to reiterate that each time a province puts money into welfare through the municipalities, we automatically reimburse the province by a like amount. If it puts more into the municipalities to ease their burden, we will reimburse the province immediately by exactly the same amount of money. This, of course, increased both last year and this year.

* * *

• (1430)

FARM CREDIT CORPORATION

PROVISION OF LOANS AT REASONABLE INTEREST RATES

Mr. G. M. Gurbin (Bruce-Grey): Madam Speaker, my question is to the Minister of Agriculture and, I suppose, he will have the same feelings as we do on this side of the House regarding the most recent budget. It is clear that the influence of the Minister of Agriculture on the new Minister of Finance is the same as the influence he had on the former Minister of Finance, which is absolutely zero.

The Minister of Agriculture announced on October 1 that the Farm Credit Corporation interest rates for the next six months would be 15¾ per cent. The Bank of Canada rate is now 11½ per cent. I would like to ask the Minister if he has done anything specific to keep his promise to consider implementing the Conservative Party's AgriBond concept, or to provide low interest outside capital to the Farm Credit Corporation so that farmers can have interest at reasonable rates for long-term financing?

Hon. E. F. Whelan (Minister of Agriculture): Madam Speaker, the Hon. Member said something about "zero". The calculations he has done, I am sure, have amounted to zero because, if he had looked at the figures, he would have found out how much money we have loaned at subsidized interest rates. The former Minister of Finance allowed us to subsidize interest rates to the tune of 5 per cent, which will cost $5.4 million in interest rates. This will mean that we are going to be loaning farmers—and you will hear more about it later today—about $700 million. We will be recouping our position in long-term mortgages from some 20 per cent to 40 per cent of all mortgages just in one year. So, when he says we have no influence on the Minister of Finance, either the previous one or the present one, he is not stating the real facts to this House. The Hon. Member's question was so long I have forgotten what it was.

Some Hon. Members: Oh, oh!

Mr. Gurbin: We are used to that kind of response from the Minister of Agriculture. For the Minister's information, if he will look at the figures that the Canadian Federation of Agriculture has produced, he will find that interest rate subsidy program he is talking about, which is not long-term financing at reasonable rates for agriculture, stands to help approximately 500 farmers when, really, 10 per cent of the agricultural population, or 20,000 farmers, are in serious financial difficulty.

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AGRICULTURE

RED MEAT STRATEGY

Mr. G. M. Gurbin (Bruce-Grey): My supplementary question is as follows. The Minister of Agriculture has, every three weeks now for the last year, promised to produce a red meat strategy. Today, in Regina, Ministers of Agriculture from nine provinces, national farm organizations, and national producer organizations, are meeting to co-operate in coming up with some programs that will assist agriculture. They understand the need to co-operate.

Madam Speaker: That is not reasonable. The Hon. Member announces his question and then goes to another preamble. Question, please.

Mr. Gurbin: In the absence of an answer to this first question, Madam Speaker, I will now put my supplementary. Where is the Minister's red meat strategy, and will he co-operate with the provincial ministers?

Hon. E. F. Whelan (Minister of Agriculture): Madam Speaker, I now remember his first question. It was about the AgriBond policy. That policy has been suggested by farm organizations, by Members of this Party, and by Members of his own Party. Anyone who can claim to be the originator of it has got to be pretty fantastic, Madam Speaker, as far as I am concerned, because that was suggested by many people, many years ago, and it is still under consideration.

In reply to the second speech he made about whether we were going to have some kind of program for the red meat industry, I do not know if he was in the House earlier when one of his colleagues said he did not want any more Government interference or regulations whatsoever, calling it dictatorial. The Hon. Member is now asking me to interfere with the red meat industry. Maybe I should not be doing anything. The provinces are certainly getting ready to interfere with the red meat industry, if they are going to come up with something in that meeting in Regina. I proposed something to them four years ago that is pretty much the same as they are proposing at the present time, and they took over four years to say no to it. Now they are talking about accepting it. If they do, boy, will I say hurrah, Madam Speaker.

PAYMENTS UNDER WESTERN GRAIN STABILIZATION PROGRAM

Mr. Len Gustafson (Assiniboia): Madam Speaker, I have a question for the Minister of Agriculture which pertains to the low incomes of farmers at this present time. According to a release from the United Grain Growers today, farm income will be down 28 per cent due to lower wheat prices and increased costs of production. The Minister knows that in the recent budget there was absolutely nothing for the western farmer, and that takes into consideration the $400 million that it will cost them for the loss of the Crow rate.

With regard to the Western Grain Stabilization Program, under which there is $451 million of the farmers' money in that account, is his Government going to make a payment to the farmers now when it is so needed, how much will it be, and when will it be?

Hon. E. F. Whelan (Minister of Agriculture): Madam Speaker, if the legislation triggered the payment, because of low commodity prices, the Hon. Member knows full well, there would be a payment, when it is all tabulated and has gone through the system. But when he talks about how bad off they are, is he suggesting we interfere in the private grain trade and do something about world commodity prices? I have a letter from the head of the United Grain Growers. He used to be an adviser on the Agriculture Stabilization Board and I know him very well. In his letter he states it is mostly blamed on low world commodity prices. Is the Hon. Member suggesting we interfere in that area again?

REQUEST THAT FARMERS BE ALLOWED TO OPT OUT OF PROGRAM

Mr. Len Gustafson (Assiniboia): The Minister knows that was not the question I asked him. I asked him whether there was going to be a payment.

Farmers, first of all, paid a levy of $500 per producer. Then it was increased to $900 for each producer. Now, I understand, it is going to be increased to $1,200 to the producer. Will the Government consider allowing farmers to opt out of the program if the farmers are not going to see it is a reasonable program? Many of them, had they invested their money in the bank at today's interest rates, would have a lifetime savings policy.

Hon. E. F. Whelan (Minister of Agriculture): Madam Speaker, the Hon. Member knows that farmers joined that plan voluntarily. The vast majority of grain farmers in Western Canada still belong to that plan, and will belong to that plan. He wants them to be opting in and out of it. There can be no kind of a program if, one day, they decide to be in it and the next day out of it. What kind of plan, Madam Speaker, would that be? There has to be some stability to it.

The Hon. Member knows that it is one of the best plans any grain growing group has in the whole world. The United States does not have anything that good for its grain farmers, plus the fact they do not have a crop insurance plan. We have such a plan in Canada. We put into his province about $80 million last year in federal funding to pay half of the crop insurance premiums. We spent more in his province, Madam Speaker, than the Province of Saskatchewan did last year, by about some $50 million. The Hon. Member says we do not care about western agriculture. Let the figures show the facts.

IMPACT OF GILSON COMMISSION RECOMMENDATIONS

Mr. Vic Althouse (Humboldt-Lake Centre): Madam Speaker, my question also is directed to the Minister of Agriculture and concerns a study made public recently by the Chase Econometrics Institute in the United States. It was a study concerning the impact on Canadian agriculture of implementing the Crow changes that Gilson recommended. Since the Chase Econometrics Study shows that the changes in the Crow rate proposed by Gilson will negatively affect all of eastern Canadian agriculture, British Columbia agriculture, and most of the prairie agriculture with the exception of a few highly specialized feeding operations, will the Minister tell the House what his position is on the Crow change that it appears to impact negatively on virtually every sector of Canadian agriculture?

• (1440)

Hon. E. F. Whelan (Minister of Agriculture): Madam Speaker, the Hon. Member has not changed his opinion from the time when changing the Crowsnest Pass rate was first talked about. What he says about it having a negative impact on every sector of agriculture is just not so, and he knows it. There must be a change in the rate if agriculture is going to

develop not only in western Canada but in eastern Canada. The vast majority of farmers recognize that a change must take place for the over-all good of Canadian agriculture.

We have held very, very intense meetings with many, many provincial representatives in eastern Canada who are concerned about the effect the changes will have on them. Our findings are being put together at the present time, and next week we should have a very firm presentation on the Gilson Report and its over-all effect on agriculture.

FUTURE OF LIVESTOCK INDUSTRY

Mr. Vic Althouse (Humboldt-Lake Centre): Madam Speaker, since most of the economic studies previously done by the Minister's department and by the Minister of Transport indicate that the main advantage to a change in the Crow rate in based on an understanding that the livestock industry will expand in Canada—some studies indicate as much as 25 per cent—and since we are now faced with a decline in livestock product prices and we no longer have access to the U.S. market for meat, where are we going to go with this increased production? Where is the advantage in producing goods which have declined in price and which do not have access to a market?

Hon. E. F. Whelan (Minister of Agriculture): Madam Speaker, the Hon. Member talks about the beef quota which the United States of America has imposed on Canada. That is true for carcass meat and broken beef, but no other meat is affected at this time and live cattle can still be shipped to the U.S. as we have been freely able to do for many, many years.

When the Hon. Member talks about where the production is going to go, again you do not have to be a great mathematician to know that the world population today is 4.3 billion people, and over the next 17 years it will increase to over six billion. In light of that, we think some of these prices are temporary.

Also, the Hon. Member knows full well that those farmers who have looked after themselves in some kind of a marketing organization are not suffering at this time. The ones who have not looked after themselves through some kind of supply management system are the ones really suffering in the present economic downturn. The others may not be doing as well as they did before, but they are not going bankrupt, and the Hon. Member knows that.

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EXTERNAL AFFAIRS

SUGGESTED CANADA-UNITED STATES ECONOMIC TALKS

Mr. Bill Yurko (Edmonton East): Madam Speaker, in the absence of the Prime Minister I am going to direct my question to the Secretary of State for External Affairs. In 1977 the Prime Minister spoke very effectively to a joint session of the U.S. Congress. Recently the Prime Minister met with business leaders from the United States. Also, the U.S. Secretary of State Schultz visited Ottawa recently, and meetings four times annually are planned. Shortly the Prime Minister will be going to meet with the leaders of Europe.

Since the Canadian economy is massively interwoven with that of the U.S. in regard to interest rates, foreign investment, trade, tourism, communications and so on, and since the U.S. elections may signal significant changes to U.S. fiscal and economic policy, may I ask the Minister the following question.

Some Hon. Members: Hear, hear!

Mr. Yurko: Is the Prime Minister planning, or does he consider it advisable, to have a meeting with President Reagan in the very near future, on economic direction and recovery, and/or is he perhaps planning to speak to the U.S. Congress on Canadian-U.S. economic irritants and direction?

Mr. Nielsen: Yes or no.

Hon. Allan J. MacEachen (Deputy Prime Minister and Secretary of State for External Affairs): Madam Speaker, as the Hon. Member knows, the Prime Minister and the other leaders of the western industrialized world met to discuss the world economy earlier this year. The Summit in Versailles addressed global economic questions.

With respect to the United States, Madam Speaker, I am pleased that the Hon. Member has highlighted the importance of our relationship with the U.S. and the interrelationship between our two economies. I certainly attach a very high importance to maintaining good relations with the United States. In that respect, the United States Secretary of State visited Canada for very extended discussions, and it is my intention to maintain the continuity of that communication which we began a very short time ago.

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FISHERIES

EUROPEAN ACTION AGAINST SEAL HUNT PRODUCTS

Mr. George Henderson (Egmont): Madam Speaker, my question is directed to the Minister of Fisheries and Oceans. Given the recent uninformed statements by some members of the European Economic Community in regard to the Canadian seal hunt, would the Minister inform the House today what action both the Government and he personally are taking to defend the all important Canadian seal hunt?

Hon. Pierre De Bané (Minister of Fisheries and Oceans): Madam Speaker, as Minister for the region where the seal hunt is a traditional activity I can make the following report to the Hon. Member.

First, I have personally met with Members of Parliament of each country of western Europe to sensitize them about it. I have met personally with the President of the Common Market, Gaston Thorne. I have met with officials both in

Canada and in Europe. I have met with our ambassador to the European Community in Brussells. I have issued the strongest statement ever on that question, explaining why Europe's attitude on this question is irresponsible and hypocritical. I have met with journalists both in Canada and in Europe. I am working closely with the Minister of State for International Trade who is also from that region.

Finally, Madam Speaker, I have personally offered to establish a joint commission with the Common Market to study every single aspect of the seal hunt. As I was saying last week personally to an official of the Common Market, it is the height of hypocrisy to establish, as they have done, a commission to study the question of the seal population, which is going to make a report next month—

Madam Speaker: Order, please.

Mr. Crosbie: A supplementary, Madam Speaker.

Madam Speaker: The Hon. Member for Halton.

Mr. Crosbie: A supplementary, Madam Speaker. There must be more, Madam Speaker.

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AUTOMOTIVE INDUSTRY

PROPOSED UNITED STATES CONTENT LEGISLATION

Mr. Otto Jelinek (Halton): Madam Speaker, that was an excellent off-the-cuff answer by the Minister of Fisheries.

In the absence of the Minister of State for International Trade, I would like to put my question to the Minister of Industry, Trade and Commerce. Sales of Soviet-built Lada cars in Canada have increased by over 1,200 per cent in the last three years because of artificially low prices. The total of our off-shore automotive imports, as the Minister knows, continues to increase, and their share of the market is now 36.7 per cent. The re-introduction of the so-called Ottinger Bill in the U.S. Congress in imminent, a Bill which calls for 90 per cent U.S. content regulations.

In view of these facts, Madam Speaker, which are contributing to the deterioration of our automotive industry, I ask the Minister whether he is specifically aware of these facts and what does he plan to do to try to correct them, and when?

Hon. Ed Lumley (Minister of Industry, Trade and Commerce and Minister of Regional Economic Expansion): Madam Speaker, with respect to the first part of the Hon. Member's question concerning the dumping of Lada cars in Canada, that comes under the responsibility of my colleague, the Minister of National Revenue. However, I am not aware that any particular company has lodged a claim with the Anti-Dumping Tribunal or the Minister of National Revenue with respect to the dumping of Lada cars.

With respect to the second question, we have already made representations here in Ottawa, and in Washington, to Members of Congress. My colleague, the Minister of State for International Trade, was in Washington yesterday talking to his counterpart, Secretary Block, with respect to the content legislation proposed in Congress. If the Hon. Member had read the transcription of the hearing before Congress, he would have seen that Ambassador Brock and Secretary Baldrige, the United States Secretary of Commerce, both indicated that they did not agree with the Congressional position with respect to content.

• (1450)

Mr. Jelinek: Madam Speaker, ironically there are two Ladas for sale in the Government's surplus sale today; they are Russian-built cars.

Some Hon. Members: Oh, oh!

Mr. Jelinek: Second, the Minister knows that the Ottinger bill had support in Congress from over 200 Congressmen.

GOVERNMENT POSITION

Mr. Otto Jelinek (Halton): Madam Speaker, last week the Canadian Institute for Economic Policy released a study which concluded that, unless new specific steps are taken, "the Canadian automobile industry is in such bad shape that the federal Government should wind up the industry". Therefore, could the Minister tell the House whether he agrees with the conclusion in that report and will indeed allow the industry to disappear from Canada, or is he now prepared to stand up in the House and introduce, forthwith, Canadian content regulations, as most other countries are doing, in order to save the industry, to save jobs and indeed to create more Canadian jobs? Is he prepared to take that step today?

Hon. Ed Lumley (Minister of Industry, Trade and Commerce and Minister of Regional Economic Expansion): Madam Speaker, obviously the Government does not agree with the report produced last week. We think the automobile industry is one of the most important sectors in Canada. As late as yesterday afternoon I had a meeting with the principals in the automobile industry, the UAW, and the autoparts industry, with respect to putting together an industrial strategy for this very important sector in Canada.

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SHIPBUILDING

WITHDRAWAL OF PETRO-CANADA FROM NEW BRUNSWICK DEAL

Mr. Bob Corbett (Fundy-Royal): Madam Speaker, my question is directed to the Minister of Energy, Mines and Resources. I am holding in my hands letters which I have received from current and laid-off workers of the Saint John Shipbuilding & Dry Dock Co. As the Minister will know, it is one of the finest and best facilities in the world. The workers who work there, who would like to work there, or who would

like to return to work there, are among the finest tradesmen in the world as well.

These men, and I, would like to know why the federal Government can spend $350 million to purchase British Petroleum, a move which will not create a single job; bail out Dome Petroleum to the tune of millions of dollars, a company that purchases its ships from Japan; order a $150 million semi-submersible rig from Korea; then allow its champion of Canadianization, Petro-Canada, to pull out of a multi-million dollar deal with the Saint John Shipbuilding Company which has resulted in the loss of some 2,000 man-years. This was done despite the fact that the private company which the Government was operating in conjunction with wanted to go ahead with the deal. Will the Minister tell the House why this was done? What does he intend to do to protect the jobs in Saint John and to get these laid-off workers back to work?

Hon. Jean Chrétien (Minister of Energy, Mines and Resources): Madam Speaker, I think the question is a rather long one. The Hon. Member referred to the purchase of BP. I should like to say to him that it is a commercial transaction. It does not involve any funds from the Government and, in fact, it is a profit-making decision by Petro-Canada.

As far as the problems of shipbuilding in Canada and the competitive position of any company that wants to have facilities made in Canada are concerned, of course it is a question of competition with other available facilities either in Canada or sometimes elsewhere. I am not aware of the specific problem which the Hon. Member mentioned, but I can tell him that a lot of work has been done in Saint John at the initiative of the Government. We are quite proud of our record in terms of the work which we have been able to provide to Saint John over the years.

Madam Speaker: I ask Hon. Members to return to asking short questions. I am becoming increasingly disappointed. When we returned to the Chamber, all Hon. Members were ery good at asking short questions and giving short answers. I was sitting here feeling very generous that I could recognize so many Members. Please return to that very good discipline; it is marvellous for the House.

Mr. Corbett: Madam Speaker, as far as the laid-off workers of Saint John are concerned, the Minister might as well continue his seance of meditation.

POLICY REVIEW

Mr. Bob Corbett (Fundy-Royal): Madam Speaker, I will direct my supplementary question to the Minister of Industry, Trade and Commerce. For several years the federal Government has been boasting a shipbuilding policy review. The review has been completed, passed by Cabinet, and yet the Government continues to sit on policies which should protect not only the Canadian shipbuilding industry but workers' jobs.

Some Hon. Members: Order, order!

Mr. Corbett: Does the Minister have any intention of releasing this review and, if so, would he please give the House and the laid-off workers of the nation, those Canadians whose livelihoods depend on this industry, a firm date and a commitment?

Hon. Ed Lumley (Minister of Industry, Trade and Commerce and Minister of Regional Economic Expansion): Madam Speaker, the Hon. Member seems to be very well informed about what goes on in Cabinet. However, I should like to inform him, as a Member from New Brunswick in his Party caucus, that my colleague from Saint John has already made substantial representations for the shipbuilding industry in Saint John. The Export Development Corporation, for example, was very instrumental in obtaining a $100 million contract for semi-submersible rigs in Saint John, one of the first ones ever built in Canada, so the Government has already taken positive action.

* * *

CANADIAN TRANSPORT COMMISSION

WESTERN BRANCH LINE ABANDONMENT HEARINGS

Mr. Stan J. Hovdebo (Prince Albert): Madam Speaker, my question is directed to the Minister of Transport. As the Minister knows, the Canadian Transport Commission continues to hold abandonment hearings on hundreds of miles of railway branch lines in western Canada. Decisions on abandonment centre on whether railways will receive sufficient revenues to maintain the branch lines. That is the principal test of whether the lines and the communities on them will live or die. Can the Minister tell the House why abandonment hearings and decisions are continuing, given the Government's intent to change the Crow rate and the fact that it has no idea how much railways will receive through the operation of branch lines?

Hon. Jean-Luc Pepin (Minister of Transport): Madam Speaker, indeed I have deeply meditated, as the Minister of Energy, Mines and Resources would say, on that particular subject. I decided not to instruct the CTC to abandon the procedure for the abandonment of branch lines for essentially three reasons. The first one was that the concept of viability, to which my friend made reference, would apply here in a very special way. When the Hon. Member talked about branch lines being viable, he means viable after a branch line subsidy of $250 million a year, after a branch line rehabilitation program of $700 million over a period of ten years, and so on and so forth. I thought that was not a particularly defensible concept of profitability.

Second, there were a number of branch lines which remained to be assessed by the CTC. Most of them, if not all, have already been rejected by Hall and by PRAC; some have already been ruled out by the CTC.

Third, rates are not the only factor in branch line abandonment. Volume and the situation of the rail, for example, have

to be taken into consideration as well. I thought that, for all these reasons, and some others, the CTC procedure should go on.

Mr. Hovdebo: That was a very good answer, except the Minister did not take into account the fourth point, that there was no indication of how much they would receive for operations.

QUERY RESPECTING POSSIBLE INTERIM PAYMENTS TO RAILWAYS

Mr. Stan J. Hovdebo (Prince Albert): Madam Speaker, the Gilson report on which the Minister bases so many hopes is not law. The Deputy Minister of Transport right now is stating that he is engaged in preliminary negotiations for "interim payments" for the Crow benefit which railways will receive. Where did the Minister find the authority or authorization for spending to make such interim payments in advance of any kind of legislation referring to these payments?

Hon. Jean-Luc Pepin (Minister of Transport): Madam Speaker, there is a difference between studying and spending. No interim payments are being made now on the basis of the future policy in this regard. If there should be interim payments paid to railways, they will be part of the package which the Government will bring forward to the House at the time the bill is introduced.

* * *

[*Translation*]

INDUSTRY

INDUSTRIAL AND LABOUR ADJUSTMENT PROGRAM—INQUIRY WHETHER ADDITIONAL FUNDS WILL BE GRANTED AND NEW ZONES DESIGNATED

Mr. Claude Tessier (Mégantic-Compton-Stanstead): Madam Speaker, my question is directed to the Minister of Finance, in his capacity of Chairman of the Cabinet committee responsible for the Industrial and Labour Adjustment Program. Can the Minister inform the House whether the Government still intends to maintain the Program and to commit additional funds, and also whether the Government will be announcing new designated areas in the new future?

Hon. Marc Lalonde (Minister of Finance): Madam Speaker, I can inform the Hon. Member that the Government intends to maintain the Program in question. As far as additional funds are concerned, that is a matter I shall be looking into when preparing the estimates for fiscal year 1983-84. Finally, I can inform the hon. member that our committee is, in fact, proceeding with consideration of a number of applications from various areas for this program, to see whether they comply with program criteria.

• (1500)

[*English*]

BUSINESS OF THE HOUSE

WEEKLY STATEMENT

Mr. Nielsen: Madam Speaker, may I ask the Government House Leader a question concerning House business. Last Thursday he laid out the House business for the remainder of this week. It included Bill C-134, the interest rebates on farm loans on which we will commence debate today. Tomorrow is to be an Opposition day. That is as far as we got. The Government House Leader also said that debate on Bill C-136 will follow Bill C-134 and following Bill C-136 we will debate Bill C-135. Will that be the order of business followed next week? If so, what comes after Bill C-135?

Mr. Pinard: Madam Speaker, it is correct to say that today we will commence second reading of Bill C-134 concerning rebates of interest on farm loans. This will be followed by Bill C-136 which concerns grants respecting interest for small business and Bill C-135 concerning grants to home owners. Tomorrow is an Opposition day. That confirms the business for the rest of this week.

[*Translation*]

As far as the business of the House for next week is concerned, on Monday and Tuesday we shall continue debate on Bill C-134, respecting rebates of interest on farm loans, Bill C-136 which is aimed at assisting small businesses with interest payments, and finally, Bill C-135, which provides assistance for home owners. Thus, next Monday and Tuesday, depending on this week's progress with consideration of these bills, we shall continue consideration of the bills in the order mentioned. Next Wednesday, again depending on our progress with Bill C-134, Bill C-136 and Bill C-135, we may decide to consider two bills which, for technical reasons and also because of Canada's international commitments, are extremely urgent, and I am referring to Bill C-129 regarding the Bretton Woods Agreements and Bill C-130, which concerns continuing financial assistance to be provided to certain international financial institutions. Thus, at the end of the day on Monday or Tuesday, I shall be in a better position to inform Opposition Members whether we are going to consider Bill C-129 and Bill C-130 or continue debate on the bills arising from the budget to which I referred earlier.

Madam Speaker, I also wish to remind the House that we will not be sitting on either Friday or Thursday—Remembrance Day—next week, and that Monday and Tuesday we shall be sitting from six to eight to make up the time that will be lost next week Friday.

Order Paper Questions

ROUTINE PROCEEDINGS

[*English*]

PETITIONS

MR. ROSE—CALL FOR REINSTATEMENT OF CAPITAL PUNISHMENT

Mr. Mark Rose (Mission-Port Moody): Madam Speaker, I rise to present the views of 1,639 petitioners of my riding of Mission-Port Moody. The signatories, in expressing their outrage over the brutal murders of B.C. children by self-confessed killer Clifford Olson, call for the reinstatement of capital punishment.

Some Hon. Members: Hear, hear!

Mr. Rose: While I personally do not support the death penalty, I believe it is my duty as their elected representative to present my constituents' views to this assembly, the highest court in the land.

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QUESTIONS ON THE ORDER PAPER

(Questions answered orally are indicated by an asterisk.)

Mr. David Smith (Parliamentary Secretary to President of the Privy Council): Madam Speaker, the following questions will be answered today: Nos. 4,120, 4,402, 4,403, 4,426, 4,436, 4,469 and 4,470.

[*Text*]

CABINET MINISTER'S EXEMPT STAFF

Question No. 4,120—**Mr. Hnatyshyn:**

1. For each Cabinet Minister, what are the names of executive assistants and other members of exempt staff who are receiving income from sources other than from funds allotted to ministerial budgets?

2. What are the names of those who receive income, favours, loans or other benefits of value from sources other than those permitted by the conflict of interest guidelines for Cabinet Ministers and former Cabinet Ministers?

3. Did the Prime Minister supply every Cabinet Minister, every executive assistant and all members of the exempt staff with copies of the "Code of Ethics" produced by the late Prime Minister Pearson and with a copy of the conflict of interest guidelines for Cabinet Ministers and former Cabinet Ministers?

Mr. David Smith (Parliamentary Secretary to President of the Privy Council): 1. Exempt staff who have been designated by Ministers as being subject to the conflict of interest guidelines for Ministers must make public disclosures of gifts or other benefits of a value exceeding $200 received from any source. These disclosures are available in the Public Registry maintained by the Assistant Deputy Registrar General. Those members of the exempt staff that Ministers have not deemed to be subject to the conflict of interest guidelines for Ministers are subject to the guidelines for public servants. In both cases, it is impossible for the Government to know of income that is not required to be declared, other than through confidential declarations under the Income Tax Act. For instance, some exempt staff could be receiving income from blind trusts set up in accordance with the guidelines, family allowance cheques, or interest on bonds that bears no relationship to their present employment.

In addition, an individual can be seconded to a Minister's office on an interchange assignment from the private or public sector. The salary of such an individual remains the responsibility of and is paid by the organization the person is seconded from, and the Minister reimburses the organization from his approved budget an amount equal to the salary of the position to which the individual is assigned.

Mr. Michael Phelps, was employed as Executive Assistant to the Minister of Energy, Mines and Resources, under an interchange assignment from June 16, 1980 to June 22, 1982. His salary was paid by Petro-Canada and the Minister reimbursed Petro-Canada an amount equal to the salary of the position to which Mr. Phelps is assigned.

2. The Government is not aware of any exempt staff who are receiving income, favours, loans or other benefits of value from sources other than those permitted by the conflict of interest guidelines for Ministers.

3. All Cabinet Ministers, their Executive Assistants and designated members of their exempt staffs have received copies of the Conflict of Interest Guidelines for Ministers of the Crown and the Post-Employment Guidelines. A copy of the Prime Minister's letter of April 30, 1980 to all Ministers concerning the conflict of interest requirements applicable to Ministers' exempt staff members, other related correspondence, and the Guidelines were tabled in the House of Commons on May 1, 1980.

TERM EMPLOYEES

Question No. 4,402—**Mr. Gauthier:**

Were term employees informed of the termination of their employment following the Budget of the Minister of Finance and, if so, how many in each government (a) Department (b) Agency?

Hon. Paul J. Cosgrove (Minister of State (Finance)): Prior to accepting a position for a specified period (term) within the Department of Finance, a person is advised through the letter of offer of the termination date of his/her employment. This is a requirement under Public Service Employment Regulations. This process was not affected by the Budget of the Minister of Finance.

STUDY OF IMPACT OF FUEL TAXES IN CANADA

Question No. 4,403—**Mr. Mazankowski:**

Did the Department of Energy, Mines and Resources hire Dr. D. Brean of the University of Toronto to study the impact of taxation on fuel use in Canada and, if so (a) at what cost (b) what was the rationale behind the study (c) what conclusions or recommendations did the study advance?

Hon. Jean Chrétien (Minister of Energy, Mines and Resources): The Department of Energy, Mines and Resources reports as follows: EM&R awarded a contract to the University of Toronto Institute for Policy Analysis on March 9, 1982

to study the impact of the tax system on fuel use in Canada. (a) $24,209. (b) The purpose of the study is to determine the impact of fuel taxes imposed by the different levels of Government on fuel consumption and to determine their incidence effects as well as their contribution to energy conservation. (c) The study will not be completed until the late fall of 1982 and because it is analytical in nature, no recommendations will be provided by the consultant.

OFF-OIL PROGRAM

Question No. 4,426—**Mr. Howie:**

In the fiscal year ending March 31, 1982, how many applications were received for assistance under the Off-Oil Program and how many rebate cheques were issued?

Hon. Jean Chrétien (Minister of Energy, Mines and Resources): The Department of Energy, Mines and Resources reports as follows:

No. of applications received—213,379
No. of applications processed—192,161

CBC—FILM STARRING HARRY BELAFONTE

Question No. 4,436—**Mr. Stewart:**

1. Did the Canadian Broadcasting Corporation produce a documentary film for television about Cuba and Jamaica starring Harry Belafonte and the ex-Premier of Jamaica, Mr. Michael Manley?

2. Was the film released and, if not, for what reason?

3. What was the total cost of the production and for what purpose was the film made?

4. What were the names of all other prominent persons shown in the film?

5. Does the CBC plan to broadcast the film on television some time in the future and, if not, for what reason?

6. How many CBC employees were involved in the production and, in each case, what was (a) his/her name (b) the cost for travel and miscellaneous expenses?

Mr. Jack Burghardt (Parliamentary Secretary to Minister of Communications): I am informed by the Canadian Broadcasting Corporation as follows:

1. No. The CBC is, however, producing a light entertainment musical program for television about the music and people of the Caribbean which will feature Harry Belafonte as the star performer. Mr. Michael Manley is not mentioned and does not appear in the program.

2. The program is scheduled for telecast in two segments in the 1982-83 series of Supershows which will be seen on Sunday nights from 7:30 to 8:30 p.m. The original videotaping of the portions of the program which featured the live concerts in the Caribbean took place in 1980, but because the taping was done in less than optimum conditions, some of the sound material was not of sufficiently good quality for broadcast. To rectify this, CBC officers felt it prudent management to wait until the Belafonte world tour was in Canada earlier this year at which time it would be possible to employ CBC's studio facilities to re-record the defective voice and music tracks.

3. It has not been customary to require the CBC to provide such details of its internal management and administration as the costs involved in individual program projects. The background to this custom is explained in detail in the reply to question No. 2,530, answered November 6, 1975. The program was produced as light entertainment under a co-production arrangement with the Belafonte Company.

4. Harry Belafonte is the only prominent person shown in the program. Other people who appear in the program are all professional performers.

5. Answered in 2 above.

6. Twenty-eight CBC employees were involved in the production. With regard to employee names and the costs for their travel and miscellaneous expenses, it has not been customary to require the CBC to provide such details of its internal management and administration. The background to this custom is explained in detail in the reply to question No. 2,530 answered November 6, 1975.

AMOUNT FOREIGN-HELD DEBT OWED BY GOVERNMENT

Question No. 4,469—**Mr. Mazankowski:**

1. For the fiscal year (a) 1982-83 (b) 1983-84 (c) 1984-85, what amount for foreign-held debt owed by the Government is scheduled to mature?

2. In what form is the debt and at what interest rates were the issues offered?

Hon. Paul J. Cosgrove (Minister of State (Finance)):

1. (a) 1982-83: Cdn. $ equivalent 198.36 million
   (b) 1983-84: Cdn. $ equivalent 1,242.3 million
   (c) 1984-85: Cdn. $ equivalent 537.15 million

2. 1982-83: DM 400 million, 5 per cent bank loan
   1983-84: U.S. $250 million, 8 per cent bonds
   U.S. $400 million, 9 per cent bonds
   DM 600 million, 4¾ per cent bonds
   ¥30 billion, 6.4 per cent bonds
   1984-85: DM 300 million, 5 per cent private placement
   DM 200 million, 5 per cent private placement
   SFr 500 million, 3 per cent private placement

Question No. 4,470—**Mr. Mazankowski:**

1. For the fiscal year (a) 1980-81 (b) 1981-82, what amount of foreign-held debt owed by the Government matured?

2. (a) In what form was the debt (b) what were the interest rates paid by the Government on the debt (c) what were the total interest payments made by the Government (d) what new foreign debt was issued and at what rates?

Hon. Paul J. Cosgrove (Minister of State (Finance)):

1. 1980-81: None
   1981-82: SFr 700 million

2. (a) SFr 700 million, 2¾ per cent bonds, 3-year term
   (b) 2¾ per cent
   (c) SFr 60.375 million (Cdn $34.9 million)

(d) Sept. 81: U.S. $330 million, 5-year 16¼ per cent private placement with the Saudi Arabian Monetary Agency

March 82: SFr 400 million, 5-year 7¼ per cent notes.

[*English*]

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

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

Some Hon. Members: Agreed.

GOVERNMENT ORDERS

[*English*]

FARM LOANS INTEREST REBATE ACT (NO. 2)

MEASURE TO REDUCE INTEREST RATE

Hon. E. F. Whelan (Minister of Agriculture) moved that Bill C-134, respecting rebates of interest on farm loans made under the Farm Credit Act, be read the second time and referred to the Standing Committee on Agriculture.

He said: Madam Speaker, Bill C-134 is an Act respecting rebate of interest on farm loans made under the Farm Credit Act and is a piece of legislation which is extremely important to the farm community and to all Canadians.

Hon. Members will recall that in the June 28, 1982 budget speech, the then Minister of Finance announced a special loans program to assist farmers in financial distress. Contrary to what some Members say here, the Minister had a program that was quite significant and farmers who have benefited from it think it is quite significant. Under the special Farm Financial Assistance Program, the then Minister of Finance had allocated a total of $100 million for loans in fiscal years 1982-1983 and 1983-1984 and for interest rebates on these loans for a total of $200 million. Because of the pressing demand for assistance this year, this allocation has now changed to $130 million for 1982-1983 and $70 million for 1983-1984.

The funding from the then Minister of Finance, combined with that from other FCC sources, will result in loan approvals of $200 million, on which a subsidy of four percentage points will be paid for two years. This measure will help to assure the survival of many Canadian farmers who are presently facing serious financial difficulties. The Farm Credit Corporation credit advisers will assist farmers in the development of farm plans which will provide for greater financial stability at the end of the two-year rebate program.

The Farm Loans Interest Rebate Act is required in order to provide the statutory authority for the appropriation of an amount of $16 million, not zero but $16 million, for the payment of the interest rebate of four percentage points of the principal amount of farm loans made under this special program.

The Farm Credit Act does not provide the Farm Credit Corporation with the authority to rebate any portion of the interest charged under the Act, nor is there other appropriation legislation through which the subsidy could be paid. Thus, after a review of all other options, the proposed legislation was deemed to be the most acceptable method by which to pay the subsidy.

• (1510)

Under the special Farm Financial Assistance Program, loans will be made at the regular Farm Credit lending rate which on June 29, 1982 was 16.5 per cent and on October 1, 1982 was set at 15 and ¾ per cent. The rebate of four percentage points over two years to date reduces the farmers' effective interest rate cost to 11 and ¾ per cent. FCC customary lending criteria will apply. For example, a loan ceiling of $300,000 for individuals and $500,000 for more than one qualifying applicant will apply and a maximum amortization period of up to 30 years is still in effect.

This is what most Members must keep in mind. No one is willing to loan long-term money now, at least hardly anyone we could find. We were offered some Canadian money for up to 10 years, I believe it was around $50 million, with an interest rate of 14 per cent. We refused that because we are confident that interest rates will go down even further and we will be able to obtain long-term money, using the agribond principle that was not originally thought up by those opposite, Mr. Speaker, but was thought up and talked about by people for many years, probably even before the Hon. Member for Bruce-Grey (Mr. Gurbin) thought of coming to the House of Commons. I can remember when it was first thought of and talked about by farm organizations and politicians several years ago.

We must still have long-term money in agriculture. At the present time, the demand for money is not as great as it was at one time because there are not as many farm transfers taking place in 1982. Any farmer in financial distress may apply for this special loan under this Program. The farmer is required to prepare an acceptable plan of recovery in consultation with the Farm Credit Corporation. In addition, he or she must demonstrate that the farm operation will be able to generate sufficient income after two years to meet anticipated commitments.

From the time the special Program was announced on June 28, 1982, up to October 26, 1982, 554 loans had been approved, totalling $80.1 million. Including applications in process, the total loan commitment to October 26, 1982, under this special Program is estimated at $105 million, which indicates the demand from farmers in financial distress for these special loans. This is contrary to the figures that the

Hon. Member used when quoting, I believe, from the Canadian Federation of Agriculture. We say that with that Program we will probably help approximately 2,000 farmers.

When we break down the numbers of those who received loans into regions, it is interesting to see where those farmers are. The number of farmers in British Columbia who received these loans was 23. The amount of the loans was $5.3 million. I am surprised that there would be farmers in Alberta applying for a Farm Credit Corporation loan.

Mr. Paproski: Why?

Mr. Whelan: I thought they had many different programs there. They have about five different programs in Alberta that provide funds for farmers. Most of the other Provinces cannot even afford to have one of those programs. There were 42 farmers in Alberta who borrowed $9.3 million. In Saskatchewan 72 farmers borrowed $11.4 million. In Manitoba 50 farmers borrowed $6.7 million. In Ontario 237 farmers borrowed $32.5 million. In Quebec 105 farmers borrowed $12.3 million. In the Atlantic region, including all four Provinces, 25 farmers borrowed $2.7 million. The money which has been loaned does not include pending applications.

The breakdown according to enterprise type indicates that on a national basis beef and swine producers have received the biggest share of the funds available. It is that area which is probably the most disorganized of all agriculture in Canada because those producers depend on someone to pay them a fair price for the product that they deliver to the marketplace. Sometimes they wait as long as two weeks to see what they will receive for their product, especially when marketing beef.

We can see what the United States is doing at the present time because of the scare they have over the amount of beef being exported to their country. This meat is being exported mainly by Australia because it had an extra slaughter-kill due to the heavy droughts in that country. That great free marketing system to the south decided to impose a meat import law to stop bringing that slaughter-carcass, broken beef into their country. We were not over our quota but Australia was. The United States decided it would treat all countries in the same fashion, but we were able to negotiate and instead of the quota we would have been given if we were treated similarly to Australia and other countries, with a quota of 101 million pounds, we were allowed to export 120.1 million pounds of beef to the United States. If we had not been able to negotiate that quota we would have been stopped from exporting beef to the United States some time in July or early August, I believe.

So when anyone says that the North American market belongs to us, tell them that they are kidding themselves, because that is what they are doing. The United States is becoming one of the most protected nations in the world. There are approximately 25 bills before Congress presently in the form of protective legislation to attempt to protect their producers of every kind of product imaginable. This is happening in that great, free trading nation to the south, which so many people think it is.

A Bill of this nature is not new. In the November 12, 1981 budget the then Minister of Finance announced a similar special program to assist farmers in financial distress. It provided a five percentage point rebate. Similar legislation to this Bill came into force in April, 1982 for the November 12, 1982 special program which terminated on March 31, 1982. There was strong demand for the program, as the statistics indicate. From November 12, 1981, to March 31, 1982, 382 loans totalling $45,417 million were approved. Interest rebates on these loans over a two-year period will total about $4.6 million. The total in the two-year period is approximately $16 million in interest rebates.

I urge Hon. Members to support this Bill which will be instrumental in assisting so many Canadian farmers through these difficult times. Most agriculture producers are at the mercy of the marketplace for their incomes. The price received for their production does not correspond with their costs, and in recent times costs have outstripped earnings for a significant number of our farmers. I firmly believe that most of these producers can survive and contribute to the economy if they are given a chance to recover. This interest subsidy for a two-year period provides that breathing room. Agriculture is essential for a healthy economy, and if our economy is to strengthen, so must agriculture.

I want to conclude by pointing out that the number of accounts with the FCC total 75,770 Canadian farmers out of 320,000 farmers. The total number of farmers in default at the present time is approximately 11 per cent. The total amount of loans to all farmers in Canada is close to $4 billion. The amount of money issued under regular loans this year is $252.3 million to date. As I indicated earlier, about $85 million is under the special Farm Financial Assistance Program. We estimate that we will have loaned about $700 million by the time this fiscal year ends. We have made plans and have received applications already, and while we have had several offers, we have not accepted them because we do not think the rates are what we should receive on the American money market. There has been a tender form for approximately $129 million. I am going by memory as to what that figure is.

• (1520)

Average assets of borrowers this year increased by about $368,000. The average loan this year under the regular loans program amounted to $92,400. The average loan issued under the special loans program was $135,000.

Those are just some of the figures that we are using, but we hope that we can use the system to which the Hon. Member referred and which we have discussed, the agribond system. We are still working on it; it has not come through as quickly as I would like to see it. Some of the financial institutions have very strong reservations about it, including the credit unions who say that we would take too much money from their operations. They have expressed strong concern about our proposal for a special system which would allow people to invest with a smaller return on interest by paying no tax on it,

and that type of thing. I still think the principle is good. Other countries are using it. We are still presenting other new proposals to the Minister of Finance (Mr. Lalonde). I do not know whether the proposal will be ready this year or not, but offers are still regularly coming in, as I said, for long-term money. We do not know what the result of that will be.

As I said earlier in my speech, we had refused the proposal of long-term money for a ten-year period, I believe, at 14 per cent interest in Canadian money, which I thought was too high. I am still optimistic that the interest rates will come down and that maybe by Christmas or shortly thereafter the interest rates will be single digit. I am very much of an optimist. That will put us in a better position to arrange for long-term money. We are in the best position to arrange long-term money for over two years; but I again stress to the House, through Your Honour, that very rarely can one find any institution which will lend long-term money.

As Minister of Agriculture, after listening to what the farm organizations have said to me, I very strongly feel that it is a must that we have long-term financing for farmers. From what we see today on the world commodity markets, the great fluctuations in prices mean that they must have that kind of long-term financing with reasonable rates of interest. This applies to somewhere betwen 35 per cent and 45 per cent of all farmers. Over 50 per cent of our farmers are not in that bracket at all. Farmers in certain age groups do not owe any money, and that takes in nearly 50 per cent of all farmers in Canada. A mixture of grain producers, livestock producers, dairy producers and poultry producers are in that bracket. Some of them have even said to me, "Some of your programs, Mr. Whelan, are too rich because we are paying too much income tax at the present time." Well, it is hard in an agricultural community to provide the kind of equity we want. However, if a farmer is paying income tax, that is as it should be, because successful business people pay taxes, and farmers are successful business people. If they are paying taxes, that means they are running very successful, efficient businesses. It is when farmers or business people are not paying taxes that we should worry more about them.

We recently received a visitor to Canada. We showed him the agricultural production entities from Quebec, Ontario, Saskatchewan and Alberta, the different kinds of farm operations that he wanted to see. I know he was very impressed with what he saw. The productive system in our country is so different from the one in his country. He was the minister of agriculture of the Soviet Union, which is our largest purchaser of agricultural products. He wanted to see dry land farming. I was delighted to show him our family type farm operations, from small and medium to the large type operations which have several thousand acres under cultivation. He also saw livestock and grain operations. No other country in the world has a system such as ours.

In reference to the plight of producers in the United States of America, the potato producers of that country requested hearings because they said that they could not compete with the programs available to Canadian producers. Little Canada was putting the producers out of business in the main potato producing areas of the United States. Hearings were held in Boise, Idaho, and Bangor, Maine. Transcripts of the proceedings are available for anyone to see. However, their main argument was that Canada's programs are so superior to theirs that they cannot compete with us.

Once again I ask for speedy passage of the Bill. I have given a brief report on what we are doing to raise extra funds for the Fram Credit Corporation, but we are being a little bit cautious about arranging long-term money at high rates of interest because we do not want to tie too many farmers into a high rate of interest. I think that no matter who may hold the office of Minister of Agriculture over the next few years, he will have to review mortgages which farmers have taken at 16 per cent or 16.5 per cent interest because the average rate of mortgages is now around 10 per cent on the nearly $4 billion we have out on loan. However, some farmers are paying less than 10 per cent and others are paying 6.5 per cent more than 10 per cent. When they were obtaining those mortgages they were still borrowing money at a rate about five points lower than the regular market rate at that time and they could not obtain long-term mortgages even if they were willing to pay 20 per cent, 21 per cent or 22 per cent interest. That cost us several millions of dollars. However, we think money spent on agriculture is money well spent.

The record of the Farm Credit Corporation and its cost of operation is one of which we are very proud. It is an organization which knows and understands Canadian agriculture, which is one thing the private lending institutions have proven to us they do not understand. By the way, they lent money to the rural community of Canada, but in many cases they did not understand just what was going on. If most of the farmers who are in financial trouble had borrowed long-term money four, five or six years ago from the financial institutions, most of them would not be in such difficulty. We appeal to the private lending institutions to start lending long-term money to the rural community. I can honestly say that I did not realize what they were doing until I became really involved during the last 18 months. Farmers have sent me copies of agreements they have signed with lending institutions. I was amazed, appalled, and in some cases just downright disgusted to find that they had become involved with financial lending institutions which would put them into such difficult positions.

I know that other Hon. Members would like to contribute to the debate, but again I ask for speedy passage of the Bill.

Hon. John Wise (Elgin): Mr. Speaker, I do not want to take a great deal of my time to respond to the Minister's opening remarks except to say that I am somewhat surprised that his comments were directed to some of my colleagues and farmer friends in the Province of Alberta. There is certainly no question that farmers who carry on business in Alberta are obviously Canadian farmers, and if there were any doubt in anyone's mind, I simply draw attention to the overwhelming manner in which they voted in the recent provincial election. We find that the Premier was able to gather some 75 out of 79

seats and the WCC was completely wiped out of the Legislature.

He also made a reference to the worthiness of the agribond concept. I was certainly encouraged to hear the Minister respond favourably with respect to it because I really think it is the only way to go, the only route which would provide sufficient financing at the lowest possible cost to Government. Losses to the Consolidated Revenue Fund would be minimized and it would supply sufficient funds to assist the farmers who find themselves in severe financial difficulties.

There has been some debate as to who should claim credit for the agribond concept. I am sure the Minister has tried to lay claim to it, as did my colleague earlier today. As I understand the situation from my reading of history, that concept was born out of a farm meeting held by a group of farmers in the Province of Saskatchewan and was brought to our caucus by the Hon. Member for Swift Current-Maple Creek (Mr. Hamilton). Rather than the Minister or myself taking credit for it, I think we should give credit where it is due. As with most good agricultural programs, this one had its origin at the grass roots level.

• (1530)

I welcome this opportunity to comment on Bill C-134, Mr. Speaker. As Members of the Government will understand, it is not traditional for critics to be overly complimentary but I want to indicate that I am somewhat encouraged by the priority given this Bill by the Government House Leader. Of the three agricultural Bills among the 18 or 19 on the Government's list, the choice of Bill C-134 for debate today is quite proper and a step in the right direction.

While the concept is a good one because it recognizes the problem, the amount of money made available to tackle a problem of this magnitude falls far short of what is needed to do the job properly. The Government knows that when legislation that will assist the agricultural community is introduced, it can expect to receive our co-operation and support. There are many examples of our co-operation on legislation of this type.

Having made those comments honestly and sincerely, Mr. Speaker, I do not want to leave the impression that this rather limited measure will do a great deal to resolve these problems that have plagued the economics of the agricultural industry, particularly during the last 24 months. Throughout this debate, my colleagues and I will demonstrate, by fact and example, that the agricultural industry in Canada is experiencing the worst economic crisis in four decades. Indeed, some knowledgeable people will recognize that the current dilemma in the agricultural industry is probably the worst since Confederation.

Last fall I was invited by the Ontario Federation of Agriculture to serve as a member of a small task force organized to deal with this emergency in agriculture. I accepted the invitation for a number of reasons. I was aware of, and concerned about, the serious financial conditions that were beginning to develop in the industry in the early part of 1981. Last fall, the most seriously affected people were young farmers with sizeable debt loans and those in the red meat industry. Some improvement had taken place in the red meat industry by this fall, but unfortunately it could be short-lived. Certain actions taken by the U.S. Government will exert a downward pressure on beef prices. The increasing number of hogs being produce in Canada means that there will be a greater number on the market within six or eight months, and that will have a depressing effect.

This year, the financial crisis has spread to the cash crop farmers. Three factors have combined to create this impossible situation. First, high interest rates; second, increased input costs; and third, declining market prices. If one examines the history of agriculture it will be seen that one of these factors can usually be found at any time, but when all these factors are combined for an extended period of time, it creates an impossible situation.

It will be recognized that interest rates have declined but, given the traditional and historic profit margins associated with the primary sector of the agricultural industry and our current economic conditions, they remain too high. There has been a dramatic increase in the amount of total Canadian farm debt. In 1960 it was $1.6 billion; ten years later, in 1970, it had increased to $4.2 billion; 9 years later, in 1979, it had increased to $13 billion; in 1981 it was $16 billion; and this year it could go as high as $18 to 20 billion.

Servicing this debt at an interest rate of 8 or 10 per cent, with improved market conditions, could be possible; however, the cost of servicing the debt at today's interest rates is impossible for a large number of Canadian farmers to meet. In 1981, farmers paid out $2.2 billion in interest payments alone. This is almost $600 million more than was paid in 1980. Farm input costs have risen to the extent that net farm income will decline this year by at least 17 per cent and a further decline is projected for 1983.

Statistics Canada estimates that the 25 per cent increase in energy costs will be the major factor in the decline of net farm income. We have to recognize that energy is vital to Canadian food production, Mr. Speaker. In Ontario, about one-third of the total cost of operation of a cash crop farm is taken up by energy. In the greenhouse industry, energy takes about 22 per cent; in the dairy industry it accounts for about 14 per cent, and in the production of beef it accounts for about 7 per cent of the cost.

Some examples of declining market prices include the price of corn. I am sure the Minister is aware that this year corn has been a reasonable crop, selling at about $2.50 per bushel. One has to apply drying charges, of course, which are extremely high. The cost of producing a bushel of corn is not $2.50 nor $3.50, but is closer to $5.50. Large crops of soybeans are produced in Essex County in the Minister's riding, so he should know that soybeans are selling for something in the neighborhood of $6 per bushel when the cost is closer to $8 or $10 per bushel. Other examples could be cited for Ontario grains and for grains grown in western Canada.

The Government has never really given the agriculture industry much priority. We have seen a number of legislative updates but we have not seen any real measures directed to the agrifood industry in the last 10 or 15 years. Regardless of this Government's indifference, the agrifood industry is the most basic and vital industry in this country. It is an industry on which all life and all sectors depend. Canadians, and indeed civilization throughout the world, can do without just about everything except one thing, and that is food.

• (1540)

Some of my urban friends may wonder why we are taking the time we are today to debate agricultural legislation. Some of our urban friends might ask what is their place and their involvement in the agricultural industry. The very simple answer is that if you eat, you are involved in agriculture.

In Canada there are about 300,000 farmers. That number continues to diminish. Those 300,000 farmers provide direct employment for nearly 500,000 people. That is a tremendous number of jobs. There are about 1.5 million Canadians out of work, so it represents a significant contribution toward employment opportunities and job creation which is not being fully utilized. There are approximately 4,000 food and beverage establishments in Canada and they employ over 200,000. That is more jobs. In fact, this sector is the country's largest single employer. Quite often we think of the automobile industry as the largest sector in our economy as far as job creation is concerned. That obviously is not the case.

It is recognized that the agrifood industry constitutes about 40 per cent of Canada's economy and employs about 25 per cent of all Canadians. In 1980 we exported $8 billion worth of food products and imported about $5 billion. This gave Canada a trade surplus of about $3 billion. However, approximately $3.5 billion of the $5 billion worth of imported food could have been replaced by Canadian-grown produce. Consequently, the lack of any real import replacement program has resulted in a loss of economic activity to Canada and a loss of jobs in Canada during a time when we need them most.

The cost squeeze has decreased farm incomes. This in turn has substantially reduced the farmer's buying power. This has forced farmers to reduce their purchases, increase their borrowing, sell off their assets and has caused a bankruptcy rate of 65 per cent, comparing September of this year over September of last year. Many have been forced out of business. Others have simply left their businesses. In fact, in the first nine months of 1982 there were some 316 bankruptcies.

If the present rate continues, this year bankruptcies in the agricultural industry could well reach 500. This sharp decline in net farm income is having a drastic effect on business activities in the downtown areas in every city, town and village across this country. Just talk to the downtown merchants, the boards of trade, chambers of commerce, for verification of this loss of business, Mr. Speaker.

This decline is taking its toll as well in the farm supply sector. Sharp declines are expected in fertilizer and chemical sales and in the supply sector of the industry in 1983. Farm tractor sales are down some 35 per cent; combine sales are down 56 per cent. Dealers are filing bankruptcies and our major farm machinery manufacturers are fighting for survival. Why? Because net farm income is dropping. Profit margins are diminishing. Interest rates remain too high. Market prices for a number of commodities are below the cost of production. Consequently, farmers are not buying machinery because they simply cannot afford to buy. The ripple effect is lost income, lost business activities and lost economic opportunities for thousands of Canadians.

I said earlier that this Bill goes in the right direction. However, in view of the magnitude of the problem, it will simply not do the job. What we need is, first, a moratorium of short duration on farm bankruptcies, foreclosures and powers of sale. The Minister recognizes this to be a problem; a number of his colleagues do as well. They have spoken in support of this moratorium. However, nothing has been delivered.

We need a greater infusion of capital into the Farm Credit Corporation. I have not said exactly how much money would be required. I know it is more difficult to secure funds from the Consolidated Revenue Fund at a time when you have a $23.6 billion deficit. It is much more difficult than if you had a $10 billion deficit, there is no question about that. The CFA has indicated on a number of occasions that it would require at least $1 billion.

We need an interest rate subsidy greater than what we have provided in Bill C-134, applied on a selective basis for the consolidation of debt. As I look at this Bill, my calculation indicates that there are $216 million in the program, $116 million of which is a reshuffle. If you apply that under the normal lending formula of the 4 per cent interest rate, if the funds are fully lent and the 4 per cent rate is applied, the interest rate subsidy would be about $16 million. We are suggesting a more adequate amount would be in the neighbourhood of $300 million.

How do we reach that figure? It is fairly straightforward. We have approximately $17.6 billion or $18 billion in total farm debt. It is estimated that about one-third of that would be at unmanageable interest rates. When it requires $50 million to lower the interest rate by five percentage points on a billion dollars worht of debt, the final calculation indicates it would require about $300 million to provide adequate funds to reduce that interest rate by five percentages points on that $6 billion.

I talked earlier about the agribond concept. I am encouraged to the extent that the Minister is still talking favourably about it. However, if he takes his direction from the blue chip committee or the Lortie Commission, they brought down a ruling recommending against a policy of this kind. The Minister should remind his colleague the Minister of Finance that the membership of the Lortie Commission does not include one farmer.

We need rationalization and stabilization. As the Minister indicated, the provincial Ministers are meeting at this very moment in Regina. If the Minister could deliver on that

promise and deliver those dollars in 1978, I do not know why he cannot do the same thing today. He will have to answer to the provincial Ministers. I am certain they will be here in Ottawa within two or three weeks.

The Minister should look carefully at the recommendations of the task force to which I referred earlier and at the recommendations which were put forth by the Ontario Federation of Agriculture. When the report of the meeting of the provincial Ministers meeting in Regina is made, I am sure he will see some similarity between the decision they reach today and the income market insurance program put forward by the Ontario Federation of Agriculture.

Changes are required in the area of capital gains. I challenge the Minister simply to match the provisions contained in the Crosbie budget in 1979. We want to restore the income-averaging provision and the capital gains reserve. Both of these provisions were removed in the November budget, which was probably the worst budget for industry and the most damaging budget ever to Canadian agriculture.

The other area the Minister should be looking at is an energy tax credit or rebate. Forty per cent of the cost of farm fuels, as the Minister will realize, is in direct federal taxation, and that tax represents about 40 cents a gallon on diesel fuel, and some 60 cents a gallon on gasoline. The CFA have had an opportunity to look at this Bill and their bottom line, Mr. Speaker, is the fact that they have determined the money provided in the Bill is totally and wholly inadequate. They estimate about 10 per cent, or some 20,000 farmers, desperately need the assistance of this rebate. The CFA indicate that only some 500 farmers will actually be assisted under this program.

• (1550)

The CFA have also indicated that we should remind the Minister, particularly the Minister of Finance, that although the small business bond provision has been extended, the banks are using this provision in the same way as they have been using the Farm Improvement Loans Act over a number of years. Although they have the legal authority to lend money under this program and under the small business bond, very few banks are participating to any great extent. It is interesting, as well, Mr. Speaker, to look at some of the comments and further recommendations made by the Canadian Federation of Agriculture. Quoting from some correspondence that I have had from the Federation of Agriculture:

> The Government must give authority, and quickly, to the FCC to borrow short-term—three to five years—by the issue of financial instruments, on which interest is tax free, for farmers requiring money at lower interest rates not only for debt consolidation but for essential investment and working capital.
>
> Such lending, though necessarily selective, could be much more generously available than the present subsidized FCC lending, because the interest paid by the producer could not be expensed. This makes it a self-policing policy since borrowing on this basis would not be attractive to farmers whose operations indeed were, or could become, profitable.
>
> This policy can be put into place quickly and effectively under present legislation, as we understand it. It is one that comes with a price tag to Government in forgoing some tax revenues, of course, but it is a small price to pay for sustaining the productivity and the family farm structure of an industry of such fundamental long and short-term importance to the Canadian economy.

I acknowledged earlier that interest rates have fallen. I acknowledged as well that this legislation is going in the right direction. But the fall in interest rates is not sufficient and, for many, that reduction in interest rates comes too late. Those who will benefit by this Bill will be far too few. This Government must decide whether they want a strong, viable agricultural industry or whether they want to continue on the road to disaster, a road of loss of productivity, lost employment opportunities, lost economic activities, becoming more dependent on potentially unreliable, more expensive, poorer quality, food imports.

We believe Canada should be striving for the former, but time is running out. The primary sector of the agrifood industry must receive, and receive now, a more positive, meaningful response from this Government. I am certain that the agricultural industry is not asking for the impossible, because if this Government has money for Dome, Chrysler, Massey-Ferguson, and money to purchase B.P. which obviously is a liability on the treasury of Canada, then we say that it should get its priorities in order and should assist the agricultural industry.

Canadian farmers need action from this Government now and they need it in a form of a temporary, short-term moratorium, increased FCC funding, Agribonds, updating of stabilization. They need capital gains changes, and an energy tax rebate. The results of such measures can and will remove this crisis. These measures will turn this current economic crisis into an opportunity. Canadian farmers have the resources, capacity, desire and the determination to meet this challenge. Action now will ensure the preservation of a strong and prosperous agriculture industry.

I want to conclude, Mr. Speaker, by saying that when this Government, or any Government, has the agrifood industry back on the road to recovery, then they will also have this nation back on the road to recovery.

Mr. Vic Althouse (Humboldt-Lake Centre): Mr. Speaker, I am pleased to take part in this debate on a Bill which will reduce the interest on farm credit loans by 4 per cent for a period of two years. I think this is a necessary short-term move. I am not so certain that it is an adequate response to the need. However, it is an indication of an attempt to address the problem.

The problem is one that I would like to dwell on for just a few minutes, Mr. Speaker, because I think that if we do not go back and look at how we got into this credit difficulty, we cannot properly address the real reasons for bankruptcies, why people are behind in their payments, and why people are selling out because they can no longer survive in agriculture.

I submit that Canadian agriculture, probably since the Second World War but certainly in the last decade and a half, has been under some very severe strains and pressures. These are different strains and pressures from those of the post-war years when the objective was simply to become more efficient and a great many people opted out of agriculture. To some

extent they were pulled out of agriculture because there were jobs in the industrial urban centres that were growing rapidly. But in the last 15 years or so we have seen some moves, partly by Government, both federal and provincial, and partly as a response to those policy moves by Government, which have brought a rapid escalation of agricultural production.

I think that in looking back at our agricultural history we tend to see moves that create a situation where types of farming are made obsolete by deliberate policy moves. To some extent that started off with a clutch of policy changes which included the Farm Credit Corporation being deliberately pulled out of the long-term interest rate and medium-term interest farm loan field.

Farm Credit Corporation had been supplying most of the long-term needs of the farm community, and a good portion of the short-term and intermediate financial requirements of farm communities up until the late 60s. Land prices were relatively stable, production capabilities were pretty well regionalized, people knew where they were on the farm front.

The late sixties and early seventies brought some terrific changes, Mr. Speaker. The federal Government began to ease back on the amount of lending by the Farm Credit Corporation. It proposed to allow the banks into the farm credit field. Along with that there was a drastic change in the federal grain policy. Prior to that most feed grains had been marketed across the country, outside of the Prairies, under the auspices of the Canadian Wheat Board. Therefore, prices were relatively stable and the competitive capability of the different regions was kept more or less equal. But the combination of going to the so-called open market and allowing the large grain merchants and feed mills back into the grain market on an across the country basis, along with allowing the banks into the farm credit field, created a climate which may have looked good to the economists behind the Government front benches because it created the illusion of growth in agriculture, but was in fact a switch in production from some regions of the country to others, financed largely with borrowed money.

• (1600)

As well, provincial Governments got into the act by providing subsidies to encourage those shifts. Sometimes it was straight subsidy, at other times it was subsidized credit. In short, by the end of the 1970s there was a quite visible move of much of the hog production out of the Prairie region into Ontario and the Maritimes to some extent, but largely into Quebec. These two or three policy shifts also encouraged a move to feeding cattle outside of the Prairie region where most of the livestock originates.

There were, Mr. Speaker, some very important economic side effects resulting from these shifts. Luckily there was a sudden surge in demand for grains in that period of time which happened to coincide with the increase in oil prices in about 1973 or 1974. That surge in grain prices and agricultural commodities generally tended to carry the farm community through the last decade. As the Hon. Member for Elgin (Mr. Wise) outlined quite well, they were able to do it while watching farm prices decline, costs increase and farm debt increase at a dramatic pace. That has been outlined today. In 1970 accumulated farm debt was $4.2 billion; in 1979 it was up to $13 billion; in 1981 it was $16 billion.

This has put great pressure on financing in this country. Interest rates rose because other sectors of the economy were doing the same thing, growing at a rapid pace, making large demands on the finances of this country and thereby bidding up interest rates. Consequently, by the end of the decade and into the 1980s, we see that the highest farm expense is interest costs. At the beginning of the 1970s the cost of money was about number eight or number ten in priority, and then suddenly it shot to the fore. Following that is the cost of energy, which had not been a tremendously big farm cost. So farmers were very much in a squeeze situation. Long-term credit at fixed rates was becoming less and less available. The Farm Credit Corporation was supplying a smaller and smaller amount of the requirements for farm credit.

Finally, we got into the 1980s when the new, large and intensified livestock production units were beginning to flounder. There was overbuilding, or alleged overbuilding. The units which has been the traditional sources of supply in other parts of the country had been declared obsolete and had shut down. We had, in effect, an overbuilding of the agricultural industry and we were and are carrying costs which farmers have no way of avoiding.

Banks have been willing and able to supply credit needs up until recently because along with this decade of growth came high inflation in the value of farm land. So every time a banker went to review an individual farmer's account he could usually conclude that, because of the rapid increase in real estate values, the assets still exceeded the liabilities of the individual farmer. But in the last three or four years that picture has changed for a great many operators. Liabilities began to exceed assets.

As the banks foreclosed on some of those operations it created a new situation where the price of farm land is no longer escalating 12 per cent, 15 per cent, or 18 per cent a year. We are now in a situation where there have been foreclosures and bankruptcies and offers to sell on the part of farmers who think they can no longer survive in the industry, and therefore land prices are falling in many corners of the country and are not rising. That is setting the whole industry on a path which could lead to disaster. The banks, because of their past practices, now have to be a little more careful about forcing some operators into bankruptcy. They are now beginning to realize—if they do not, they should—that the more bankruptcies they cause, the lower will go the price of real estate. The more loans they will have to call because more and more accounts will find themselves in the position of having greater liabilities than assets, since the banks are putting pressure on the real estate market and pushing down the value of those assets.

So what we have before us here is a very feeble attempt to deal with this very grave problem, a problem which I do not

think the Minister fully realizes he is faced with. In fact, he even seems to be prepared to create another kind of massive adjustment of agriculture resources by his apparent support for abolishing the Crow rate, which will, in effect, reverse some of the changes we went through in the last decade. This will increase the already high bankruptcy rate in Quebec, the Maritimes and Ontario, just so that a few highly intensive feeding operations in western Canada may get an advantage. I do not think the industry will appreciate that kind of disruption yet again, and that is one of the reasons we have been asking that everybody involved in the process take a second look at it. It will have violent repercussions across the country and in all agricultural sectors of Canada.

The proposal before us is one which has been described as being able to handle a few hundred farmers who are on the line between bankruptcy and survival and to whom a 4 per cent reduction in interest rates for two years might make the difference between survival and collapse.

• (1610)

I think this is important because the bankruptcy rate has been growing by leaps and bounds. In 1979 there were 82 farm bankruptcies in Canada. In 1980 they had doubled to 164. They rose again in 1981 to 191, and so far in 1982—and we are only three-quarters of the way through the year—there have been 316 bankruptcies.

The outlook is not particularly good this year. At the beginning of the year Agriculture Canada predicted that net farm incomes would be down again, the second or third year in a row. Indeed, when we go back as far as 1974 we find that net farm incomes have varied only a little from about $3.5 billion. This year they will be below that figure. If we relate that to 1974 dollars, we can conclude that net farm incomes are less than half at the present time. This is the real reason there is a farm credit crunch. It stems from a disruption of the industry. Large investments have been made in some parts of the country and investments in other parts of the country had to be abandoned. Also it stems from an increase in the demand for funds which has caused interest rates to go sky high and has left farmers with virtually no options.

The Farm Credit Corporation has attempted to increase its finances by going to foreign markets. To date my information is that no funds have been raised in that manner. This coming winter we will probably see great demands for long-term, fixed interest rate loans through agencies such as the FCC. Basically it is the only agency available to farmers which offers long-term, fixed interest rate loans. Interest rates are now going down, but FCC rates are locked into a formula used by FCC which comes down very slowly. The formula was just revised at 15.75 per cent, but farmers can walk into their local credit union or bank and obtain money at lower interest rates because they are still reaping the benefits, if we can call them benefits, of the high interest rates which have gone before.

If the FCC succeeds in obtaining funds from foreign sources at much lower rates than 15.75 per cent, those sums could not be re-lent to farmers at less than that rate until the new formula comes out next spring. Farmers are locked into the situation. The response has been multitudinous. Some Provinces have responded by getting into the farm loan field in which most of them have been involved in some form or another. The demand has increased the intervention of provincial Governments through the offering of sometimes greatly subsidized farm loans to farmers.

If we are to have any stability in the Canadian agricultural community, it is imperative for the Farm Credit Corporation to be enlarged again to provide the long-term, fixed rate credit required by farmers in a volume which will service all requirements across the country. Failure to do so continues the instability in agriculture, instability created when one Province lends money at 5 per cent, another Province lends money at 8 per cent and the going rate on the market is 15 per cent. This creates a tendency for production to shift from regions of comparative advantage to other regions.

I would be remiss if I did not point out that there is a great need for money to finance intergenerational transfers. This is where a good chunk of farm credit funding goes at the present time. Some of it still goes to improving physical plant, but most of it is for transferring land and property from one generation to the next. This amount has been shrinking through FCC and, consequently, other methods have been proposed. The agribond proposal has been around for approximately five or six years. It was discussed in the House and in the Standing Committee on Agriculture several times since I have been here.

Some experiments with turning over land from one generation to another have been tried in various Provinces. There are land banks and land assembly systems in some Provinces which make it possible for the older generation to turn over land under very reasonable terms to the younger generation without their being placed under a debt load which they cannot handle and enabling them to produce under current market conditions.

Such programs should be reviewed and looked at objectively, but I think we should come to the conclusion that the FCC must be expanded if Canadian agriculture is to have an equal chance right across the country. If we are to have an agrifood policy which takes advantage of what is on the farms now and makes it possible for production units to produce in a market that provides some stability, farmers will increase production and help the country out of the current economic chaos. If stabilization programs are available on a federal basis, and if marketing systems are in place which provide some equity across the nation, then farmers will have some assurance that by producing they will be able to get back their costs of production plus decent standards of living for their families.

The proposal before us today is a very short-term one to help a few hundred farmers. I have no objection to that, but I should like to point out that there are thousands and thousands more who will need equal consideration. This proposal, while of assistance to a few hundred, is only a drop in the bucket in terms of meeting the total need.

[*Translation*]

Mr. Marcel Dionne (Parliamentary Secretary to Minister of Agriculture): Mr. Speaker, as the Minister of Agriculture (Mr. Whelan) mentioned earlier, the federal Farm Financial Assistance Program was established in order to alleviate the distressing situation created by high interest rates and lower returns on farm products. Canadian farmers who are facing serious financial difficulties can obtain an interest rebate of four percentage points on their loans for two years, which reduces the effective interest cost to 11¾ per cent during the first two years of the loan. The Program has already saved several hundred farmers from bankruptcy, and will probably save several hundred more before it expires.

The Farm Credit Corporation has always done its utmost to help its clients through difficult periods. Its recovery plans, for instance, are among the most flexible known. FCC credit advisers encourage farmers to discuss their financial difficulties as soon as they become apparent, so that they can then reconsider repayment schedules and take appropriate action. In some cases, rescheduling of the loan may be necessary. In others, postponement of one or two payments may be sufficient. It is reassuring to note, however, that the FCC is sufficiently concerned about the problems facing its clients to take this kind of action, and that this agency, which represents the Government, has not forgotten the human factor in its business relations with Canadian farmers. In addition to its flexible recovery plans and the special loans being granted since June 1982 under the Special Farm Financial Assistance Program, the FCC offers its borrowers every opportunity to resolve their financial problems through its Advisory Services Program.

Generally speaking, all FCC loan applicants may benefit from preliminary counselling, including advice on how to organize and develop their farm operations. The service is available to any FCC borrower who asks for it. However, the service is compulsory in the case of borrowers under the special program, since it is one of the conditions of the loan. If we look at the components of this Program, it is easy to understand why the service is compulsory for borrowers who are in financial difficulty and are anxious to improve their situation. First of all, the goal of the Advisory Services Program is to help the farmer manage his farm finances more effectively. The credit adviser will therefore help the farmer to select the accounting system that is best adapted to his needs and help him get acquainted with the system. With his financial training and experience, the credit adviser is also in a position to help the farmer interpret and analyze the financial data provided by his accounting system. He can also provide a comparative analysis of financial factors and farm production in similar operations. Finally, if the farmer requires another adviser, the credit adviser can tell him where to obtain the information or the help he needs. Thus, this service is an adjunct to provincial educational programs.

As a result of the follow-up provided through the Advisory Services Program, the farmer has a better chance of successfully implementing his recovery plan. Thus, Mr. Speaker, the FCC is doing everything in its power to help borrowers through the difficult times we are experiencing today. By supporting Bill C-134, my hon. colleagues will enable the FCC to continue its good work. Mr. Speaker, I would like to emphasize that Canadian agriculture is represented by a very large percentage of family farms, and I would like to quote a few figures here to underline the importance and growth of Canadian agriculture. According to the 1981 census, there were 366,000 farms in 1971 and there were only 318,000 in 1981. However, although the number of farms has dropped significantly, there has been, conversely, an increase in production.

Last week, when the Minister of Finance (Mr. Lalonde) made his speech in the House, he mentioned the high productivity of our farmers and was happy to see that this group had continued to progress and to provide the Canadian consumer with products at very reasonable cost. I cannot agree more with the words of the Minister of Finance, and here I would like to underline the importance of Canadian agriculture and its productivity.

I want to give a few statistics on the assets of our agricultural sector and thus illustrate the need for the measures being proposed in Bill C-134. I am sure that honourable members will realize that many farmers need financial assistance and some are facing more difficult conditions at a time when the economy is deteriorating in certain sectors, and also that it is absolutely necessary to help farmers cope with these temporary problems. Thus, in 1971, the average farm was worth $65,800; in 1981, average farm assets had risen to $409,300. On the basis of these figures, you will agree, Mr. Speaker, that the farmer's financial requirements are increasing steadily. Of course, the debt rate has also followed this trend. In 1971, the average farm debt was $12,600, and in 1981, it was $58,000. My point is, Mr. Speaker, that the farmer needs more support, because while in 1971, our agriculture was worth $4,500 billion, by 1981, this figure had increased to $18 billion, which represents an annual increase of 15.1 per cent. Also, farmers are playing a very important role in our economy, since we are exporting increasing amounts of farm products to world markets, which is an invaluable asset to our trade balance. Mr. Speaker, I do not think Bill C-134 needs further justification, and once again I hope that the bill will pass all stages in the House and that we will then be able to help farmers in financial difficulty by providing an interest rebate.

• (1620)

[*English*]

Mr. Lorne Greenaway (Cariboo-Chilcotin): Mr. Speaker, I am among those today who speak with reservation in favour of Bill C-134. This Bill does not receive my wholehearted endorsement. Like so many measures emanating from this

beleaguered Government, it is a half measure. It is part of a half-baked and ill-conceived range of policies, in this particular instance dealing with agriculture financing, a subject that has been an issue in this country for as long as I can remember.

For many years I was a practising veterinarian in the beef cattle country of central British Columbia. In this, and in other capacities I have been in continual contact with cattle producers and have become very familiar with their problems.

A subject that is continually raised is financing; how to finance the purchase of property, livestock and equipment. Of course, the pros and cons of the Farm Credit Corporation are often discussed. The most common complaint that we hear in my part of the world is that a person is lucky if he can get a Farm Credit Corporation loan because usually the Corporation is out of money. In B.C., farmers and ranchers have pretty well given up looking to Ottawa for financial assistance. I do not expect that attitude to be changed very much as a result of this Bill, legislation that will affect perhaps only 500 farmers in Canada and maybe 25 or 30 in British Columbia. The agricultural community in my province looks mainly to the provincial Government for help when needed.

• (1630)

Mr. Whelan: We pay twice as much in B.C. to agriculture as they do. Where are they getting their help? They are getting it from us.

Mr. Greenaway: The Province of British Columbia has had an interest rebate plan in place for many years and has assisted a good many producers of agricultural commodities. Last year there were 5,700 applicants for this Program. The B.C. Government also provides guarantees for agricultural loans. If you ask any farmer or rancher what is needed most in Canadian agriculture today, I will wager that nine out of ten will say: "Just give us some long-term money at a reasonable, fixed rate of interest and then leave us alone." Of course, today this cry issues forth from all sectors of the economy, but I venture to say that farmers have been saying it for the longest time.

Further, the question of finance and credit is a vital issue to young people trying to take their rightful place in Canadian agriculture. The average age of Canadian farmers today is 49, and obviously young people must be encouraged to take the place of those who retire. It is almost impossible these days for them to do this unless they are fortunate enough to inherit a farm or ranch. Even if this does happen, there is no guarantee that the operation will remain viable.

There is no doubt that there is a real need for reasonable credit, and there is no doubt that the Farm Credit Corporation requires a larger pool of capital. Presently there is a plan afoot to raise $100 million in the United States by selling notes on U.S. exchanges. We are assured that U.S. insurance companies, both fire and general, and pension fund agents will eagerly line up to purchase Canadian securities in the form of Farm Credit Corporation notes. It is my understanding that this offering will be forthcoming when brokers feel that conditions are stable and top prices can be obtained for the issue. Perhaps now that the United States mid-term elections are behind us, we will soon see these notes on U.S. markets. Naturally, foreign exchange and interest rates are vital considerations in this scheme. At present, Canada's dollar, at 82.5 cents U.S., will add a full 2 per cent to the 12 per cent cost of this money, 12 per cent being the approximate U.S. interest rate.

In order to protect itself from foreign exchange risk, the U.S. money raised and returned to Canada will have to be hedged. This will likely add a further cost of about 2 per cent, and allowing 1 per cent for Farm Credit Corporation administration, the money would finally reach the borrower at a cost of 17 per cent—not what I or anyone else would call cheap money. Is this, then, the purpose of Bill C-134, to reduce the interest rate and thus the flak that the Corporation and the Government would have to bear for procuring expensive foreign money?

As I understand it, the plan is to lend this money to Canadian farmers at a fixed rate of interest over a ten-year period. An obvious risk to the Farm Credit Corporation could occur in the event that loans are prepaid before full term, when the Corporation could be left with some pretty expensive money on its hands. Farmers have expressed concern over the Farm Credit Corporation venturing into foreign currency markets, worried that the plan might fail and make loans even more expensive. Many have rightfully asked, "Why not raise the needed funds at home in Canada?"

It seems to me that Canadians would be most interested in supporting Canadian agriculture through purchasing Canadian agricultural bonds. Our Party has long advocated the establishment of an agribond, as was mentioned earlier this afternoon by my colleague the Hon. Member for Elgin (Mr. Wise).

For years and years this Government has neglected to address the serious problem of adequately financing Canadian agriculture. The Farm Credit Corporation over these years has been literally stangled by lack of sufficient capital to lend. The Minister of Agriculture (Mr. Whelan) and the Government know full well how the lack of capital at a reasonable rate, especially for long-term credit, has throttled Canadian agriculture. Why has the Minister not made this problem his top priority instead of such things as threatening beef producers with his ridiculous and destructive plan for a beef marketing board? Why is he spending so much energy flogging the abomination called Canagrex? He and his colleagues might saddle Canada with Canagrex, but if they cannot properly finance our farmers, young and old, then it will not be very long until there is little, if anything, to export to other countries.

Over the years I have had many opportunities to discuss agricultural financing with American ranchers who have moved to Canada. I cannot remember one who was not completely dismayed by the evident lack of credit options

available to Canadian farmers. Many told me of a very popular institution in the United States called Production Credit Associations. They could not understand why Canada did not provide a similar option. I am indebted to the Canadian Cattlemen's Association for providing me with information on Production Credit Associations.

The PCAs originated under the Federal Farm Loan Act of 1916 in the United States. In 1933, PCAs became retail outlets for credit available at wholesale from the federal intermediate credit banks. At first, their equity base was supplied by Government funding. Later, as the Government money was paid off, the equity base was supplied by Association members. Equity is in the form of class A and class B shares. All borrowers must be shareholders. When obtaining a loan the borrower has to invest 5 per cent to 10 per cent in class B stocks. No interest or dividends are paid on this class B stock. Once the loan is repaid, the borrower can allow his equity to remain in the PCA to provide a fund base for future loans. If the member does not borrow for two years his class B shares are converted to class A and a dividend is paid.

PCAs use their equity base to borrow from the federal intermediate credit banks of which there are 12 in the United States. They raise their funds through the sale of securities to investors in the nation's money markets. PCAs pay state and federal taxes. Their structure is basically that of a farmer-owned co-operative with a board of directors made up of active member borrowers. The administrative cost of loans is one-half of 1 per cent and interest on loans is usually 2 per cent to 4 per cent below commercial bank prime rates in the United States.

I have a brochure provided to me by the Production Credit Association and I would like to quote some of the significant points mentioned:

Are PCAs Providing Government Loans to Farmers?

No, all government funds originally in PCAs were completely paid back. The PCAs are now all farmer owned.

Who Operates Local Associations?

Only farmers who borrow money from PCA are permitted to become members and owners. Only these members have the power to elect members to serve on the board of directors.

What Prompted the Organization of PCA?

Necessity! Prior to its founding, farmers often found themselves without an adequate source of credit that was dependable. Also, the terms and conditions of the credit did not work to the best advantage of the farmer. PCA, by providing a reliable, permanent source of funds, has eliminated most of these credit problems for farmers and ranchers.

What Additional Advantages Does PCA Offer?

It is operated for farmers by farmers—who understand the needs and problems involved in farming as well as farm credit. In addition, through the Federal Intermediate Credit Banks, PCA has ready access to funds from the nation's money markets.

More Specifically, For What Purposes Can Loans Be Made?

For feed, seed, fertilizer, labor, harvesting expenses, fencing and other improvements, chemical sprays, spraying equipment, farm and home supplies; money to buy livestock, poultry, machinery processing equipment, storage facilities—

In short, practically anything the farmer needs to produce food.

How Much Can Be Borrowed From PCA?

Practically any amount. Loans are based on the amount needed to do the job; how much can be used profitably; the amount of dependable income from the operation for which the loan is made.

How Much Time Does it Take to Get a Loan?

The time varies from a few minutes for established members to perhaps up to 1 week for a new member.

Who Passes on Loan Applications?

The member-elected board of directors names two of its members to serve with the association's manager on a loan committee. These two members and the manager review the applications.

Besides PCAs there are several other options available in the U.S., such as the federal land banks, local banks and the Bankers Acceptance Corporation, just to mention three. Original sources of credit similar to what I have just outlined are desperately required by Canadian agriculture. If Canadian farmers were ever presented with a brochure similar to the one I have just been quoting from, I am certain their first reaction would be one of the total disbelief. Fighting to get financed in Canadian agriculture has become a way of life.

• (1640)

Canada is light years behind in the financing of its agricultural sector. The Farm Credit Corporation does the best it can under the terms imposed upon it by Liberal politicians who continue to fail to come to grips with this very serious problem.

Mr. Ralph Ferguson (Lambton-Middlesex): Mr. Speaker, I am pleased to take part in the debate on Bill C-134, which will provide a measure of relief to Farm Credit Corporation borrowers at a time when interest rates in that Corporation are higher than the return most commodities sold by farmers will justify. I was also pleased to note today that the Bank of Canada rate fell again by approximately a quarter of 1 per cent. This is the twelfth consecutive week that there has been a drop in interest rates. I am pleased with the legislation before us today because it will assist those farmers who have taken out loans in the last few months, and will be requiring funds in the next few months to continue their operations and follow the plans which they have set out.

While the Hon. Member opposite was mentioning some of the things happening in the United States, I think it only fair that we should point out that approximately 50 per cent of loans under the main loan program in the United States are in default. Compare that with Canada, where the rate of default is approximately 10 per cent of loans to farmers.

To break that down a bit further, arrears in the cash crop sector, including grain farmers, amount to slightly over 13 per cent. In the fluid milk sector, 6.16 per cent of the producers are in arrears. In the industrial milk or cream sector, arrears amount to 8.4 per cent. Arrears amount to 15 per cent in the beef sector, to 19.8 per cent in the hog sector, to 8.9 per cent in the poultry sector, and so on down the line. However, it is interesting to note that the average interest rate charged to those in deepest trouble is approximately 9 per cent, which would indicate that they have been in production for a long time or they would not be paying that rate of interest.

No doubt the fluctuations in interest rates among countries in the western world had an adverse effect upon their cash flow

projections and created part of the hardship. However, rates charged by the Farm Credit Corporation have indeed been very reasonable until the last year and a half. I want to pay tribute to this organization for having done a thorough job of administration and of advising farmers how to chart the proper course, and plan their operations.

I could not help but comment on an article in *The Globe and Mail* of August 26, 1982, which reported that Mr. Gracie of the Canadian Cattlemen's Association had indicated that mark-ups on beef are much lower in the United States than they are in Canada, a mark-up of 45 cents a pound above what United States stores get. This in turn has no doubt created much hardship to the beef industry in Canada. This is one area the Cattlemen's Association should be investigating to ensure that there are not abnormal mark-ups by the beef industry.

I would also like to point to the stabilization programs. I am a beef producer, a cow-calf producer, and previously belonged to a stabilization program.

Mr. Mayer: It is a lower mark-up?

Mr. Ferguson: As a matter of fact there is a lower retail mark-up in the United States than in Canada. I hear comments from the other side so I will reiterate that Mr. Gracie, as reported in a story in *The Globe and Mail* on August 26, 1982, indicated that Ontario and Quebec supermarkets are taking a beef mark-up, as much as 45 cents a pound above what United States stores get. The beef industry in Canada could certainly do well with some of that mark-up.

However, returning to the stabilization program, I belonged to such a program in the cow-calf industry a number of years back. I paid into it for four years of a five-year program. I received a payback for three years and paid my premium on the fourth year because I considered it as insurance against the lean years which would come in the future. When I subsequently went to pay in the fifth year, I was advised that the program was being discontinued because the balance of the farmers had not sent in their premiums for the fourth year when they realized there would not be a payout. I was one among the less than 10 per cent who paid in that fourth year.

Mr. Gurbin: It must be a national program.

Mr. Ferguson: If we are to have a stabilization program of any kind, I want to ensure that it is mandatory as far as contributions from farmers and the provincial and federal Governments are concerned. If it ever develops, it must be mandatory. It must be administered by a central body to ensure that all Provinces are paying in at the same level so that we do not have add-ons in the various Provinces, such as we had a year ago last May in the pork industry, when some provinces were paying over $11 a hog while others were paying only $3.50. These things must be taken into consideration and be worked out in detail so that there is a total harmonization across Canada, as suggested by the Minister in 1977.

I believe that under current conditions in Canada there must be some better mechanism for price discovery than we have had over the past few years. At the time I planted my crops last spring, I could not help but consider what was happening in the Chicago futures market. In spite of the fact that there was a crisis in the Falkland Islands, a consequent embargo against Argentina, and the plantings in two of the major American producing states were late because of a cold, wet spring, the projected carry-over in the oilseed sector was approximately half of what was expected, yet that market was in a downward trend because, as was explained by some of the experts, people were exercising their investment options. That was not done because of the law of supply and demand but because they were exercising their option to invest in gold, high interest bonds or other areas.

• (1650)

It is very difficult for farmers to project a cash flow with accuracy when this type of thing takes place. They cannot use the futures market because supply and demand no longer applies. Last spring the futures market was on a downward trend and yet all signals pointed the other way. There must be a better system for providing stability for farmers than the Government assistance provided in the Bill before us today or the interest-free loans of approximately $500 million that will be given to farmers this year for crops in storage. I am distressed that not all commodity sectors have chosen this route, Mr. Speaker, because the assistance is needed this season. Ontario is the largest corn producing Province in the country, yet it has no organization which could administer the program. I believe there are such organizations in Manitoba and one in Quebec.

I hear a comment from an Hon. Member opposite to the effect that we have a solution for all the problems, Mr. Speaker. I have 30 years' experience in the farming sector and I have taken a few hard knocks. I know the sectors of my operation that are paying their way and the ones that are not. My beef herd is acting as scavengers on scrub land in order to pasture hillsides that cannot be cropped in other ways.

I would remind Hon. Members that the figures compiled from Farm Credit Corporation statistics show that the largest percentage of loans in arrears in relation to various commodities are not for those commodities for which there is a system of planned production and which can set their own prices, based on a reasonable cost of production. This is a subject we must examine very closely if we hope to be able to provide the stability that is required by young people in the industry.

In the last ten years a tremendous number of young people in the industry have been affected. Perhaps they have over extended in some areas. I have always maintained that a farmer cannot borrow his way out of trouble, but rather, must adjust to the price structure. We must ensure that market mechanisms are in place that will provide a standard of living for farmers commensurate with that of the rest of society.

In spite of the fact that there has been a large number of bankruptcies in the farming sector in the last year, slightly over 300, the percentage has not been as great as that in other areas sectors of the economy. Many commodities have their

own marketing systems and in that way can plan the production necessary to satisfy the domestic and export markets.

I believe this Bill is needed at the present time, Mr. Speaker, in order to assist farmers who have had to borrow money during the last summer and who will be borrowing in the months ahead, until the rates change at the end of the fiscal year. The Bill ensures that they will know what their interest charges will be and so will be able to project their costs. We need to go further in planning the financing of our farm organizations, Mr. Speaker, so that the farmer will be confident that he will not be forced off his land because of a temporary cash shortage.

I speak on this aspect as a private Member but I intend to raise the matter with the Ministers involved. I believe that some simple amendments could be made that would assist the cash crop farmer or the beef farmer through a tough winter, until the prices pick up. We cannot afford to let them go out of business. Any turnaround in our economy will be based on the natural resource industries meeting the requirements of the Third World.

I am delighted to report that in the last month I have been contacted by people from offshore who want to buy our commodities. They have asked when the legislation before the House will be in place, because they want to be sure of a steady and stable source of supply.

I should like to conclude by commending the Minister of Finance (Mr. Lalonde) not only for including this provision in the budget, but also on the twelfth consecutive week of declining interest rates. As a farmer, I have to be optimistic. Farmers must be optimistic if they are to plan their crops. We hope that Mother Nature will bless us with the bountiful supply of food that we have always had in Canada and that we will continue to have the ability to help provide for a hungry world.

Mr. Charles Mayer (Portage-Marquette): Mr. Speaker, this is an important Bill, not only because it deals with agriculture but also the most important problem facing Canadian agriculture today, and that is interest rates. That is what determines whether a farmer will survive this year and be around next year.

Before I call it five o'clock, I should like to comment on some of the points covered by the previous speaker. It is unfortunate but true that the Canadian retailing system takes a larger mark-up on beef that does the American retailing system. I hope the Hon. Member will make a recommendation to the Minister of Consumer and Corporate Affairs (Mr. Ouellet) to bring in anti-combine legislation. The Government has been fooling around with that kind of legislation for the last 10 or 12 years but as yet we do not have it on the books.

Mr. Ferguson: Mr. Speaker, I rise on a poi.it of order.

• (1700)

PROCEEDINGS ON ADJOURNMENT MOTION

[*Translation*]

SUBJECT MATTER OF QUESTIONS TO BE DEBATED

The Acting Speaker (Mr. Corbin): Order please. Pursuant to Standing Order 40, it is my duty to inform the House that the questions to be raised tonight at the time of adjournment are as follows: the Hon. Member for Calgary North (Mr. Wright)—The Economy—Government policy on private sector; the Hon. Member for Portage-Marquette (Mr. Mayer)—Grain—(a) Levels of advance payments. (b) Possible benefits to western communities; the Hon. Member for Erie (Mr. Fretz)—International Joint Commission—Delay in appointing Canadian commissioner.

It being five o'clock, the House will now proceed to the consideration of Private Members's business as listed on today's Order Paper, namely, notices of motions (papers), private bills and public bills.

PRIVATE MEMBERS MOTIONS FOR PAPERS

[*Translation*]

All items preceding No. 87 allowed to stand by unanimous consent.

CARGILL GRAIN LIMITED—APPLICATION FOR DREE GRANT

The House resumed, from Thursday, May 27, consideration of the motion of Mr. Korchinski:

That an Order of the House do issue for copies of all correspondence and communications, including telephone submissions, regarding the application by Cargill Grain Limited for a grant from DREE towards construction of an Oil Seed Crushing Plant at Melfort, Saskatchewan.

Mr. Pierre Gimaïel (Lac-Saint-Jean): Mr. Speaker, after a few weeks in our constituencies where we were able to determine the needs of our constituents, listen to them and discuss the economic future of our regions and our own ridings, I am glad to be back in the House with my colleagues to deal with the issues raised by various Members. First of all, we now have before us a motion introduced by a Member, and I believe it is one of the most important aspects of our democracy that, regardless of their political party, private Members can express their opinions by introducing bills and defend the views of their constituents, as the Hon. Member for Mackenzie (Mr. Korchinski) is now doing.

For my part, I have already spoken on the matter under consideration for about ten minutes. During our first discussion, I explained that it is extremely important, when a government, such as the Government of Canada, negotiates with a company, whether Cargill or any other, that these negotiations remain confidential. Because of the competition between the various companies in all economic sectors throughout the country, such companies cannot afford to make public their financial statements or economic situation simply because they are negotiating with the Canadian Government to obtain certain grants. It would not be normal for such information to be made public and for the competitors of these companies to learn about their financial situation. The important thing for the Canadian taxpayer is that his tax dollars be redistributed equitably among the various regions, that everything be done legally and that after the money is redistributed and the grant is promised, the people be informed of the reasons for the grant, namely to create so many jobs or to promote the economic development of such a sector or such an area. This is a far cry from divulging all the figures requested by the Hon. Member. To quote from motion No. 87, he asks that telephone costs, communications and the correspondence between the company and DREE be made public. In all my three years as assistant to the Minister of Regional Economic Expansion and my two years as executive assistant, Mr. Speaker, I have never known such information to be made public because, as I was saying, it is extremely important for the companies involved that if they have developed, for instance, specific working procedures or development plans for their company, these not be made public only because they had to provide them to the Government to establish the profitability of their business. That is why I have to remind the Hon. Member for Mackenzie that, while I find it extremely laudable on his part to defend the views of his constituents and to work for the welfare of his riding, the company involved in this matter took certain steps because it wanted to improve its facilities, but in the belief that the Canadian Government would keep in mind that its assets, its development program and its financial statement are its own business and that of its shareholders and not something that should be made available to the public tomorrow morning. I want to make myself clear, Mr. Speaker, and that is why I am repeating myself. If the Canadian Government gives even one penny to someone, it is normal that the Canadian people know where this penny went and why. That I admit. But I stronghy object to all information submitted by Canadian citizens or Canadian companies being made public simply because the latter are dealing with the government. I think that is going a bit too far. Besides, the purpose of the whole exercise is definitely not to open the books of those companies for public viewing, but rather to help them prosper so that people in general will be better off in the end. Such is the purpose of regional development legislation and, I would suggest, of current negotiations between the company and the Department. Some people may say that the Department expects too much but I for one am glad that it does so. Being aware of the very high number of grants awarded by the Department, and of the substantial amounts involved in certain cases, I would rather not see all those funds redistributed haphazardly to the various areas of the country. It is quite normal for the Department to insist on profitability and, in that respect, the rate of failure among companies which were given assistance by the Department of Regional Economic Expansion is very low, even lower than the rate where banks are involved. This is important because that happens to be the taxpayers money. It pays the Government to help a company with public funds, provided that company is operational and creates jobs which will generate income for the state as well as for the people living close to the company plant.

Mr. Speaker, our regional economic development legislation has been extremely useful over the past 15 years because it has played a major role, particularly in a riding such as mine, in the development of various industries, whether small, medium or large. The presence of the Department has been quite evident, particularly in areas where economic development was lagging. In these trying times, a number of companies which had been given assistance by DREE are now the only economic mainstay of certain regions now experiencing very serious difficulties.

That is why I urge the Hon. Member for Mackenzie to keep in mind the spirit and the principle of that legislation which was designed to help certain companies in certain regions, not everywhere, because those regions do need an economic stimulus. Even so, those companies must indeed be assured that their operations and their economic standing will not be the object of public scrutiny.

Those are the remarks I wanted to make on this subject, Mr. Speaker. I hope they will enlighten my colleagues, at least so they will know what DREE is all about and why discretion is the order of the day. Personally, I hope the Department will keep up the good work.

[*English*]

Mr. Vic Althouse (Humboldt-Lake Centre): Mr. Speaker, I would like to spend a few moments discussing this motion to make public papers regarding a DREE grant, or lack of a DREE grant, to the Cargill Grain Company to build an oil seed crushing plant at Melfort, Saskatchewan.

What seems to be have been involved was an application by the Cargill Company for a $2 million DREE grant for a plant to be built costing in the neighbourhood of $25 million. Apparently the grant was not forthcoming and therefore the plant was not built.

I would like to spend some time discussing the circumstances behind the rapeseed industry. First, I want to comment on the freedom of information argument made by the Hon. Member for Mackenzie (Mr. Korchinski) in the debate last May. He suggested this was a clear-cut case for a freedom of

information Bill and that such a Bill would be useful in the circumstance. There are some laudable uses for a freedom of information Bill.

I am certain that regardless of what Government implemented a Freedom of Information Act or provided the House with such a Bill, a certain amount of information would still not be made public for a number of reasons. I can see that agencies of Governments engaging in business in competition with other corporations around the world would be very loth to produce all information of how they arrived at a certain price, or how they achieved a certain business agreement. I think specifically of the Canadian Wheat Board. A great many Prairie farmers would be hurt badly if the Canadian Wheat Board was forced to provide all relevant information regarding business dealings because their competitors are not forced, in any jurisdiction around the world, to make that same kind of information public.

• (1710)

I doubt any Government or Party would be absolutely free and forthcoming with information. For example, I simply point to the Official Opposition, whose Party has been loudly in the forefront asking for freedom of information legislation and has been a champion of this legislation for some years. This is the same Party that refuses to make its platform public. They say this will happen when the time for an election comes. Until then it is top secret information. I can understand that, and so can a lot of businesses and Government agencies, but the Progressive Conservative Party has imposed definite limits to its freedom of information when it comes to its political plans, even though it is the kind of information that most voters in Canada would be interested in since it is part of the full and efficient functioning of any democracy.

On the question of rapeseed crushing plants in the Melfort area, the question of building more crushing capacity several years ago seemed to be a fairly good business decision. In retrospect, we can see and understand why Cargill did not proceed, since they were going to be putting up over 90 per cent of the capital, in any case. We can understand why they did not when we see what the industry is faced with. I know that Cargill has one of the best market divisions in the world. It is probably the largest grain handling and grain marketing and processing institution in the world at this time. In the intervening two or three years, we have seen that we do not need more crushing capacity, given current market conditions. There is a surplus of crushing capacity in western Canada now, given the price of oil. There are, I suppose, two and a half plants in Saskatchewan, at Nipawin, at Saskatoon and one at Lloydminster balanced on the Alberta-Saskatchewan border.

We are now in a position in that part of the country where most of the crushers are crying that they have not been generating great profits. There were some profitable years, but those have gone. In fact, crushers in Manitoba and Saskatchewan are now crying foul because of a move by the Province of Alberta which has offered the industry $40 per tonne of rapeseed crushed, up to 90 per cent of last year's crushing volume, in order to keep the industry in Alberta growing and in an effort to concentrate more of the industry in that Province. As well there are subsidies in Alberta, tank car leases, which have increased from the old subsidy rate of 70 per cent of cost to what will now become 90 per cent of cost in the coming year.

So we begin to see some of the problems that have developed in the rapeseed crushing industry since this application first began. The production of rapeseed has not been increasing and there are a number of reasons for that; one is world conditions. The world oil seed output has been reduced, but prices are still under much pressure, again, in part, because of interference by various government. The European Economic Community is offering what to Canadian farmers seems like massive subsidies in order to export rapeseed to countries like Japan, which is our main buyer of raw seed.

Internally, our marketing system has been undergoing some turmoil. As many members in the House will know, rapeseed is marketed through the open market with the Winnipeg Grain Exchange selling and buying futures. A great many small and medium-sized operators in the market are handling the rapeseed and providing a brokerage function between the farmer and the final user.

There has been some change to the Cinderella crop in the last three or four years in the domestic market as well. It is not just the problem of selling the oil and doing the crushing, but there have been internal marketing problems as well. The market was being dominated by a growing number of small grain buyers, and producer confidence in those buyers has been severely shaken over the last three or four years by a number of dramatic and very well publicized bankruptcies, which have left farmers holding the bag for the costs. Farmers have lost on each of these bankruptcies anywhere from a few million to quite a few million dollars because of the method used in handling farmer rapeseed.

These companies are fairly numerous. Anyone who reads the grain news in western Canada knows about the Memco bankruptcy, the Econ Consulting bankruptcy and Diversified. Others that created a problem were Consolidated Seed Exports, and Gibb Farms Limited at Elm Creek also took down quite a few farm dollars with it when it went down, and Trans-Canada Marketing Service in Manitoba took with it a lot of farmers' money as well. There is some hesitancy, therefore, by farmers to produce rapeseed because of the uncertainty in the market and the kinds of operators that have been coming forward.

The disintegration and multiplicity of the market has created some problems for the buyers also. There are only a few large companies buying out of Japan. When they try to purchase it is sometimes difficult to assemble a full shipload. In order to do that, there are often fairly high premiums paid on carload lots of rapeseed waiting on track in Vancouver. Sometimes it is impossible for any one broker to provide buyers with the quantity of products which they need. For this reason there has been some continuing agitation on the part of farmers to have the whole question of marketing of rapeseed

handled through the Canadian Wheat Board so that there is one agency amassing the grain and forwarding it, in order to deal adequately with the few large buyers of rapeseed and the Japanese Food Commission which, as I said before, is our biggest customer.

• (1720)

So the Cinderella crop has got to the point where, even though we had developed the crop with very sophisticated research, we were world leaders in genetic selection of rapeseed, world leaders in providing, manufacturing and developing the kind of equipment which would test the genetic potential of the varieties produced; and even though we were also at the leading edge of developing varieties which would provide very specific oil qualities required by the trade with very specific types of protein and amino-acids in the meal which went with the rapeseed, we have been having some difficulty finding markets. I think this is in part because, while the industry has done a good job of concentrating its research and production abilities, it has neglected the marketing end which I think is probably the area which needs full attention at this point in time.

I realize that in backing the introduction of one more crushing plant in western Canada, the Hon. Member for Mackenzie realizes what an advantage a crushing plant would be to the largest centre in his riding and is aware of the economic advantages which would spin off from that. But I think we must also recognize the over-all problems the industry is facing which have caused a major company like Cargill to avoid building a plant, given those economic conditions.

We have no objection to the papers being made public if there is anything to be made public. I think though, in retrospect, several years having passed since this application was begun, most of us can see the economic situation—that probably the marketing people in Cargill had foreseen, which was probably far more important to that company than the availability or not of less than 10 per cent of the total cost by way of a DREE grant. We would be prepared to see the papers produced, but I think we understand the economics behind the program not going forward.

[*Translation*]

Mr. André Bachand (Missisquoi): Mr. Speaker, I realize that the Hon. Member is anxious to clarify a situation which seems ambiguous at first. However, the important thing at this stage is to find out exactly why the department decided, for the time being, to reject the application by Cargill Grain Limited to build a plant at Melfort, Saskatchewan. The motion by the Hon. Member for Mackenzie (Mr. Korchinski) is quite clear. The request made in the motion is simply, and I quote:

> That an order of the House do issue for copies of all correspondence and communications, including telephone submissions, regarding the application by Cargill Grain Limited for a grant from DREE towards construction of an oil seed crushing plant at Melfort, Saskatchewan.

So what the motion is asking is that the documents be made public. Now, the Hon. Member ought to know that in this case, the free competition ethic of international and even national trade forbids production of documents when public funds have not been granted to the company in question. If the Hon. Member wishes to obtain specific information on Cargill Grain's plans in this area, its projected capital investment, its applications to the department and the answers given by the department to the company, he knows perfectly that his request should be addressed directly to the company, because at the present time, no public funds have been granted the company by the Canadian government.

The matter is now being discussed by officers of Cargill Grain Limited and departmental officials, but the department was very clear when requested that Cargill Grain Limited produce new facts if the company wanted to have its case reviewed. Now, in the present case, the minister responsible for DREE at the time, the Hon. Member for Matane (Mr. De Bané), wrote to the Hon. Member, giving him a very specific answer regarding the refusal of the Department of Industry, Trade and Commerce and Regional Economic Expansion, which was DREE at the time, and this letter, which is dated November 2, 1981, is very clear. It says very explicitly, and I quote:

> After an exhaustive review of the case, I feel confident that Cargill can, and will, proceed with the project without assistance from DREE. The company is financially strong and the project appears to be a wise one from the company's point of view.

That was written in this letter, which also said that in view of the fact that Cargill Grain Limited could afford to carry out its project without Government funds there seemed to be no reason to grant money to a corporation which can manage on its own. Besides Cargill Grain Ltd applied under the special regional development legislation which quite clearly states that the department may grant funds only to such corporations which really need financial assistance. So far,—and here opinions may differ—experts in this area have felt that Cargill Grain Limited can afford to build its own plant without help. On receiving an application, Department officials investigate thoroughly to make sure the need is genuine. In this case, the Hon. Member is aware that Departmental officials had several meetings with Cargill's representatives to find out what could be done under the current development legislation. The hon. member is also aware that the Minister must abide by the law just as any other Parlimentarian or citizen. Even if the Minister had wanted to grant the funds requested by Cargill he could not have on the basis of the financial statements, which show a satisfactory balance sheet and also on account of the fact that the available funds can only be used on a short-term basis. If the Minister had done otherwise, he would have acted illegally.

The documents and the reply enclosed in the letter which was given to the hon. members are quite clear. I suggest that this motion is much more dilatory than real. Perhaps the Hon.

Member should use a different procedure to bring it up or choose another course of action for instance, he could get from Cargill the documents he is seeking from the Department, because the Department is not authorized to reveal the financial interests of private corporations. And I think that any Member of this House would recognize the legitimacy of this principle. Cargill has never agreed to allow the Government to release its financial statements or the nature of its application or its financial requirements. Such a request has never been made by Cargill, and if the Hon. Member ever wanted to know more about this matter, the best way for him would be to prevail upon Cargill to make this information available to him.

• (1730)

When the Hon. Member met the authorities of the Department—I mean the Minister in charge and all the officials—on March 23 last, he made some comparisons with the Province of Quebec where Cargill could have received some grants for the building of a warehouse in Quebec City. The Minister once again replied to the Hon. Member specifying that the Cargill case in Quebec City was entirely different from the Cargill project in Melfort, Saskatchewan. He has a chance then to discuss these matters with the authorities of the Department. I think that the Minister's explanations with respect to the Regional Development Incentives Act were quite clear. This is what the Hon. Member should keep in mind and he should not think that the Department is denying grants at whim on the grounds that they would be unreasonable. However, the Department cannot provide a grant because the application does not meet the criteria set forth in the legislation. And this is the fact on which is based the Department's decision. We would be the first to be blamed if the Department were to start distributing funds to companies or corporations which definitely do not need them. And it would be a waste of public funds if we proceeded gropingly in the distribution of public funds to responsible companies showing quite healthy financial statements and which are in a position to carry out such a plan on their own.

The Acting Speaker (Mr. Corbin): Order! Pursuant to Standing Order 48(2), the hour provided for the consideration of this motion has now expired.

[*English*]

The Chair would like to point out that the Standing Order also permits at this time a further five-minute participation in the debate by a Minister of the Crown and an additional five minutes by the mover of the motion, after which the Chair is bound to put the question.

Hon. Ed. Lumley (Minister of Industry, Trade and Commerce and Minister of Regional Economic Expansion): Mr. Speaker, I appreciate this opportunity to enter into the debate. Unfortunately I only have five minutes. I would have very much liked to inform Hon. Members of a number of items which the Government of Canada has done for the oil seed crushing industry, but because of the time limitation I will stick to the specific motion of the Hon. Member for Mackenzie (Mr. Korchinski).

I am somewhat surprised that the Hon. Member would request an order which would violate the basic business and trade ethics of providing information on a transaction with a company when public funds have not been granted. I want to make my position clear that it is not possible or proper to agree to the request of the Hon. Member for making confidential documents public. I am unaware of a time where information of a confidential commercial nature was disclosed to Parliament prior to the file either being processed or a positive decision being reached. I will elaborate on this further. However, I want to respond first to what I believe is the concern which precipitated the request of the Hon. Member, that of the Department's processing of the Cargill application for an RDIA grant.

The matter of the Cargill application has received considerable attention and analysis by officials within my Department. I am well aware of the extensive media coverage and the representations which have been made to the Minister of Fisheries and Oceans (Mr. De Bané) and to the President of the Treasury Board (Mr. Gray), former ministers of DREE, and their officials on behalf of the proposed Cargill project at Melfort.

With respect to the proposed project, I appreciate the importance of enhancing value-added processing in Saskatchewan and recognize that support of the agricultural processing industry in Saskatchewan would have a significant impact upon the provincial economy. It is appreciated that if the Cargill oil seed crushing plant were to proceed, there would be the potential for benefits in the long-term benefits to Canada, benefits to the Province of Saskatchewan, to agricultural producers and to the City of Melfort.

The Government's support and recognition of a strong, stable oil seed crushing industry in Canada is evidenced by the favourable ruling of the Federal Investment Review Agency which approved Cargill's proposal to establish an oil seed crushing facility in Melfort, Saskatchewan.

As was indicated to the Hon. Member on May 27, 1982, by the Parliamentary Secretary to the Minister of Industry, Trade and Commerce (Mr. Maltais), the original decision not to provide a DREE grant to Cargill was based on the judgment that Cargill was financially strong and the belief that the project would proceed without assistance from DREE. I believe it is worthwhile at this time to review the facts as outlined to the House on May 27. The Parliamentary Secretary quoted from a letter sent to the Hon. Member from the then minister of DREE, the present Minister of Fisheries and Oceans. Again because I feel it is important, I should like to quote from that letter dated November 2, 1982. In part it read:

> After an exhaustive review of the case, I feel confident that Cargill can, and will, proceed with the project without assistance from DREE. The company is financially strong and the project appears to be a wise one from the company's point of view.

The letter went on to indicate that since Cargill Grain Limited had the financial resources to carry out its project without Government funding, it would perhaps be inappropriate on the part of the Government to provide funds to a company which already had the means to carry out its project independently.

The legislation regarding the Regional Development Incentives Act is clear. It authorizes the Department to grant funds to a company, provided it can demonstrate a real need. At the time the analysis of the application took place, the firm conclusion was that Cargill Grain Limited was capable of building its plant without a DREE grant and would do so. Thus the Minister, on the evidence submitted, was not authorized to grant funds to Cargill.

At stated in the House previously and repeatedly, the Department is prepared to consider another application from Cargill for the Melfort project at any time. A favourable response to any such application would of course require, in part, that Cargill present a convincing and reasonably attractive projection for the late 1980s and the 1990s for canola crushers as well as demonstrate its need for public assistance on the project. Let me repeat that those specific conditions as well as others are required under the RDIA legislation now, as in the past.

I have attempted in my comments here to provide information which is informative and at the same time respectful of the confidential nature of the transactions that have occurred between Cargill and the Government of Canada.

The provision of copies of correspondence, communications and other documents relating to Cargill's application for RDIA assistance would be contrary to acceptable procedures in Canada and in the international community because of the need to ensure commercial confidentiality. Publishing of this information would be seriously damaging to any future communication between the public and private sectors and is, accordingly, to be resisted. The Department is not allowed to make public statements on private financial interests, and I am sure Members of the House will agree that this is a sound and essential principle.

I wish to reiterate that to divulge such information could be detrimental to the company, to future RDIA applicants, and to all business and Government transactions based upon the trust in confidentiality. Therefore, I ask that my hon. colleague reconsider and withdraw his motion for these papers.

Mr. S. J. Korchinski (Mackenzie): Mr. Speaker, I thank the Minister for his intervention at this particular time. This now makes it official that the Government is not prepared to proceed with any type of assistance. The Minister told me that Cargill's position was so sound that it did not require any assistance. Would he explain why a warehouse in the Province of Quebec was given a grant by the Government? It was the same company, Cargill, witht he same financial statement. If it is satisfactory in Quebec but not in Melfort, it does not seem fair. The Hon. Member for Humboldt-Lake Centre (Mr. Althouse) told us that the marketing facilities of Cargill were some of the best in the world. The oil seed crushing industry is in dire straits at the moment, and Cargill has the marketing facilities. If it were given the grant, it could be moving forward and utilizing its facilities. Either we want industry or we do not want industry.

The Minister told me that it was not proper to provide information. At one time I indicated that I was not interested in the financial position of the company. I know what the capital costs will be. Cargill was quite prepared to put in $25 million. They only asked for $2 million in the form of a grant from the Government, a grant which was paid to CSP.

The oil seed crushing industry went to the Government of Alberta for assistance, and it obtained assistance. The oil seed crushing CSP in Saskatchewan went to that provincial Government for $12 million. It is the same taxpayers' money. If Cargill had received $2 million it would have established the plant. For the Minister to stand here trying to defend the position that he is not to divulge any information based on the fact that the decision was not made is incredible.

• (1740)

I am not interested in financial positions. I have already indicated that in response to an earlier inquiry. I want to know why the decision was made in the way it was made. I am quite convinced that it was for purely political reasons. First, with regard to FIRA, it made a very thorough study of the company. FIRA was quite satisfied that the company would be a good corporate entity in this country. FIRA felt the company would be an asset to this country. The company was examined. I do not know how many times I tried to call the office of the former Minister of DREE, but I could never get any response. The new Minister took over and he, in turn, promised me that he would look into the matter. There are over 1,300,000 people unemployed. What is wrong with the Government? It cannot find $2 million, yet it found $700 million for the Mirabel airport, that white elephant. The Government then poured in $400 million to find an airplane for it. Why can the Government not find $2 million for an industry right in the heartland of an oil seed producing area, one of the best in western Canada? I cannot understand what the reasoning is, other than pure politics.

I want to know who is behind this and who it is that influences this Government. Is it simply a pool Cottery? I have no argument. I have the CSP in my area. I am not arguing against their position. I am interested in providing facilities for my producers and at the same time an opportunity for employment.

Some Hon. Members: Hear, hear!

Mr. Korchinski: My area deserves the same type of attention as does the area of the Minister from Windsor. He provided for a hotel or convention facilities costing $70 million, I understand.

Mr. Kempling: Liberal pork-barrelling again.

Some Hon. Members: Oh, oh!

Dree Grant

Mr. Korchinski: If the Government can find money for a convention centre—maybe the Liberal Party is going to hold a convention in Windsor at some time in the future—surely to goodness the Government could give the same kinds of incentives to other areas. Certainly I would not come to the Government at this time if Cargill Grain Limited said that it was in dire straits, I would not defend that kind of a position. But I wanted to get something started in an area which should have been given the same type of incentive as others. In Harrowby, Saskatchewan, CSP got a grant of $5.8 million from the provincial and the federal Governments between them. All that Cargill was asking for was $2 million. Is that too much? Why is it too much?

The Acting Speaker (Mr. Corbin): Order, please. The Chair will now put the question to the House.

Is the House ready for the question?

Some Hon. Members: Question.

The Acting Speaker (Mr. Corbin): All those in favour of the motion will please say yea.

Some Hon. Members: Yea.

The Acting Speaker (Mr. Corbin): All those opposed will please say nay.

Some Hon. Members: Nay.

The Acting Speaker (Mr. Corbin): In my opinion the nays have it.

And more than five Members having risen:

The Acting Speaker (Mr. Corbin): Call in the Members.

The House divided on the Motion (Mr. Korchinski) which was negatived on the following division:

(Division No. 260)

YEAS

Messrs.

Althouse
Andre
Baker (Nepean-Carleton)
Beatty
Blaikie
Blenkarn
Bosley
Carney (Miss)
Clarke (Vancouver Quadra)
Coates
Cook
Cooper
Corbett
Cossitt (Mrs.)
Crombie
Crosbie (St. John's West)
Crosby (Halifax West)
Crouse
Darling
Deans
Elzinga
Epp
Fennell
Forrestall
Fraser
Fretz
Gamble
Gilchrist
Greenaway
Gurbin
Gustafson
Halliday
Hamilton (Qu'Appelle-Moose Mountain)
Hargrave
Hawkes
Heap
Howie
Huntington
Ittinuar
Jarvis
Jelinek
Keeper
Kempling
Kilgour
Korchinski
Kristiansen
Kushner
Lewis
Lewycky
MacDougall
MacKay
Manly
Mayer
McCain
McCuish
McDermid
McKenzie
McKinnon
McKnight
McMillan
Miller
Munro (Esquimalt-Saanich)
Murta
Neil
Nickerson
Nielsen
Orlikow
Parker
Patterson
Reid (St. Catharines)
Rose
Sargeant
Schellenberger
Scott (Hamilton-Wentworth)
Taylor
Thacker
Vankoughnet
Waddell
Wise
Wright
Young—81.

NAYS

Messrs.

Appolloni (Mrs.)
Bachand
Beauchamp-Niquet (Mrs.)
Bégin (Miss)
Berger
Blais
Blaker
Bloomfield
Bossy
Breau
Bujold
Burghardt
Bussières
Caccia
Campbell (Miss) (South West Nova)
Campbell (LaSalle)
Campbell (Cardigan)
Chrétien
Collenette
Comtois
Corbin
Cosgrove
Côté (Mrs.)
Cousineau
Cyr
Dawson
De Bané
de Corneille
Demers
Desmarais
Dingwall
Dion
Dionne (Chicoutimi)
Dionne (Northumberland-Miramichi)
Dubois
Duclos
Dupont
Duquet
Erola (Mrs.)
Ethier
Ferguson
Fisher
Fleming
Flis
Foster
Fox
Francis
Garant
Gauthier
Gendron
Gimaïel
Gingras
Gourd (Argenteuil-Papineau)
Gourde (Lévis)
Gray
Guilbault
Harquail
Henderson
Herbert
Hervieux-Payette (Mrs.)
Hopkins
Isabelle
Johnston
Joyal
Kelly
Killens (Mrs.)
Lachance
Lajoie
Lalonde
Lamontagne
Landers
Lang
Laniel
Lapierre
Lapointe (Beauce)
LeBlanc
Leduc
Lefebvre
Loiselle
Lumley
MacBain
MacEachen
MacGuigan
Mackasey
MacLaren
MacLellan
Malépart
Maltais
Marceau
Massé
Masters
McCauley
McRae
Munro (Hamilton East)
Nicholson (Miss)
Olivier
Ostiguy
Ouellet
Pelletier
Penner
Pepin
Peterson
Pinard
Portelance
Prud'homme
Reid (Kenora-Rainy River)
Roberts
Robinson (Etobicoke-Lakeshore)
Rompkey
Rooney
Rossi
Roy
Savard
Schroder
Simmons
Smith
Tardif
Tessier
Tobin
Tousignant
Turner
Veillette
Watson
Whelan
Yanakis—125.

● (1810)

[*Translation*]

Madam Speaker: I declare the motion lost.

Motion (Mr. Korchinski) negatived.

Madam Speaker: The hour provided for consideration of private Members' business having expired, I do now leave the chair until eight o'clock this evening.

At 6.15 p.m. the House took recess.

AFTER RECESS

House sitting resumed at 8 o'clock.

GOVERNMENT ORDERS

[*English*]

FARM LOANS INTEREST REBATE ACT (NO. 2)

MEASURE TO REDUCE INTEREST RATE

The House resumed consideration of the motion of Mr. Whelan that Bill C-134, respecting rebates of interest on farm loans under the Farm Credit Act, be read the second time and referred to the Standing Committee on Agriculture.

Mr. Deputy Speaker: When the debate was interrupted at five o'clock, the Hon. Member for Portage-Marquette (Mr. Mayer) had the floor.

Mr. Charles Mayer (Portage-Marquette): Mr. Speaker, I appreciate the consideration of the Chief Government Whip. We are namesakes and we enjoy some camaraderie across the floor. I enjoy having him in the Chamber this evening. I hope he will enjoy what I am going to say about some of the things his Government has been doing. As I started to say before five o'clock, this is a very important piece of legislation we are dealing with, first of all because it deals with what I believe to be the most basic industry that Canada has, agriculture, and, second, because it deals with a part of the industry which I believe is fundamental to the agricultural industry maintaining its productivity, and that is the financial end of agriculture. Many years ago, you did not need to have all the financing and sophisticated tools which Canadian agriculture needs today to be productive, but what has happened over the years is that Canadian agriculture has become very capital-intensive. Now, according to figures I have seen recently, it takes more dollars invested in agriculture to create a job than invested in the manufacturing industry in this country. That, by way of explanation, is why the financial problems which Canadian agriculture faces, are so basic to the fundamental problems of the whole Canadian economy. Without a productive agriculture, we are going to find it very difficult to maintain the standard of living we are accustomed to. When we get to a situation where the consumer at large has to spend a larger percentage of his disposable dollars on food, there are less consumer dollars to be spent on other items. That is not a healthy situation to be in. It means that other manufacturing areas of the economy will suffer because there simply would not be as many dollars to be spent on commodities other than food.

• (2010)

The financial end of agriculture, then, becomes very important to the total economic picture, not only for domestic reasons, but also because of what agriculture does on the export market. Agriculture is a major earner of export dollars for the Canadian economy. We all hear a lot about the deficit which we have in our balance of payments. That simply means that we as a country buy or import more than we sell, but the one bright spot in that picture is agriculture. We enjoy a very high standard of living in Canada as a result of an efficient agricultural industry. Not only are we productive enough to do that at home, but we are also productive enough to export a lot of Canadian agricultural products that earn us foreign dollars. We export in the neighbourhood of $7 million to $8 million worth of agricultural products.

We all know that we cannot grow oranges or bananas in this country. It means, therefore, that we must import a lot of fresh fruit and vegetables that are out of season from the southern United States and other countries around the world. There is a big minus, then as far as the agricultural side of our balance of payments is concerned. So if we subtract that from all the things we export and sell to other countries, it still means we have a net surplus as far as agricultural products are concerned to the tune of $3 billion or $4 billion. The agricultural side of our economy is very important, therefore, in terms of having a healthy balance of payments. It is a healthier situation in which to find ourselves when we can sell things to earn foreign dollars rather than simply to raise interest rates in order to attract borrowed dollars into the country. That should be obvious to everyone, in the sense that if you sell things, you earn that money which you do not have to replay; whereas if you borrow money, not only do you have to repay it, but you have to pay interest on it until the debt is finally cleared.

Agriculture is very important to Canada as a trading nation, and we are very much of a trading nation. We have a small country in terms of population but a very large one geographically, and a rich country in terms of natural resources. Having said that, I must point out that agriculture is facing some very serious problems in Canada today as a result of what is commonly referred to as the cost-price squeeze. That simply means that our costs in agriculture have been going up drastically. We see increases in energy prices. We see increases in the cost of fertilizer, herbicides and insecticides. We see increases in machinery costs and repairs and virtually everything that goes into a modern farm operation. As I said, a modern farm operation today is different from what it was in the days of my father. For instance, farming has become very capital-intensive and as those costs go up, the farmers have to borrow more money to operate. It then becomes very important in any farmer's budget what kind of interest costs he is going to incur. We are hit in agriculture, Mr. Speaker, with a double whammy effect when our costs go up, because not only do direct costs go up but, in terms of the way farmers finance today, the cost of borrowing money when interest rates go up, and that is what this bill seeks to address at least partly, this evening.

To be fair about it, I think the Government has recognized the fact that there are some problems in the agricultural industry and it has attempted to address some of them in Bill C-134 but this bill addresses a very small sector of the agricultural economy. It is designed to lower interest rates by as much as 4 per cent to those people who have financial problems, in conjunction with a Farm Credit Corpoation loan. And though we give the Government credit for recognizing that there are some problems in agriculture, you have to really question the total understanding of the Government as it relates to the very

large problem which the agricultural industry finds itself in as a result of the high interest rates, and the cost-price squeeze.

Let me refer now to the price side. We have seen major declines in world grain prices and world grain prices of rapeseed, for instance, which has come to be known as canola. We have seen major declines in barley and wheat prices. So at the same time that we are experiencing in agriculture very large increases in costs, we are also experiencing a large drop in grain prices. We can talk all we want, as the Parliamentary Secretary did prior to five o'clock, as to how important it is to have supply management and those kinds of things in place that help the farmer to obtain a better price for his product, but I do not know how he is going to address that problem when it gets to the major earner of export dollars in this country as far as agriculture is concerned, that is, the grain industry. Canada consumes about 20 per cent to 25 per cent of the wheat it grows. Therefore, it has to export the remaining three-quarters, and it would be virtually impossible for Canada to do very much about the world grain price. We know they are very low. Having said that it would be very difficult for the Government to do a lot. I have to point out that there are some things it could be doing that it is not doing. In the last year I had the opportunity to visit with American legislators and to talk with them specifically about what our two grain exporting countries can do to bring about some kind of working arrangement on steadying world grain prices production. We have reported our findings to the Minister of State responsible for the Wheat Board in the other place. I have had discussions with the Minister of Agriculture (Mr. Whelan) and the Minister of Transport (Mr. Pepin), and nothing has happened.

• (2020)

We know from our discussions with the American Legislators that they are having the same problems expressed to them as are being expressed to those of us here who were elected from agricultural areas of the country. There is a communality of interest there. The American administration is of a slightly different opinion; it is more inclined to go along with the world market situation and not try to interfere in terms of helping to influence prices in the right way. However, I see no reason why the Canadian Government does not see fit to carry on those discussions between the two legislative bodies on both sides of the border. If the Parliamentary Secretary who spoke just before five is really serious in what he said, I hope he will use his influence on the Cabinet Members to see that some discussions take place on which might bring about some of the things he has spoken of. The Opposition is sometimes accused of doing nothing else but talk, but when you are in Government and you have a chance to do something, it seems to me you should do something more than just get up and talk. And I have given the Hon. Member an example.

There are other things I think the Government could be doing to bring about solutions to the farm income problem which is at the root of the Bill we have in front of us this everning, Mr. Speaker. We have heard this afternoon references made to some of the things we as a Party have advocated, such as the agribond concept. The Hon. Member for Cariboo-Chilcotin (Mr. Greenaway) referred to some specific things which the Americans are doing, such as the establishment to production credit associations, bankers acceptance financing and the setting up of local banks having to do specifically with agriculture and of some federal land banks. These four specific programs are in effect in the U.S., some of them since the 1930s, specifically to aid agriculture in order that American farmers can have access to lower than the going rate of interest.

We on this side are not saying this is going to bring about an immediate solution and solve all our problems, but we are saying there are some things we can be looking at with an eye to solving some of those problems down the road. I have asked questions in this House of the former minister of Finance and of the Prime Minister (Mr. Trudeau), and I wrote letters to them suggesting that they look at some of the things the Hon. Member for Cariboo-Chilcotin mentioned this afternoon, but we have been absolutely stonewalled as far as answers are concerned. We are not saying that we think these programs can be simply transferred from one side of the border to the other, that they would work as well here as they apparently have in the U.S. They have worked there, and I will tell you why. There is evidence that the American farmer has access to financing as much as 3 per cent or 4 per cent below that available to Canadian farmers. That to me is evidence that some of those programs have worked, and they have worked over a long period of time. We will never have a chance to see how those programs work here if we do not make some kind of effort at least to try some of them.

We talk about the agribond concept, Mr. Speaker. The former distinguished minister of Agriculture from my party spoke this afternoon about the Lortie Commission and lamented the fact that the so-called blue chip committee set up to look at financing as far as the housing industry is concerned, did not contain—and I think he was accurate—one single person with very much expertise in or exposure to the agricultural side of our economy. However, they came back and recommended that the Government in fact not proceed with some of the financial assistance it was planning for the housing industry.

Even if we cannot do some of those things with respect to the agribond concept, it seems to me that the least it could do is to see that when the Farm Credit Corporation goes to the market it at least gives Canadians a chance to invest in their own country. About two months ago we saw the Farm Credit Corporation going to the American market to raise $100 million to finance Canadian farmers. Now, statistics tell us the Canadian consumer is saving at roughly twice the rate of the American consumer. So I fail to understand why the Government does not have the courage or the courtesy to give Canadians a chance to invest in the most basic industry Canada has, namely, agriculture. I think it is absolutely deplorable that the Farm Credit Corporation, set up by this Government and this Parliament, should go outside the country to raise funds to finance Canadian farmers when we in fact have a tremendous pool of capital here available for investment. So when we talk

about investing outside the country, I think this Government should have its knuckles rapped severely for not giving Canadians a chance to invest in Canada. I do not think there can be much of an excuse for that deplorable situation.

I would like to talk now, Mr. Speaker, about some of the additional steps this Government could take doing to assist farmers in terms of income. I happen to have been here at 12.30 this morning, Mr. Speaker, when Royal Assent was given to the Bill to end the work stoppage on the west coast. For every day that strike went on, the Canadian farming community alone lost—by "lost" I mean it cannot be regained—something like $8 million in export sales every day. We knew from the outset that the parties involved were probably not going to come back unless they were legislated back. So on that basis I find it deplorable that this Government waited so long to act. If the Government was serious in its concern, not only about the farming community in this country but about the total economy, I fail to see why it did not act much sooner.

In addition to that, several Members on this side have suggested that the Government take a very hard look at the amount of tax it collects on energy used by Canadian farmers in order to stay in production. I have a table in front of me which gives a breakdown of the pump price of gasoline right across the country. Speaking of my own Province of Manitoba, the Federal Government collects roughly 60 cents a gallon in tax. That is the federal charge on each gallon of gasoline consumed in Manitoba, whether it goes into agriculture, recreation or industry. What we have suggested is that the federal Government look at removing part of the 60 cent per gallon tax levied in 1975 and subsequently changed. Removing that tax would immediately have the effect of lowering some of the input costs of Canadian agriculture. This applies not only to farm fuels, because it would have a spin-off effect. We know that a very large component of fertilizer, of insecticides and pesticides, many of the things farmers need to be productive today, cost more as a result of that 1.5 cent a litre tax. The Government has refused to look at that. Well, even if it does not want to look at it, surely it should be willing to change the way it is administered. What the Government does in the case of agriculture is to collect that 1.5 cents a litre and then refund it under certain circumstances. In the case of the farming community, it is refunded if it is used on the farm for agricultural production. The farmer has to pay the tax and then apply for a refund. We all know that, theoretically, it should not make any difference; if you pay something one day and you get it back the next, it should not make a lot of difference. But what happens in many cases is that the farmer pays the tax, and it takes anywhere from two months to two years before the farmer gets aroung to doing his book work and applies for the refund. In the case of Manitoba it is actually illegal to use fuel on a farm other than the fuel eligible for the tax refund.

So I have suggested in Committee, and to several of the Ministers opposite, that they consider not even collecting the tax. That would at least give the farmer a break in his immediate cash outlay, and that does not seem to me to be unreasonable. It would also save some administration costs. It seems ludicrous to me that the Government should have to incur the administration costs that it does to collect the tax and then turn around and refund it when there is a way, as there is in Manitoba with which I am very familiar, of not collecting the tax in the first place. Now, there is something very simple and straightforward which would simplify the paper work, that is, get rid of some of the bureaucracy of which we all think we have too much. And yet this Government does not even want to look at it. That is another example of some of the things the Government could do.

Another thing it could do to help farmers get by without borrowing any more money than they have to is to sit down and talk with the banks to see if the banks would be willing to go along with some fixed term financing for specific projects. The farmer could go into the bank in the spring and know he was going to pay a fixed rate of interest rather than a floating rate over the production period, whether it be for feeding cattle for six months or growing a crop which may take six or eight months from the time it is sown. If the farmer knew that the financing he was obtaining for a specific enterprise was going to be fixed over a period of time, it would mean he could do a much better job of budgeting. It works both ways. Two or three years ago that looked great because prices of everything went up over the production period. If you borrowed money in the spring of 1980 at 11 per cent or 12 per cent, in the fall you paid 3 per cent or 4 per cent more. As was pointed out again by the Parliamentary Secretary earlier today, over the last 12 or 13 weeks interest rates have come down, and we all welcome that. But it means that in this particular year the person who borrowed at a fixed rate will be caught. Fixed term financing at least would eliminate one of the variables as far as production costs for that particular farming enterprise is concerned. This is something at which they could look. It has been suggested many times to the Government.

• (2030)

Let me talk about the general taxation level in the country, but first let me indicate how this topic relates to the Bill at hand. One of the reasons farmers borrow money is to buy land. We all know that one of the big costs associated with purchasing land is the additional costs which farmers incur because they have to pay capital gains taxes. If there were some recognition of the problem this was causing, it would mean that the farming community would get by with less borrowing. It could transfer land from one generation to the other, from father to son, while borrowing less money.

We moved on that when we were the Government. We included a basic exemption for capital gains and a commitment in the budget, which was defeated in December, 1979, to look at the entire question of capital gains. The Liberal Party, at its convention in the early summer of 1980, promised to look at it, but it has not happened.

As agriculture becomes more and more capital intensive, this will become a major factor in the ability of Canadian agriculture to be as productive and as competitive with agricultural sectors in other countries around the world. Let me indicate why. As I said at the opening of my remarks, agriculture is a very productive industry. It is productive because it has become very capital intensive, but I submit that it is the only major industry in Canada which has to regenerate its capital, pay for itself and pay for the land every time there is a new generation of farmers on the land. We know the stock market has been rising astronomically to record levels in the last two or three days. This does not mean that the people operating Union Carbide or Canadian Pacific have to put up more money when stocks rise in order to stay in business. They do not own the stocks. Their ownership is divided widely across the country. Anyone can purchase shares in these companies, if they have the money. The equity in these companies is shared widely across the entire base of the Canadian economy or the American economy, but when we turn to agriculture, that is not the case.

Every farmer tries—and so far has been reasonably successful—to pay for and own their farms. A major issue which I believe will have to be dealt with very quickly is the fact that every time a new generation goes on to another piece of land, it means that the land has to earn enough money for the farmer to pay for it over his lifetime. If a farmer, as was the case in the past, thinks of the ownership of his land and a retirement fund so that he can live out his golden years or his retirement years in some kind of dignity, it means that he must sell the land to someone else to obtain his retirement income. If he sells a parcel of land and obtains some money, he has to pay a big chunk of it in capital gains. This means that the person buying the land is required to pay more than he would without these very onerous rates of capital gains.

Unless we address this issue, we will find that the only people owning land in the country, very shortly, will be the Government. I find this fact very disturbing, especially when the country was settled not more than two or three generations ago by people who came here with the prospect of owning their land.

In not much more than a hundred years that prospect has been taken away. Young people who are starting to farm now—and I know this for a fact; I can cite various examples from across the Prairies and I suspect the same is true in Ontario, Quebec and the Maritimes—have to rent land and do not have the prospect of ever owning their land as did their fathers. If we get into a situation where we do not have family farms, which are the basis of Canadian agricultural productivity, we will not be as productive agriculturally and the entire country will suffer.

The Government should address the problem of capital gains if it is serious about doing something for agriculture. I do not want to belabour the point any more than I have to, but I find it absolutely incredible that the Minister of Agriculture, who has been in his job for something like ten years, can rise—and I have read most of his speeches—and talk about the problems in agriculture but not offer a solution except for the bill before us. He travels and delivers as many speeches as any Member of Cabinet.

As I have said, we are pleased that the Government has recognized the problems. There are something in the order of 150,000 grain farmers in the three western Provinces, yet this Bill provides only $16 million for interest rebates. This amounts to $10 per farmer, if that amount is divided among only the grain farmers of western Canada.

The other side of the equation is that we in Canadian agriculture are not looking for handouts. We want to pay our way. We are proud. We have always done it in the past and we will do it again if we are given a chance, but we need some Government support. We need Government support when we go to GATT. We need a government to go to bat for us, so that when members of the Canadian agricultural community go to sell to other countries around the world they do so on a fair basis.

I could cite several examples. We have the most eminent authority on the Canadian beef industry present in the Chamber this evening, the Hon. Member for Medicine Hat (Mr. Hargrave). He could literally speak for hours on the failings of the Government, how it has not properly represented the beef industry and has not given it a fair chance to trade with other countries around the world. These are some of the things which we should legitimately expect from the federal Government, if it cared about what I believe to be the most basic industry in Canada.

Let me conclude on a note of optimism. I believe farmers are the most resourceful and productive members of the Canadian economy. I may sound as if I were blowing my own horn, since I represent an agricultural constituency and I have farmed all my life. I am proud to be a farmer; I am a farmer by choice. It will take more than the present Government and more than the Minister of Agriculture to run Canadian agriculture into the ground. Canadian farmers have more land per capita than any other farmer in the world. We have some of the most productive land in the world. We will succeed. If we have a change of Government, we will have a federal minister of Agriculture who will understand the basic problems. In that event things will be done for farmers. We will not have to pass Mickey Mouse bills in the House, such as the one before us this evening. Again the industry will be able to finance itself.

Some Hon. Members: Hear, hear!

Mr. Deans: Mr. Speaker, I rise on a point of order. I hope the House will forgive me for rising at this time, but I know Hon. Members would not want to miss the opportunity to hear that our former colleague, Bob Rae, was elected this evening to the Ontario Legislature.

Some Hon. Members: Hear, hear!

• (2040)

[*Translation*]

Mr. Jean-Guy Dubois (Lotbinière): Mr. Speaker, of course, the point of order just raised by my colleague for Hamilton Mountain (Mr. Deans) is not a point of order at all, but simply a way of making a comment. In any event, Mr. Speaker, we are considering this evening Bill C-134 which follows from the budget brought down on June 28, 1982, by the then Minister of Finance (Mr. MacEachen).

It gives me great pleasure to speak about this bill this evening, especially since some of my colleagues and I accompanied today the Minister of Agriculture (Mr. Whelan) to the International Agricultural Fair in Montreal which will go on until November 7. When we look at the farming community and agricultural organizations and realize that many people are becoming more and more involved in this industry, it is gratifying to note that Canadian agriculture has become much more sophisticated, and diversified, and I can speak from experience, Mr. Speaker, since I come from a rural municipality where my father is still a farmer. I can tell this House that, as far as Canadian agriculture is concerned, unlike the previous speaker who advocates a change of Government and of Minister, the Canadian farmers must admit today that the Minister of Agriculture (Mr. Whelan), who has held his portfolio for ten years, had done more than any of his predecessors for Canadian agriculture. He has made it progressive, competitive and productive, so that agricultural producers now own small, medium-size and even large businesses. However, what I want to say about this bill this evening after my visit this morning with the Minister of Agriculture, Mr. Whelan, and my colleagues, the Hon. Members for Chicoutimi (Mr. Dionne) and for Beauce (Mr. Lapointe), to the International Fair, is that, in my opinion, because of the present economic situation, while the farmers work very hard to succeed in their business like any other businessman in Canada, it is quite obvious that they have had to face higher interest rates, which has thrown their budget out of balance, even though interest rates are now going down. We all hope that this downward trend will continue, but we have to face the facts and realize that the figures show that we now have in Canada and in Quebec a great many middle-aged farmers, farmers over 40 years old or perhaps as young as 35, who have had to invest in their farms for several years.

Farmers who, like many businesses, are long established, have raised loans at lower interest rates than the prevailing rates and can face the competition and cope with present conditions much more easily. However, we now have young farmers or farmers who, even if they cannot necessarily be called young, have only been established on a farm for a few years, and they have had to make huge investments, not only on a monetary level, but also on the human level and for equipment, and they have what could be described as relatively large debts. Consequently, to maintain their productivity and their financial position, they have to work increasingly hard to make both ends meet. They are not the only ones in that situation, Mr. Speaker.

I believe that many Canadians in most of our businesses must now reassess their productivity and financial position and try to work differently and to be perhaps more conscientious. However, in addition to the situation of farmers and of businessmen who must reassess their productivity and financial position, there were many farmers who were only starting in agriculture or who had only a few years behind them and who have had to borrow money quite recently, but the interest rates offered by the Farm Credit Corporation at that time and the increases they had to face have caused them hardship. Many farmers from Quebec and other parts of Canada attending the International Farm Exhibition in Montreal had the opportunity today to meet their elected representatives. Referring to my own province, the Hon. Members for Quebec, made representations concerning the Farm Credit Corporation's high interest rates claiming in these hard times they could not cope with the financial burden they had assumed in borrowing from the Farm Credit Corporation or would have to assume now if they borrowed from the Corporation. Consequently the Quebec Members have appealed to the Government, the Cabinet and more specifically the Hon. Minister of Agriculture (Mr. Whelan) in the hope he would pursue the efforts he has been making ever since he was appointed minister a decade ago, to help farmers survive this temporary high interest rate situation. On the basis of these recommendations, on June 28 1982, the Minister of Finance (Mr. MacEachen) came up with this section in the budget documents:

Special Farm Financial Assistance Program

And I quote from the first two paragraphs on page 25, Mr. Speaker:

The government is introducing a new assistance program for farmers to be delivered through the Farm Credit Corporation.

Over the next two years loans totalling $200 million will be made under the program to farmers in financial distress. The loans will be made at the regular FCC interest rate—

—which was at the time, in June, 16½ per cent, and is now 15¾ per cent—

—but a rebate of 4 percentage points will be provided for the first two years of the loan. The Government is allocating $100 million to the program ($84 million as a special contribution to the FCC for lending to farmers and $16 million to pay for the interest rebates) and the FCC will divert $116 million to the program from its regular lending fund.

The program was to be implemented immediately, but it had to be completely by an act to amend the provisions of the Farm Credit Act. The important point is that many Canadians interested in agriculture are asking themselves important questions the investments and purchases farmers make and at times wonder how they can balance their budgets. But I suggest that although agriculture is still agriculture, it can

aptly be referred to as industrial agriculture while and farmers may be regarded as manufacturers. They have certainly something in common: investments. A manufacturer may invest his money into a plant 200 x 200 which together with its buildings and machinery, appears less impressive to the eye than a farm with its buildings, machinery and appliances which, because of the very nature of the various crops, may be used only a few months, weeks, or even days each year.

But the situation is not the same for a farmer during the haying season: he must have the implements required for that kind of work even though they will remain idle once the work is completed. Things are different in the manufacturing sector; if you have a press—I see that my colleague from Saint-Denis (Mr. Prud'homme) agrees with me—to do some printing or if you are in the furniture-making industry, your equipment can be used all year round, and as my colleague from Chicoutimi (Mr. Dionne) points out—I see that my colleague from Verdun-Saint-Paul (Mr. Savard), the new Government deputy whip is also in agreement—the farmer uses his implements for a few days only whereas people in the industrial sector use theirs all year long. With respect to depreciation, some of those investments must be taken into consideration and, when it comes to the investments which farmers have to make, they can sometimes be looked upon from a different perspective. I could give a number of examples of machinery which is used only periodically but which may very well cost as much if not more than equipment found in manufacturing plants.

• (2050)

As to whether or not they should share that depreciation, they must indeed do it on their own or pay it off in a different way. So, once this special financial assistance program was announced by the Canadian Government on June 28, it was imperative that we should be able to tell Canadians in our ridings just how important the agricultural sector is. It is important to keep in mind the fact that all the food we find on our tables is produced by the agricultural sector and that if the farmers who grow our food can indeed produce and compete, consumers will be better off. That is why we have to challenge those who keep saying that farmers get a lot more help than other organizations or other businesses.

Mr. Speaker, I think we may have been misled by people who make such statements, because any commercial or manufacturing business can benefit from tax exemptions or lower interest rates, or again get help through grants, but the situation is not necessarily the same in agriculture. All things considered in light of this Bill, the Canadian Government was quite justified in launching that program. I should mention as well the program for small businesses and fishermen described on page 10 of the June budget.

Perhaps we could look at the situation covered by Bill C-134. At this point, Mr. Speaker, if we consider investment and the amount of money farmers must invest, it would be useful to know the maximum amount now available under the Farm Credit Act. Since the legislation has been adapted to the economic, industrial and social requirements of agriculture today, loans to up to $300,000 per qualified applicant and as high as $500,000 for a group. The interest rate is calculated in terms of the return on Government treasury bills, plus 1 per cent, over a period of from five to ten years.

Mr. Speaker, the Farm Credit Corporation, through the Farm Credit Act, provides opportunities for financial assistance of up to $300,000 per individual and $500,000 per group, because the Canadian government realizes that our agriculture has made constant progress, and that even if they have a certain amount of money in the bank, farmers should have the same loan facilities as manufacturers and businessmen. Twenty years ago, Mr. Speaker, we had a situation where manufacturers could borrow on the equity in their companies, while the farm situation was quite different from today, when we see that farm capital has increased at an astonishing rate during the last few years, unlike the more gradual progression in the manufacturing sector, so that there have been considerable changes in the agricultural sector. Therefore, the Farm Credit Act has been an excellent instrument for showing Canadians and Canadian farmers that governments were well aware of the progress and productivity on our farms, and that it was necessary to find mechanisms and funding to meet their requirements. And this is what happened under the Farm Credit Act when loan ceilings were raised.

However, if we consider Bill C-134, to continue what I was saying at the beginning, namely that recently, people had borrowed at interest rates which normally would have allowed them to function, we had to realize that the sharp rise in interest rates was upsetting the financial forecasts made by FCC advisers and agronomists who are increasingly involved in counselling farmers, and in fact they have always done so, but let us say that the process is now so refined that every young farmer or farm producer has access to professional help, as in many other organizations, and it was normal that that should be case in farming.

As I was saying, since projections had been made, it became necessary following representations that had been made to deal with the matter and this was done through the Bill now under consideration which is providing a 4 per cent rebate on a two-year basis for interest rates. Of course, the Opposition will suggest that it is not enough. I think Mr. Speaker, when substantial funds of $100 million are allotted to the Corporation, it means that the Government of Canada recognizes the importance of agriculture in this country. It is essential through those budgets to make Canadians realize that the production of food is quite important and that the funds allotted to farming should be directly proportionate to productivity, to the farmer's holdings and fixed assets. I think that it is a rather important matter. This 4 per cent rebate has been granted following projections made by various farming experts

of the Farm Credit Corporation, by personal counsellors or by other agricultural accounting advisers. The anticipated increase of interest rates having unbalanced their budget such a relevant legislation was necessary because for several months now, the inflation rate having decreased both in Canada and in the United States, interest rates have been dropping.

I think this is the result of the policy put forward by the Government in his fight against inflation and even recently when the new Minister of Finance delivered his financial statement, inflation being momentarily reduced, we saw the Government of Canada extend for a 2 year period that 4 per cent rebate hoping, and being increasingly convinced that since the inflation rate as well as interest rates are considerably lower this will allow farmers to do some planning but if indeed interest rates are really different in months or years ahead the Farm Credit Corporation will readjust them as it did some time ago when it brought its interest rates down from 16.5 to 15.75 per cent. We needed some sort of a mechanism to respond adequately to those well-justified representations and this is why we are dealing with this Bill. I heard the previous speaker say that it was a fine Bill but of course he would never admit that it is an excellent one. I hope that we will soon refer the whole matter to the Standing Committee on Agriculture if not to the committee of the House for immediate consideration through all stages to speed up the process because a larger number of questions directed to the Minister of Agriculture before June 28, 1982 actually had to do with interest rates.

• (2100)

I trust that my colleagues opposite will pass this legislation without delay because they were asking the Minister of Agriculture many questions requesting a reduction in interest rates or some interest related assistance. I do hope that after listening to the previous speaker, who says he is closely involved with the farmers, and I know that for a fact his colleagues will be convinced to pass this legislation without delay. I think it is important as well, to read Clause 3 of the bill and in particular subclause 3(4), and I quote:

> Where an amount may be paid to an eligible farmer pursuant to subsection (1) in relation to a loan payment period, the Minister shall, where it is practicable to do so, make such payment in the loan payment period to which the payment relates.

And subclause 3 states as well and I quote:

> Where, in or before any loan payment period in relation to which an eligible farmer may be paid pursuant to subsection (1), the eligible farmer
>
> (a) ceases to be a farmer, or
>
> (b) ceases to follow the plan of farming operations submitted by him to the Corporation,
>
> before he has been paid pursuant to subsection (1), no payments shall be made to him pursuant to that subsection in relation to that or any following loan payment period.

How should this provision be interpreted? What is important, is to tell the Canadian people that if at any given time, representations were made to the effect that we were helping farmers too much and that after getting a loan or some financial assistance, farmers would quit their operation, and that therefore the Canadian government would have invested money unduly. Well, we have now a provision stating that in such cases no payment will be made or the loan will be called and the operator will lose all his rights in this regard. I think such a provision was important to avoid useless loans or assistance being given out as has happened in the past in the manufacturing sector or other similar industries.

It is often said that unfortunately, when a business asks for a government loan or any kind of government assistance it will have less difficulty getting it because you deal with the government, which is less careful about it. I think that governments and . . . this Government in particular have nevertheless made sure that farmers who do receive a loan will use it for the right purposes, as would any lending institution do, whether a bank or a "caisse populaire."

Mr. Speaker, when we look at the situation of the young Canadian farmers in particular we can readily see that it was important to tell them they would get assistance if they really wanted to remain in agriculture, whether as a dairy farmer or a livestock operator. I think this message was very important and was well understood from this side of the House, given the representations that were made to Hon. Members, as far as the Province of Quebec is concerned, by organizations such as the UPA, the Coopérative fédérée as well as millers, who were asking for financial assistance so that this economic sector may operate according to acceptable standards consistent with those that may exist in other industrial or business areas. And I believe they were representations. Farmers did not ask for charity, all they wanted given the present situation, is to be allowed to continue their operations so that our Canadian agro-food industry may successfully compete and production be maintained at the level we have known for several years. I think it was a very impotant message and the response, that is Bill C-134, is equally important. When a farmer is temporarily in dire straits, I believe we must take action, and this has been well understood, as I was saying a moment ago, on this side of the House. So, Mr. Speaker, given this situation—

Mr. Dionne (Chicoutimi): They are not all in dire straits.

Mr. Dubois: As my colleague from Chicoutimi has just said, farmers are obviously not all in dire straits. I explained how young farmers were perhaps the most hard hit. However, the important thing is that we could not disregard this portion of the rural population, those farmers who had to meet financial obligations that were different from what had been predicted by their advisor in the first place, and that is why we have responded with this legislation. Hopefully, Mr. Speaker, my colleagues from the other side will pass this act quickly so that we may respond adequately to this need, and hopefully this legislation which I would like to come into force soon will not be stuck here. If it is possible to have it passed without it being

deferred to the agricultural committee—not that I would not like to have it dealt with at the committee, but since this legislation is accepted on both sides . . . They will complain that it is not enough; well, one has to draw the line somewhere, Mr. Speaker. However, since this seems to be acceptable on both sides, we will be able to have it passed quickly.

[*English*]

Mr. Bill McKnight (Kindersley-Lloydminster): Mr. Speaker, I take pleasure in participating in the debate on Bill C-134, an Act to amend the Farm Credit Act in Canada. I would just like to make a few comments. We do take pleasure in participating in the debate but, as the Hon. Member on the Government side pointed out just a few moments ago, the budget which brought this Bill forward was announced on June 28, some four months ago. The Hon. Member on the Government side is now urging us to pass it immediately. As a matter of fact he is in such a rush that he took about 40 minutes to urge us to pass it immediately.

Those of us on this side have a few things to say about the Bill. We all recognize the problems which are prevalent in agriculture. Sometimes I think that those of us on this side may be a little more aware of the problems than the Minister of Agriculture (Mr. Whelan) is sometimes, and some though not all the Hon. Members of his Party. That would even include the Parliamentary Secretary who may occasionally be a little more aware than the Minister.

• (2110)

This Bill applies only to farmers who are in financial distress. It is designed for farmers who find themselves in need of refinancing. It does not meet many of the needs of the agricultural sector in Canada, and it definitely does not meet too many of the needs of the agricultural sector in the part of the country that I come from. This is not the first time we have seen this Program, Mr. Speaker. The November budget announced a $50 million Program for Special Financial Farm Assistance loans. That $50 million helped 382 farmers in Canada—not in one Province, not in one country, but in the whole of the country. An additional $100 million was provided for special farm financing in the June budget, but $116 million was taken away from Farm Credit general funds and applied to this Program. That meant that someone who had the ability and wished to farm was probably going to be denied the opportunity because there was insufficient funding. This $116 million was not additional money. The Government used the jiggery-pockery it indulges in quite often. It took the $116 million and said, "Now we have a $216 million Program". Things do not work out quite like, that, Mr. Speaker.

Even though the cost of money is coming down, financing is a leading input cost in the farming sector in Canada. It accounts for about 20 per cent of the total cost of production. The future is not that bright for farmers at the moment, Mr. Speaker. There are projections of a 20 per cent decline in net farm income. It is expected that farmers will receive about $3.4 billion less for their production in 1982 than they did in 1981.

Even those Members who do not have the privilege of representing an agricultural area recognize the importance of agriculture to our economy. One-sixth of all economic activity in Canada is generated in the agrifood business, and a large amount of our balance of trade can be directly attributed to the agriculture industry.

In 1981 we exported $8.8 billion worth of agricultural products and imported $5.6 billion worth of food products. Canada has the ability to bring that figure down to zero. If the programs were in place, the farm population, with its ability, intelligence and skills, would ensure that we do not import farm products at any time.

In the last year, western farmers produced 42 million tonnes of grain. That includes 24 million tonnes of wheat. Canada is the second largest exporter of grain in the world. This year, our grain export business will be worth $6.4 billion.

Last evening we went through a very difficult exercise, passing a Bill to ensure that the strike at the ports which shut down the whole west coast of Canada could be resolved and the grain worth $6.4 billion could be shipped and bring badly needed money into the country.

People engaged in agriculture need programs that will help them and allow them to use their abilities and their skills—their raw, gut, "stick-to-itiveness" and toughness. If such programs were in place, we would not need a 4 per cent reduction in the cost of money. If the Government removed some of the stumbling blocks that hinder the agricultural community, we would not even have to consider this Bill.

The strike of the last 16 days has cost $8 million per day in lost grain exports. Those exports were lost, Mr. Speaker, and not deferred as the assistant to the Minister of Transport (Mr. Pepin) in the other place has said. He claimed that those sales were deferred; Mr. Speaker, the sales were lost. Over $120 million was lost to the Canadian economy because of the work stoppage on the west coast. If it were the case that we were going to stop growing or exporting grain on July 31, then it could be claimed that the sales were deferred. But we are going to continue growing grain and continue stretching our rail transportation system and continue exporting forever. So that $8 million per day was lost, Mr. Speaker.

I cannot understand the Minister of Agriculture, Mr. Speaker. Before the session was resumed on October 27 he was claiming that one of the first orders of business would be to use the force of Parliament to resolve the work stoppage on the west coast. Action was delayed until the Monday following resumption, then until Tuesday and finally till Wednesday; a delay of seven days.

Earlier in the House I heard the Hon. Member for Humboldt-Lake Centre (Mr. Althouse) speak about the great concern that Members of the New Democratic Party have for the grain producers and farmers. He spoke of what that Party would like to do for the farmers. But last night every Member of that Party who was present voted against the resolution of the work stoppage. The Hon. Member for The Battlefords-Meadow Lake (Mr. Anguish) voted against it, although it

caused him a great deal of anguish—and that is not a play on words. The Hon. Member for Humboldt-Lake Centre, the Hon. Member for Dauphin (Mr. Lewycky), the Hon. Member for Selkirk-Interlake (Mr. Sargeant), all those who were present, voted for continuation of the work stoppage.

I do not understand that, Mr. Speaker, but perhaps I should. Even though the people of western Canada sent the majority of the Members of the New Democratic Party to this House, control of those Members has passed from the people in that part of Canada. It has been placed in the hands of the Hon. Member for Hamilton Mountain (Mr. Deans) or the Hon. Member for Oshawa (Mr. Broadbent). Not a Member from the rural areas of Saskatchewan or Manitoba spoke for his constituents in the House last night. That was evident in the way they voted. There is something to be said for those Members who were absent. The Member for Prince Albert (Mr. Hovdebo) spoke in my part of Canada saying that we have to get the grain moving, because that is important. He was not in the House yesterday, however. Perhaps if he had been, he would have suffered the torment that some of the other Members of that Party did when obeying the Party line. So he was absent.

• (2120)

When we looked at the Government's attempt, through an amendment, we asked them to have a second look and, take six and five out. It was meant for the Public Service, but now it will be applied in all likelihood to the private sector, the private economy of Canada. That is something I am sure the Members of the Government and the New Democratic Party will not be allowed to forget.

Looking at priorities, I mentioned earlier that if the Government would remove some of the stumbling blocks, the huge obstacles they place in front of the agricultural community, we would not need a 4 per cent reduction in interest. As my learned colleague, the Hon. Member for Qu'Appelle-Moose Mountain (Mr. Hamilton) pointed out earlier, the men and women of the farming community of Canada do not want a handout, they do not ask for a subsidy. What they ask for is a fair chance to produce. They want to use their God-given skills and the soil they have been given to feed a hungry world. They do not want subsidies, unless Government programs make it necessary for them to ask for assistance. That is the only time you hear their cry.

A prime example is the fuel tax on agriculture. When I went back to the farm in 1965, my fuel costs were negligible. They were less then for a whole season's operation than they are now for one month. If the Government tax on agricultural fuel were removed, the producers of agricultural products in Canada would be much better off. We hear there will be another $4 per barrel increase in the spring, a furthur tax on the production of food to be used to feed a hungry world.

As the Hon. Member for Portage-Marquette (Mr. Mayer) and the Hon. Member for Elgin (Mr. Wise) mentioned, if capital gains were removed, the need for a farmer to ask for a larger sum of money for his land would be reduced. The capital required would be reduced and there would be more Farm Credit funds.

I know you understand, Mr. Speaker, and the Minister is well aware that the farmer may pass his land to his or her children. That is understandable. It is as it should be. However, I have seen two examples in the last three months in my office involving a son who had inherited his father's land while his mother was still living, and the son having died tragically, left the land to his mother. Capital gains applied to the transfer of that land. I cannot understand a Minister of Finance or a Government being so hungry for money, so greedy that when a son or daughter dies and leaves the land to a mother or father they want to tax it. It does not make sense. It is another obstacle in the way of production, another roadblock for the agricultural producers of this country. If that were removed, we would not have to talk about a 4 per cent rebate over two years. In the farming community, two years is not considered a long-term program. I have here a pamphlet from the 1979 election wherein the Minister of Agriculture promised to bring the valuation day of farmland up to 1974. Also, I have a copy of a speech he made where he stated that if the Liberal Party was re-elected, the tax on agricultural fuel would be removed. We have not seen that.

When questioned in the House by the Hon. Member for Vegreville (Mr. Mazankowski), the Minister said that was not policy, it was a promise made in the heat of debate. He was saying, "We will put it down. We will make statements in a handout that is distributed door to door, but it is in the heat of debate, don't expect it folks, don't really believe what I tell you." He does not have to say that because a lot of people in Canada are beginning to think that way without prompting.

We have had some bills, proposals through Farm Credit and a few other things from this Minister of Agriculture to which I would like to draw attention. They are programs which relate so supply management not requested by the agricultural community. If the agricultural community as a whole requests a board and is represented on or controls that board, there is nothing wrong with that. However, let me very quickly compare North America to the U.S.S.R.

In 1970, both the United States and the U.S.S.R. exported grain. The United States exported 38 million tonnes and the Russians exported eight million tonnes. In 1981 the Americans were exporting 115 million tonnes and the Russians were importing 43 million tonnes.

We all use seed on our farms. In Russia they take 16 per cent of their harvest for seed. In North America we take 2 per cent of our harvest to put back in the ground. It is a funny thing. The latest thing on Government controls, Government intervention in the marketplace and in the agricultural community is in Russia. Right now, in November 1982, they know how much fertilizer they are going to put in the ground in the spring of 1984 because it is in the 1981-1985 five-year plan. On my farm and on those of my colleagues, that decision will be made in the spring of 1984 after we have the soil tested, looked at the weather and checked the markets. That is when we will make the decision about the fertilizer.

One of the reasons why the U.S.S.R. is now one of the world's largest importers, not only of grains but of meat, is Government intervention. Even the Minister of Agriculture recognizes that. In western Canada the Minister stated that we should be thankful that the U.S.S.R. is Communist, because if they were not, we would not be able to sell them the food we grow. In other words, they would grow enough themselves if they changed their system of government.

I would like to speak for a moment on the cost to producers. The Government's program regarding the statutory movement of grain will cost the producers a lot of money. I say to people in any part of Canada who are concerned and think there may be some hope in the 74 members of the Liberal Government Party voting against that measure that that will be the frosty Friday. I have yet to see Members of the Government Party, let alone Cabinet Ministers, vote against a Government bill. If there is hope in western Canada that the Liberal Party will help to stop the change or somehow modify the change in the Crow rate or have any input directed to that, I say to my friends in the west that that will not happen.

In conclusion I want to say a few words about the economy of Canada. We heard of megaprojects which were cancelled by this Government, Alsands, Cold Lake, all of them put on hold. In my Province alone, Mr. Speaker, there is a megaproject every spring, and that project is worth a billion dollars to the men and women in the agricultural community. Every spring there is a renewable megaproject. A billion dollars goes into the ground. That is a megaproject, Mr. Speaker, to which this Government should pay a little more attention, not a megaproject of $2 billion for only a year. This is $1 billion. I see the Parliamentary Secretary to the Minister agreeing. That is a megaproject, a billion dollars a year put in by the men and women in my Province who are involved in the agricultural community. That project would be much better served if the policies of the Government opposite were directed more toward allowing the men and women to function, to go ahead without the interference, without the capital gains, without the farm fuel tax, without these things that get in the way. We need bills that give us a 4 per cent rebate over two years for farmers in financial distress, and that probably would involve less than 700 farms in all of Canada involved in this Program.

• (2130)

As many faults as I can find with the Program, Mr. Speaker, it appears to be the best this Government can put forward, and I will support it because I cannot expect any more.

Some Hon. Members: Hear, hear!

[*Translation*]

Mr. Dionne (Chicoutimi): Mr. Speaker, I rise on a point of order. Would my colleague on the other side allow a question?

[*English*]

The Acting Speaker (Mr. Corbin): Would the Hon. Member accept a question?

Mr. McKnight: Yes, Mr. Speaker.

[*Translation*]

Mr. Dionne (Chicoutimi): Mr. Speaker, my colleague opposite stated earlier that Russia lives via state controlled economy. On the other hand, he said that in this country every spring, there is a huge megaproject, a renewable project which consists of millions and millions of grain seeds going into the ground to ensure a good crop. He was also asking for the State to play a larger role in these megaprojects. I cannot understand how the hon. member opposite can sometimes ask for government intervention and at other times oppose it. I did not quite get the meaning of his question.

[*English*]

Mr. McKnight: Mr. Speaker, what I was referring to was assistance which the agricultural producers of this country need, not direct Government intervention, not programs imposed by the Government on the agricultural community which are not acceptable to it, and not agricultural programs which take funds away from that community to be placed in the tax budget of this Government, which we have found has wasted some $24 billion in the last year.

[*Translation*]

Mr. Dionne (Chicoutimi): Mr. Speaker, I have another question. I wonder if one can attribute the same meaning to the words, assistance and control, when in fact those words are quite different.

[*English*]

Mr. McKnight: Mr. Speaker, I come from a different part of Canada than my colleague, but I know there is definitely the same feeling over assistance, because even this Government gives assistance to some areas of the economy without insisting upon control of that part of the economy.

Mr. Sid Parker (Kootenay East-Revelstoke): Mr. Speaker, I am pleased to speak on Bill C-134, an Act respecting rebates of interest on farm loans made under the Farm Credit Act. I would like to start off my remarks by stating we feel it is another band-aid solution to a very important, vital question in Canada with regard to one of our major industries, the farming industry, across Canada.

I want to refer, if I may, to the remarks made by the Member for Lambton-Middlesex (Mr. Ferguson). The Parliamentary Secretary indicated he had been in the farming industry for 45 years, but he seemed to brush over the fact of these farm bankruptcies in Canada. They were not really that significant and we did not have too much to worry about. I want to say to that Hon. Member that in the farming industry, farmers do not come about just by one or two days' experience. They come up through generations, through family tradition, and their experience whether it is that of one farmer or several

farmers, is something we cannot afford to lose. We are losing the expertise, the professional people in those areas. I travelled on the Transport Committee of 1980 across the prairies. The groups that came to us, the farmers' unions, the grain elevator people, time and time again stressed the problem of the abandonment of rail lines, which this Government has allowed to happen. They are not asking for handouts. They are asking this Government to recognize the fact that when it allows the abandonment of rail lines it is creating an extra hardship for those people who have to bring their grain farther distances to the grain elevators, the ports, or to their transportation system. On top of that, this Government has brought in legislation that adds to that cost. Not only have they lost the rail lines, but now they are paying out additional costs for energy. This Government has to recognize the fact that it is creating hardships that cannot be sustained. These farmers reach out and try to develop or plan, but this kind of help is not going to meet their requirements. I do not think the Hon. Member for Lambton-Middlesex fully understands the kind of problems that this has brought about, even though he may have 45 years of experience and may have developed a plan over that period of time.

Here is what we heard from a group representing a large area, the Peace River area. They talk about the age of farm operators, and the potential for further expansion of farming activities is indicated by a relatively large number of young farmers in the district. They give the average age of farm operators: under 25 years of age, 3.53 per cent; 25 to 44 years of age, almost 46 per cent; 45 to 59 years of age, 36.47 per cent; 60 to 69 years of age, 11.24 per cent, and over 70 years, 2.88. What I am trying convey is that we have a lot of young, experienced farmers who are trying to take over from their parents and operate the farms, and they need that financial help. They need a long-term support program so that they can plan ahead. If that money were made available, it would stimulate our manufacturing sectors because they would be able to plan some kind of development.

• (2140)

There is a fertilizer plant in my riding in British Columbia, and this summer the walls were bulging with fertilizer, and everyone knows there is no requirement for fertilizer in June or July. So there were lay-offs at that plant. But would it not make sense to have long-range financing for farmers so that they could purchase their fertilizer in the summer and have it available first thing in the spring? Not only would we be accommodating the farming sector, but this fertilizer plant in British Columbia, and others, would be functioning in an orderly manner as well. That is the kind of economic planning needed, and this Government has to recognize that fact and meet those requirements.

I want to speak for a moment about CP Rail or the railway system and its abandonments, because I think it is vital to this question. I have not heard the Conservative Party speak too much about the Crow rate or the abandonment of rail lines even though it is vital to what we are talking about. While we see the Government speak about how railways must make a profit, where was the Government when CP Rail was dividing their corporation? Where was the Government when CP separated its real estate portion into Marathon Realty? What about CP investments? CP Rail has built an empire in this country on the backs of the Canadian people, and this government supports that kind of program. Every time Ian Sinclair comes before the Government, the programs are presented to the House of Commons and in most cases supported by the Liberals and Conservatives. And the farmers and people across Canada have to suffer the consequences.

I want to speak for a moment about a comment made by the Hon. Member for Kindersley-Lloydminster (Mr. McKnight). He outlined a problem with capital gains tax in his riding. He spoke of a father turning a property over to his son, and the son to his mother because of a death, and she had to pay capital gains tax. I want to ask the Members of the Conservative Party of Canada where they were when they were in Government? They were in Government for nine months, and why was that legislation not changed if they feel so strongly about it today? Why, in those nine months when you were in Government, did you not look at this legislation that you are so concerned about and bring it before the House and have it changed? No, they were too busy with other things. In fact, they were elected in late February and did not call the House in for a sitting until October, so that is the kind of concern that that Party had for that kind of legislation.

I would also like to refer to another problem in my riding, the beautiful area of the Creston Valley, a grain and fruit growing area. These people are faced with the closure of the grain elevators. I can understand why they had to make that decision in light of the costs they had been burdened with. Naturally they have to look at running an efficient business, and when the Government creates that kind of burden, who is going to suffer? What happens? They close their grain elevators down. What happens to the expertise of the farmers in those areas? Can you imagine the problems which will be created with regard to storing and shipping their products in an orderly manner?

The Government has made some suggestions, but the problems created are almost devastating. When it comes to the fruit growing industry, another vital part of this riding, the cost of energy involved in transporting products to market is almost unbearable. There are a lot of cattle producers in my area and transportation is very costly. Again, that has been created by the Government, and the Government's programs have done nothing to recognize the needs of farmers in this area. I think it is a sad day when we in Canada cannot recognize that farming is one of our top priority areas. It is an area which could get many other sectors of a given riding rolling again and meeting the requirements, not only of this country but of many other countries as well.

I would also like to refer, Mr. Speaker, to another of the comments made by the Hon. Member for Kindersley-Lloydminster with regard to the west coast ports dispute. I know farmers across Canada were as concerned as everyone in this Party about that dispute, but I want to say that the farmers

honestly want to treat those workers as fairly as they themselves want to be treated by this Government. It is because of the attitude of this Government toward working people, toward the farming community, toward regional areas, instead of working in a co-operative way, which has created the hardships that the average worker and the average farmer have to face here in Canada. The Hon. Member tried to point to this Party as not having any feelings for the farming community or for the workers in these areas. These workers did not create the problem. I must emphasize the fact that it was the employers who had those workers locked out. It was their decision to lock them out and create the problem that the farmers were faced with. So we in this Party have recognized both sides of the problem and I think we have dealt with it as responsibly as we could.

This Bill, Mr. Speaker, does not supply the kind of relief needed, and we feel that unless the Government recognizes the serious problems facing the farming community across Canada, we are going to be faced with some very, very serious bankruptcies. The Government has to recognize that in this industry they must have some long-term planning. There must be long-term financing available so that when the farmers are trying to regulate or plan the kinds of production they want to carry out and meet the needs of Canadians, they must be sure that the money will be available at stable interest rates so that they will not have to worry about a fluctuation in their costs of production. They also do not need the threat of a change in the Crow rate hanging over their heads.

• (2150)

Young farmers are not being encouraged to enter into the farming stream and to continue the tradition of earning their livelihoods in an orderly manner. I think the Government is treating problems in the farming community in the same manner as it has treated unemployment or any other problem. It has used a band-aid approach to a very serious problem. The Government should take its head out of the sand and recognize the needs of the farming community. It should bring forth a policy which helps not only the farming community but all other areas which feed into that system. If it does not do so, indeed there will be very serious problems within the community.

I have already singled out CP Rail. Ian Sinclair comes before the Government, and it dances to his tune. It danced to his tune when it brought in the six and five program, when the rail abandonments took place and when VIA Rail was discussed. The Government took it off its hands, at literally hundreds of millions of dollars of savings to the Company. In fact, the Company charged the Government an extra month's billing on the passenger operation. In other words, it charged its regular fee for the use of its tracks for 12 months, and added a thirteenth month for extra costs.

We sat in on Committee hearings and heard about this. We found that the company had not yet been audited and that some of the audits had not been done for two years. It seems that CP Rail can obtain the required moneys. Also it seems that we are coming into a rail expansion. Goodness knows it is needed to meet the needs of the farming community. It seems money is available while it is diverting funds, separating various groups away from the railway system and allowing the Government to carry the load in these areas. It is asking the Government to change the Crow agreement while the farming community has to pay the extra load.

There is little enough in the Bill without its creating an additional burden. The farming community cannot stand the changes the Government is anticipating. I believe the Conservative Party should also be putting pressure on the Government to ensure that the Crow rate is not changed and that it is protected in the interests of farming communities across Canada. This is true also in terms of the Atlantic Provinces. We have now discovered that any change in this regard could seriously affect eastern Canada, and that there are other areas which must be taken into consideration now. I say to Liberal Members who represent these areas that they should take a serious look at what is being put forward. There could be serious ramifications on top of what has already been put in place.

These are the types of problems faced by the farming community. We on this side of the House are not happy with this piece of legislation. We see it as a band-aid approach. We have no alternative but to support it, yet the fact remains, as a Member of the Conservative Party pointed out, that it is a Mickey Mouse piece of legislation which will not meet the needs or come anywhere close to helping the Canadian farming community. It will probably carry the load for a few who will qualify, but many will find, when they go to banks or credit unions to obtain money, that no money is available. I have talked with various farmers in my riding. They tell me that it is all very good that the legislation is there, but they ask how and when they can obtain money. They say, "I need it now. I have some planting to do, but there is no money available." What good is this piece of legislation? It is no better than the small business bond.

I had occasion to go into a bank with a small-businessman who was going out of business. I said to the banker, "Here is the legislation; you are supposed to help this man." He said, "I am sorry, but we do not have any money available." It is all very well to bring a piece of legislation before the House, to get it passed, and then to stand back and say that we have done our part. But, in the name of goodness, what is it doing to solve problems or to assist people when they need it? What is being done so that these people can survive, even possibly try to upgrade or keep up with the nurturing of their land? I would venture to say that across Canada today—and possibly many farmers could verify this—there are many hectares of farmland which are not being nurtured or have not received any type of fertilizer program. They are going an extra year without doing the fertilizing which they know should be done because they do not have the economics to carry it out. The country will suffer if the Government allows economics to interfere with the planning and development of our farming industry.

I urge the Government not to stop here. I urge Government Members to get out and visit farming areas across the land; they should meet with the farmers. The Minister of Agriculture (Mr. Whelan) and his group should be visiting them to see first-hand and to ensure that there are provisions to meet their needs. Then we could start in that sector to ensure that the economy begins to work a little better.

Canada has one of the greatest agricultural potentials of any country in the world. We have the expertise. Farmers are proud of what they are doing. All we require is a government willing to give the lead and the confidence for farmers to carry on in a constructive and orderly way. They should not be faced with the roadblocks the Government seems to throw in front of them at every turn as soon as they start to improve something or to produce. I urge the Government to rethink some of its policies. It should look toward developing, helping and assisting farming communities right across the country.

Some Hon. Members: Hear, hear!

Mr. McKnight: Mr. Speaker, I rise on a point of order. Since the Hon. Member referred to me in his speech and has some time remaining, I should like to ask him a question. Could he tell me why he and his Party voted against a doubling of the capital gains exemption on farmland from $100,000 to $200,000 in the Conservative budget of December 13? Why did they do that? I wonder if he would like to answer that question.

Mr. Parker: It was a regressive budget, and that is why we voted against it.

Mr. G. M. Gurbin (Bruce-Grey): Mr. Speaker, I am very pleased to join in the debate on Bill C-134 which will provide some much-needed assistance to farmers. I would like to say much more at this time, but because of the hour may I call it ten o'clock and carry on the next day?

• (2200)

PROCEEDINGS ON ADJOURNMENT MOTION

[*English*]

A motion to adjourn the House under Standing Order 40 deemed to have been moved.

THE ECONOMY—GOVERNMENT POLICY ON PRIVATE SECTOR

Mr. Bill Wright (Calgary North): Mr. Speaker, on November 1 in this House, I asked the Minister of Finance (Mr. Lalonde) a question referring to a statement made by the Prime Minister (Mr. Trudeau) who said, "We haven't been able to make it work—the free enterprise system. We've ended up with very high unemployment and very high inflation. We can't go back to what it was before. That means the Government is going to take a larger role in running institutions." But the Minister of Finance in his economic address, his non-budget, states in the third of his six principles that we must continue to rely primarily on the dynamism and creativity of the private sector as the engine of growth in Canada. I think it is well known in this House that the Minister of Finance had agreed with that statement of the Prime Minister. Suddenly he declares six principles that go directly against what the Prime Minister had been speaking about. I would like to review some of these principles.

First, the Minister of Finance said that we must continue to practice fiscal responsibility and that we must persist in restraining Government spending. But what do we have? We have a deficit that has risen from $10.5 billion as indicated in last November's budget, to $19.6 billion in the June budget and to $23.6 billion in the non-budget of October. The thinking is that the deficit will be $26 billion before we are through.

Why should we believe what the Minister of Finance is telling us? Spending is up 17 per cent this year. The deficit is up $4 billion in four months—not $4 billion in one year, but $4 billion in four months. The Government will not even tell us what the deficit will be next year because it is afraid to admit what it will amount to. One dollar out of every three dollars in tax money goes to service the interest on the deficit. The interest on the national debt is $16.7 billion alone. This is a ridiculous situation. Why should we believe that the Minister of Finance has suddenly done a complete turn around and is no longer espousing his socialist ways?

Second, the Minister of Finance said that we must not abandon the victims of the recession in the mistaken belief that such callous action might speed our recovery. What a bunch of bunk. We have 12.2 per cent unemployment, yet the Minister of Finance stands in this House and tells us that. We have 1.4 million people out of work. We have 500,000 more people out of work than last year. This represents a tax loss of $2 billion. Yet we hear the Minister of Finance standing up and saying that we are going to turn the economy around.

The Minister also stands up and says that we are going to provide $500 million to help 60,000 people. What the Minister does not tell us is that this does not mean 60,000 jobs for a year. They may be jobs for one day simply to put an individual back on unemployment insurance. The jobs could last longer, but we do not know that. There are not 60,000 jobs allocated. That was never intended, but that is what the Minister of Finance would like us to believe. I come now to the Minister's fifth principle. He said that must continue to develop effective mechanisms for consultation with the provinces. We all remember the Kirby Report which the Minister of Finance approved. We all have that report. It described how the Government would divide the provinces when the Constitution was to be discussed. And this is the Finance Minister who wants us to believe him? And how long ago did this Prime Minister say that co-operative federalism is dead because he did not trust the provinces. Yet the Minister of Finance stood up and said that he had the method of recovery in this country.

• (2205)

The sixth and most important point is that we must build on the spirit of the six and five program and implement an effective strategy for national recovery and economic development.

We all heard the Prime Minister a few weeks ago. In fact, one year ago we saw the geese flying across the television screen. A few weeks ago we had the lame duck flying across the television screen in the person of the Prime Minister. He said that Canadians should accept sacrifices. How many sacrifices is he accepting when every few weeks during the winter he flies down to the Caribbean to snorkle? He is not accepting any sacrifices.

Where was the Prime Minister in 1980 when we told him that the country was entering a recession? All he did was stand across the way and say that the Constitution is what we are interested in and what Canadians want. One million unemployed people later, he is still talking about it. We have seen no action from the Minister of Finance and no action from the Prime Minister.

The Minister of Finance tells us that we must adhere to the six and five program, but a few days before that program was announced he brought in a 10 per cent increase for the staff of all the Cabinet Ministers. They are not adhering to any program. The Government is giving us a high tax increase and a 40 per cent increase in UIC. About 500 CBC employees received an 11.5 per cent increase in wages. Where is the six and five program there? They are not adhering to the government program.

The real question is why we should believe anything the Minister of Finance says, or, for that matter, what his Parliamentary Secretary will say when he stands up.

Mr. Douglas Fisher (Parliamentary Secretary to Minister of Finance): Mr. Speaker, on occasion, we anticipate hearing from some speakers with some ideas, and that we will have to get out our hip waders just to survive. I have to say that the speech we have just heard is even worse than I had expected.

Today, we have a co-operative climate that exists between Government, business and labour; all working together to help rebuild the economy of this country. Let me give you some examples. The six and five program has been universally accepted by business, Government and ordinary people across this country. The $3,000 home mortgage grant has been universally accepted by the homebuilding industry. The 4 per cent interest reduction grants and the small business investment grants, along with the Small Business Bond have been widely accepted by Chambers of Commerce, the Canadian Federation of Independent Business and the Canadian Organization of Small Business. It is widely accepted that we should go out and put more money into the Farm Credit Corporation, and this was especially agreeable to the Canadian Federation of Agriculture. We have programs introduced by the June budget and the October statement which are productive sources of new jobs and new economic activity. The Hon. Member opposite has ignored all of these programs. In fact, the Hon. Member has followed a course of action that is currently typical of Tory tactics. He is creating fear and loathing and using personal attacks to substitute for logic and tough debate. An example of that kind of activity is the Tory Party's attack in the past year on FIRA. They have attacked FIRA with unrelenting hatred, so much so that when their leader and their finance critic realized what they were unleashing, they had to make a 180 degree turn and start supporting the agency again. They became too hypocritical.

I want to conclude by saying that the Prime Minister (Mr. Trudeau) in his speeches challenged us to attack our problems in the traditional Canadian way; through co-operation and working together. I would suggest to the Hon. Member that he lift his eyes and cease those negative attacks so that he may add some of his creative intelligence to solving the problems, instead of simply attacking personally and viciously.

• (2210)

GRAIN—LEVELS OF ADVANCE PAYMENTS. (B) POSSIBLE BENEFITS TO WESTERN COMMUNITIES

Mr. Charles Mayer (Portage-Marquette): Mr. Speaker, it was a very interesting exchange that we just witnessed. I will attempt to be reasonable in my submissions here this evening. I see the Parliamentary Secretary is leaving and I find that unfortunate because I had hoped he would stay and listen to some of my logic and tough debating skills with which I will make my case here this evening.

I had an opportunity in July, after having a discussion with the Minister of Transport (Mr. Pepin), and corresponding with him, to ask him a question in the House as to whether he would be prepared to raise the level of cash advances to prairie grain farmers. Cash advances are simply moneys advanced to prairie grain producers against their future sales. They are really advances against their own products—their own money.

The federal Government comes into play because it pays the interest on the money borrowed to pay the advances. The program was initiated for this back in 1957. It is a program which has worked very well. It has put money into farmers' pockets, enabling them to pay bills sooner than they would normally pay them if they had to wait for the sale of their products. This helped the whole community because it means that having cash in advance of their sales farmers are able to pay their taxes, repair bills, fuel bills, and those kinds of ordinary expenses incurred in the normal course of operating their farms.

We all know that the economic system is a circular one. What is an expense for one person then becomes income for someone else. As it goes through the system, that money is spent over and over again. If one wants to speak in economic terms, it is called the multiplier effect. If one looks at what goes on in the farming communities, and in other communities, one finds that farmers have a greater multiplying effect than those in most other industries. It simply means that when a dollar is put into a farmer's pocket, it is used more times. The program is essentially designed to put money into the hands of those in the farming community so that they can use it to pay

their bills, and this in turn provides income to other sectors of the economy.

As I have said, this has worked very well in the past. There have been very few defaults and very few problems in collecting money once it is advanced. However, the program is now sadly outdated in terms of the amount of money available. I will just give a couple of figures to illustrate.

In 1980 the number of applicants amounted to a few more than 15,000. The number of dollars advanced was in the order of $61 million. If we look at the figures for 1981, we find that the number of applicants almost doubled, rising from 15,000 to 28,000. However, the amount of money advanced tripled, from $61 million to $205 million. This is an indicator, first of all, of not only how well received and well used the program is, but also an indicator that farmers were experiencing economic problems and needed some additional money to help pay some of their bills.

When the program was started in 1957, the cash advance limit was originally $5,000. It was increased once since then and is now set at $15,000. What we have suggested is that that limit be increased from $15,000 to $25,000, to $30,000 or to whatever figure is appropriate.

The cost to the federal treasury comes about because the Federal Government picks up the interest charges on the amount of money borrowed by the Canadian Wheat Board to make those cash advances. Admittedly, the federal Government will incur some additional costs, but let me point out to the Parliamentary Secretary that when that money is borrowed, it is borrowed by the Canadian Wheat Board on its behalf, and the Canadian Wheat Board, for the information of the Parliamentary Secretary and those who are interested, borrows money at the prime rate minus a quarter of one per cent. I know of no one else in this country who borrows money at the prime rate minus any figure. Therefore, because of the favourable financial position of the Wheat Board, it is able to borrow money more cheaply than the Government and more cheaply than producers. That is a good, healthy, sound reason why, by increasing those levels of cash advances, the extra interest will not hurt the federal Government as much as one might suppose.

Aside from that fact, I would submit that the additional cost is well worth it because in hard economic times that money is not hoarded by farmers but, rather, is spent and respent, creating additional economic activity, which is what we are attempting to do by Bill C-134, which we just finished discussing this evening. It is designed to help farmers meet some of their financial commitments. That is precisely what increasing the level of cash advances would do.

I have received letters from several farm organizations across the prairies, as I am sure the Parliamentary Secretary has, suggesting that the limit be raised from $10,000 to $50,000. I suspect that is probably too much to ask, but the Government could surely consider increasing the limit from $15,000 to $25,000. After all, in the same period of time, the Government has increased the levy against producers who are in the Western Grains Stabilization Fund. The amount has been doubled. It has gone from a maximum of $500 to $900 this year and it is about to go up to $1,200, so it has more than doubled in the period of time that the cash advance program has remained the same.

• (2215)

As spokesman on the Canadian Wheat Board for this Party I offered the Minister of Transport an arrangement whereby we would very quickly pass the amendment that would be required to the Act. We would not hold up debate and would not put up a lot of speakers so that it could go through very quickly. This matter was considered to be very urgent last year, on July 30, when I first posed the question. That was before the start of the new crop year. It is equally urgent now, because farmers are facing a very tough winter. Although the additional cash advances would not be totally utilized this year as a lot of farmers have already delivered grain, against which those cash advances would have to be deducted, the program would still be well received. As I have pointed out, the Program has been very well run in the past. Losses have been minimal.

I hope the Parliamentary Secretary will take these things into consideration and will make the positive announcement tonight that the Government has considered our offer. I hope he will be able to tell us when it is prepared to bring the legislation forward. We will not hold it up, Mr. Speaker. In that way we will be able to increase the level of cash advances and in this way not only the Canadian farmer but the whole Canadian economy will benefit.

Mr. Jesse P. Flis (Parliamentary Secretary to Minister of Transport): Mr. Speaker, the Hon. Member's interest in this subject is well-known in the House. I applaud him for making a reasonable case on behalf of the western farmer. As one who was born, raised and lived for 18 years on a farm in Saskatchewan, I know how tough it is to find the cash in advance for the purchase of new machinery, to put in crops and even to buy groceries. I appreciate the co-operative spirit in which the Hon. Member presented his argument—unlike the previous speaker. I thank him for that.

It is very clear that farmers are making good use of the opportunities available under the Prairie Grain Advance Payments Act. The number of producers who qualify for the maximum advance of $15,000 is increasing, as the Hon. Member pointed out tonight. Therefore, it is reasonable to suggest that the maximum be increased, especially at a time when farmers are experiencing higher cash requirements. As the Minister said in his answer on July 30, this question was considered by his colleagues and a decision was deferred until the question could be put in "the wider context of western grain initiatives".

One of the factors which must clearly be advanced in times of restraint, is the cost. In 1981-82, the cost was $12.7 million. The Hon. Member suggested that the advance payments should be increased to $25,000 or $30,000. My calculations show that the resulting cost would probably be over $25

million. I would have appreciated it if the Hon. Member had suggested where the Government would find this additional money in a time of high deficit. Raising the maximum would obviously add to the cost, although lower interest rates could make a positive contribution.

Until now there has been no further consideration of the matter, but the Hon. Member can be assured of the Government's active interest. In fact, I understand that the Hon. Member has a very positive letter from the Minister of State in charge of the Canadian Wheat Board, so he knows there is a positive disposition on the part of the Government toward his proposal.

INTERNATIONAL JOINT COMMISSION—DELAY IN APPOINTING CANADIAN COMMISSIONER

Mr. Girve Fretz (Erie): Mr. Speaker, I should like to speak briefly about the International Joint Commission and the serious problems it is confronting. The studies of the Commission are crucial to the people of my riding in Erie which is located in the heart of the Great Lakes basin. Although much work has been done and much concern expressed, the health and well-being of my constituents and Canadians continues to be threatened by chemical pollution in Lake Erie, Lake Ontario and the Niagara and St. Clair Rivers.

• (2220)

The stated purpose of the Great Lakes Water Quality Agreement of 1978 is "to restore and maintain the chemical, physical and biological integrity of the waters of the Great Lakes basin ecosystem." This is indeed an ambitious statement. To comprehend the vast extent of the problem confronting the commission, it is only necessary to look at the following statistics.

The Great Lakes Basin is a highly developed industrial and agricultural region. The present population of 37 million people should increase to 60 million by the year 2020. This increased urban growth will engender accompanying industrial development. Both of these phenomena mean that there will be vastly increased stresses on all the components of the ecosystem.

Not only are the Great Lakes presently being overloaded with garbage at a rate much more than they can handle right now, but the amount of effluent both from industrial and human sources is expected to greatly increase in the new few years. This in itself would be serious enough for the Government of one country to deal with. But here we have two countries, both of which have different priorities and different policies. The need for co-operation and compromise has never been greater, in order to come to agreement on protective and preventative measures which are satisfactory to both parties.

Currently in the Great Lakes Basin, approximately 800 major municipal and industrial facilities are dumping hazardous wastes into the Great Lakes. Smaller contributors number in the thousands. With input of toxic chemicals, phosphorous residues from detergents and fertilizers and superficially treated inflow from municipal sewage treatment plants, it is unlikely that the original state of the Great Lakes can ever be restored.

However, a continued degradation of Great Lakes water quality cannot be tolerated. Reasonable objectives are attainable nevertheless. These include reversal of the over-all long-term trend of water pollution, enabling inhabitants of the area to drink clean water, swim without danger of contamination and to enjoy the recreational resources of the lakes, including fishing and boating. The Boundary Waters Treaty states that those waters whose shoreline or banks are shared by the two countries shall not be polluted on either side to the injury of health or property on the other.

I am concerned, as a representative in Ottawa of a constituency bordering on one of the Great Lakes that little action is being taken to be sure that both parties adhere to the terms of the treaty. Certain areas have been, and continue to be identified by the commission as being environmental or human health concerns.

In looking at the August 1982 report of the International Joint Commission, I note that there are 24 different areas which have been identified as "problem areas". In many of these areas, especially the Niagara and St. Clair Rivers, much more work needs to be done. As stated in the report, "there is little value in continuing to identify such areas if effective remedial efforts are not put into place".

The environmental baseline report of the Niagara River of November 1981 states that the Niagara River has been identified as the major source of numerous trace metals and organic compounds to Lake Ontario. Less than 1 per cent of the loadings of these substances to the river can be accounted for from Canadian sources. The Niagara River is a primary source of the PCBs and the Mirex which have been found in fish and in herring gulls throughout Lake Ontario.

Obviously in this case we, the Canadians, are the ones being injured by pollution from American sources. This situation of course, can no longer be tolerated. Such sources of pollution as the Hooker Chemical Corporation and the municipal wastewater treatment plant in Niagara Falls, New York, pour volumes of pollutants into the river equal to or greater than the total amount coming from Canadian sources.

Given the inequity of this situation we, as concerned representatives of the people of this land, must do everything in our power to convince the Reagan administration that this issue must be dealth with in a firm and conclusive manner before it is too late. Only by co-operation with the United States can this problem be solved. Given the small percentage of the total load of chemicals emanating from Canada, unilateral action on our part seems almost ridiculous—not that our own industries are entirely innocent. I am sure there exists blatant examples of environmental misconduct among Canadian companies as well.

In summary, it is time to stop talking and begin acting. There are just too many 40-page descriptions of the callous destruction of our most valuable heritage, the Great Lakes. We need 40-page solutions outlining in detail the method of ameliorating this unfortunate situation in order that our descendants may enjoy the same fresh, clear, safe waters that our ancestors enjoyed.

• (2225)

Mr. Jean Lapierre (Parliamentary Secretary to Deputy Prime Minister and Secretary of State for External Affairs): I thank the Hon. Member for his support of the Government position on pollution, especially vis à vis our relations with the United States. I think on this subject there is a communion of ideas between the Hon. Member and Members of this side. I know the Hon. Member is very concerned about the appointment of a permanent president to the International Joint Commission, and I would like to tell him that we consider this important institution as one of our special priorities in the future to make sure we have a new Chairman appointed. I want to tell the Hon. Member the Canadian Government has traditionally approached the filling of IJC positions with seriousness and deliberation. That is the explanation for the delay. Distinguished Canadians such as Stuart Hodgson, Gerald McNaughton, Louis Robichaud and Maxwell Cohen have served as Canadian Chairmen of that Commission and we want the Commission to play a major role in our relations with the United States.

In the last few weeks we have had many discussions with the United States. The Secretary of State, George Shultz, came to Canada and had lengthy discussions with our Secretary of State for External Affairs (Mr. MacEachen). We have conveyed to him our willingness to co-operate in order to make sure we solve these environment problems. With the suggestions of the Hon. Member, and with the will, not only in Canada but in the Reagan administration, I am sure we can achieve the goals that he has set. I want to assure the Hon. Member we will need his support as this fight is going to be a very difficult one, because it involves a lot of money and goodwill. We will need his support and the support of all the Hon. Members from his side of the House. The Government is very well committed to combat pollution, to make sure the environment is safe in the long term, whether it involves acid rain or water pollution. You can be sure we will do everything in our power to make sure that happens.

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

At 10.29 p.m. the House adjourned, without question put, pursuant to Standing Order.

HOUSE OF COMMONS

Friday, November 5, 1982

The House met at 11 a.m.

• (1105)

MOTIONS UNDER S.O. 43

[*English*]

COMMISSIONS AND INQUIRIES

SUGGESTED COMPOSITION

Mr. Stan Darling (Parry Sound-Muskoka): Madam Speaker, I note with approval that the Government is planning a Royal Commission to inquire into the prospects for the Canadian economy. Rumour has it that members of that commission will include the Hon. Donald Macdonald, one of the architects of the problem in the first place, and Ian Stewart, the right hand man and the fall-guy for the whole massive failure, the Hon. Member for Cape Breton Highlands-Canso (Mr. MacEachen).

The precedent of "set a thief to catch a thief" is not a new one and has a long and varied history. The Government could perhaps do worse than follow such a policy. At least it should be spared the embarrassment of having its own policies called into question. Therefore, I move, seconded by the Hon. Member for Central Nova (Mr. MacKay):

That the Government, following the same sort of reasoning as the foregoing, encourage municipalities across the country to appoint to their police commissions only practising criminals and to appoint only known polluters to probe environmental hazards.

Madam Speaker: Is there unanimous consent for this motion?

Some Hon. Members: Agreed.

Some Hon. Members: No.

* * *

VETERANS AFFAIRS

CALL FOR RECOGNITION OF SPANISH WAR VETERANS

Mr. Lyle S. Kristiansen (Kootenay West): Madam Speaker, I rise under the provisions of Standing Order 43 on an important matter of national honour. Considering recent events in Spain, and in view of the as yet officially unrecognized contribution and sacrifices of a number of Canadians to the cause of democracy in that land, I move, seconded by the Hon. Member for Beaches (Mr. Young):

That this House express its long overdue appreciation and recognition of the historic contribution to the cause of democracy made by members of the MacKenzie-Papineau Battalion and other Canadian veterans of the Spanish War of 1936-39, and extend an invitation to representatives of their few surviving veterans to participate officially in and take an appropriate place of honour at our national Remembrance Day observance in Ottawa this year.

Madam Speaker: Is there unanimous consent for this motion?

Some Hon. Members: Agreed.

Some Hon. Members: No.

* * *

LABOUR CONDITIONS

CALL FOR INQUIRY INTO WEST COAST PORTS SITUATION

Mr. Chuck Cook (North Vancouver-Burnaby): Madam Speaker, I rise under the provisions of Standing Order 43 on a continuing matter of urgent and pressing necessity. Bill C-137 is not the answer to the festering labour and management problems of the Ports of British Columbia. What is desperately needed is an industrial inquiry commission to determine the facts of the waterfront that have caused 13 years of continual strife. Therefore I move, seconded by the Hon. Member for Esquimalt-Saanich (Mr. Munro):

That the Minister of Labour immediately appoint an industrial inquiry commission with very broad powers to study labour and management at the west coast ports and report its findings back to this House within one year.

Madam Speaker: Is there unanimous consent for this motion?

Some Hon. Members: Agreed.

Some Hon. Members: No.

* * *

POLITICAL PARTIES

IDENTIFICATION OF MANIPULATIVE ELITE

Mr. Dave Nickerson (Western Arctic): Madam Speaker, in order that Canadians might know who really runs their country, I move, seconded by the Hon. Member for North Vancouver-Burnaby (Mr. Cook):

That the small, manipulative elite please stand up and identify themselves.

Some Hon. Members: Oh, oh!

Madam Speaker: The Hon. Member for Calgary West.

S.O. 43

[*Translation*]

FAMILY VIOLENCE

WIFE-BEATING—GOVERNMENT BLAMED FOR INACTION IN SETTLING PROBLEM

Mr. Jim Hawkes (Calgary West): Madam Speaker, it is now five months since the Standing Committee on Health, Welfare and Social Affairs recommended that the federal government subsidize a federal-provincial conference designed to deal with and alleviate the problems of battered wives. Therefore, I move, seconded by the Member for Ontario (Mr. Fennell):

That the House censure the federal Cabinet for its failure to act on this very important recommendation.

Madam Speaker: Is there unanimous consent for this motion?

Some Hon. Members: Agreed.

Some Hon. Members: No.

* * *

[*English*]

LABOUR CONDITIONS

INCREASE IN UNEMPLOYMENT—CONDEMNATION OF GOVERNMENT

Mr. John McDermid (Brampton-Georgetown): Madam Speaker, this morning Canada woke to the sad news that it has the worst unemployment in 50 years. There are 1,400,000 out of work, 12.7 per cent of the work force. The young unemployed represent 21 per cent. It is a national disgrace. I therefore move, seconded by the Hon. Member for Portage-Marquette (Mr. Mayer):

That this House condemn the Government for its callous neglect of the economy over the past 14 years and suggest that it stop listening to the Coutts, Davies and Pitfields of the world and start listening to and encouraging the business people, farmers, young people and the labourers of Canada who love this country and despise what the present administration is doing to it and their future.

Madam Speaker: Is there unanimous consent for this motion?

Some Hon. Members: Agreed.

Some Hon. Members: No.

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[*Translation*]

THE LEADER OF THE OPPOSITION

SPEECHES TO ANGLOPHONES AND FRANCOPHONES

Mr. Dennis Dawson (Louis-Hébert): Madam Speaker, I rise pursuant to Standing Order 43 on a matter of urgent and pressing necessity. Since the Hon. Leader of the Official Opposition (Mr. Clark), contrary to the Prime Minister (Mr. Trudeau) and the Leader of the NDP (Mr. Broadbent), has once again demonstrated his hypocrisy by making two different statements in his speech to the nation, one for English Canada and another for Quebec, and because he stated on one network that Quebec is receiving too much money and on the other, not enough, I move, seconded by the Hon. Member for Longueuil (Mr. Olivier):

That the House condemn once again the Leader of the Progressive Conservative Party for his intellectual dishonesty, urge him to show at least the courage of the hon. member for Winnipeg-Assiniboine (Mr. McKenzie) who, although he is both anti-bilingualism and anti-French Canadian, never speaks from both sides of his mouth—

• (1110)

[*English*]

—and ask this House to condemn the Conservative Leader's new habit of speaking out of both sides of his mouth and wish that he would go back to his old habit of putting his foot in it.

Some Hon. Members: Hear, hear!

Some Hon. Members: Oh, oh!

Madam Speaker: Is there unanimous consent for this motion? The Hon. Member for Yukon (Mr. Nielsen).

Mr. Nielsen: Madam Speaker, when there has been unparliamentary language used in this period—

Some Hon. Members: Order.

Mr. Nielsen: —an objection must be raised immediately. In listening to the French translation channel, I heard the words "intentionally dishonest" attributed to the Right Hon. Leader of the Opposition. If that translation was—

Madam Speaker: I thought the Hon. Member was debating the motion. I suppose that he is rising on a point of order. I will listen to his point of order later on because, as he knows, we must proceed with Motions under Standing Order 43 and then proceed to the Question Period. If the Hon. Member has a point of order to raise, I can hear him later.

Mr. Nielsen: Your Honour should hear it now.

Madam Speaker: No, the rule under the practice of this House is that the Speaker neither entertains points of order nor questions of privilege at these particular times. However, I can hear them later on.

Mr. Nielsen: Well, in the meantime, could I be provided with an accurate text of the motion just moved?

Some Hon. Members: Sure.

Madam Speaker: Is there unanimous consent for this motion?

Some Hon. Members: Agreed.

Some Hon. Members: No.

THE ECONOMY

REPORTED COMPOSITION OF PROPOSED ROYAL COMMISSION

Mr. Terry Sargeant (Selkirk-Interlake): Madam Speaker, I rise under the provisions of Standing Order 43 on a matter of very urgent and pressing necessity. Whereas Canadians from coast to coast would no doubt agree the key to economic recovery lies in appointing yet another Royal Commission to study the economy, and whereas the federal Liberals, ever attuned to meeting head on the problems facing Canada, are reported to be considering such a commission, I move, seconded by the Hon. Member for Hamilton Mountain (Mr. Deans):

That this House commend the Government for hiring Liberal exhaustees, Donald Macdonald and Ian Stewart, to study the mess they have created over the past decade and urge the Government to hire the hundreds of thousands of remaining exhaustees as permanent staff of the commission.

Madam Speaker: Is there unanimous consent for this motion?

Some Hon. Members: Agreed.

Some Hon. Members: No.

* * *

POLITICAL PARTIES

CHESTERTON ON LIBERALISM AND LIBERALS

Hon. Elmer M. MacKay (Central Nova): Madam Speaker, in view of the obvious disillusionment of many young members of the Liberal Party with the hierarchy of Messrs. Coutts and Davey as well as other non-elected power brokers in our political system, expressed at the time of their National Party Conference, I move, seconded by the Hon. Member for Hastings-Frontenac-Lennox and Addington (Mr. Vankoughnet):

That this House consider, for the benefit of Liberal delegates, the sentiment of G. K. Chesterton of literary fame, who expressed the following: "As much as I ever did, more than ever I did, I believe in Liberalism: but there was once a time, a rosy time of innocence, when I also believed in Liberals".

Some Hon. Members: Oh, oh!

Some Hon. Members: Hear, hear!

* * *

[*Translation*]

HUMAN RIGHTS

DISCRIMINATORY LIST COMPILED BY QUEBEC PÉQUISTE GOVERNMENT

Mr. Marcel Roy (Laval): Madam Speaker, under the provisions of Standing Order 43, I wish to draw the attention of my colleagues in this House to a serious injustice that has been perpetrated against a group of Canadians living in Quebec. I am referring to the discriminatory black list of ethnic groups prepared by the Parti Québécois government, which unfortunately reflects the kind of society that government wishes to establish, a society in which there is no salvation for people who do not fit into the PQ plan, whose goal is to separate Quebec from Canada. The effect of this action is divisive, it generates hate and it is against the objectives pursued by the Charter of Rights and Freedoms. I move, seconded by the Members for Rosedale and Hamilton Mountain (Messrs. Crombie and Deans):

That the act of preparing this blacklist is repugnant, unjust, provocative and worthy of censure, and goes against the Canadian Charter of Rights and Freedoms. We wish to remind this group of citizens in Quebec that they are full-fledged Canadians.

Madam Speaker: Is there unanimous consent for this motion?

Some Hon. Members: Agreed.

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

Some Hon. Members: Agreed.

Motion agreed to.

• (1115)

ORAL QUESTION PERIOD

[*English*]

LABOUR CONDITIONS

INCREASE IN UNEMPLOYMENT—REQUEST FOR CHANGES IN GOVERNMENT POLICY

Hon. David Crombie (Rosedale): Madam Speaker, my question is directed to the Minister of Finance. A year ago I asked the Government, when the unemployment rate was at 8.3 per cent, what it would do to stimulate employment. At that time I was advised by the Government that I should await the budget of the Minister of Finance in that November because it would contain initiatives to stimulate employment. History has shown us that, not only did it not create any employment initiatives, indeed the budget was instrumental in causing the historic high unemployment rates which we have this morning.

Last week the new Minister of Finance announced a job creation program which would create 60,000 jobs. In light of this morning's statistics on unemployment levels in the country, I would like to ask the Minister of Finance what changes he is considering to his statement of last week.

Hon. Marc Lalonde (Minister of Finance): Madam Speaker, indeed the figures released this morning are very distressing. However, I remind the Hon. Member that in my statement of last week I indicated that we should expect such high levels of unemployment over the next while, that unemployment will only gradually decline over next year, 1983, and that we should take all necessary steps to help those most in need during that particular period. Although the economy will know

recovery during 1983, the impact on unemployment will only be slow and gradual.

I remind the Hon. Member that, contrary to his initial statement, a number of measures were contained in both the November and the June budgets to help create jobs. As a matter of fact, we allocated $1.2 billion in job creation programs during that period. On top of this I announced last week a $1.1 billion program of direct and indirect job creation which should contribute toward alleviating this particular problem. However, I also indicated that we were under no illusion that this would have a dramatic impact on the unemployment level. That will only take place with a general recovery and with a resurgence of activity both in Canada and internationally. I remind the Hon. Member that unemployment at the present time is high in all industrialized countries by historical standards, and that we will pursue very actively our program of economic recovery.

Mr. Crombie: I take it from the response that the Minister is saying that there will not be any change in the Government's program in light of the statistics this morning.

ASSISTANCE FOR YOUNG UNEMPLOYED

Hon. David Crombie (Rosedale): Madam Speaker, in the absence of the Minister who speaks for the Minister of State for Social Development in the other place, I will direct my next question to the Minister of Finance. The major thrust of the program of the Minister of Finance as stated last week was the creation of 60,000 jobs primarily aimed for those coming off unemployment insurance.

• (1120)

I am sure the Minister of Finance is aware that the unemployment level this morning for people between the ages of 15 and 24, the majority of whom are not the so-called exhaustees of unemployment insurance, stands at 21 per cent. I would like to ask the Minister if he has any specific program to help these people.

Hon. Lloyd Axworthy (Minister of Employment and Immigration): Madam Speaker, I would like to point out to the Hon. Member that we do in fact have a number of programs that are directed to helping young people get first-time employment in the job market. The Canada Community Development Projects, as I have said in the House before, are now coming onstream and will provide, between now and Christmas, close to 60,000 new jobs. About 40 per cent of those jobs will go to people under the age of 24 in terms of direct employment.

We introduced a program last summer whereby we provide a subsidy of up to $2 an hour to employers under the Program for the Employment Disadvantaged in order to attract young people into the job market and give them first-time job experience.

We have those two programs in place, as well as a number of others related to student employment, and a new Outreach Program which provides proper counselling and guidance for young people so that they can go into the training programs which we are also introducing this year. We really have a three-pronged approach to try to address the problems of young people. We recognize it to be one of the very serious pressure points in the over-all employment picture.

Mr. Crombie: Madam Speaker, the Minister of Employment and Immigration has the same position as the Minister of Finance, and that is not to make any changes in light of the statistics this morning.

REGIONAL UNEMPLOYMENT

Hon. David Crombie (Rosedale): Madam Speaker, I have another supplementary question for the Minister of Industry, Trade and Commerce and Minister of Regional Economic Expansion. The Canadian people may find more hope from him than from the other two. The Minister is responsible for the old regional economic development programs. He might be interested to know this morning that Prince George-Peace River now has an unemployment rate of 18.9 per cent. It was 9.1 per cent a year ago. A year ago Sault Ste. Marie had an unemployment rate of 6 per cent. It now has an unemployment rate of 17 per cent. Hamilton—

Some Hon. Members: Question.

Mr. Crombie: The people in Hamilton want an answer to this question.

Some Hon. Members: Hear, hear!

Mr. Crombie: The unemployment rate in Hamilton has gone from 7.1 per cent to 14.3 per cent. The Gaspé has gone from 16.2 per cent to 22.4 per cent. The Annapolis Valley has gone from 7.9 per cent to 13.5 per cent. It has doubled in a year. Clearly—

Madam Speaker: Order. I am awfully sorry. The Hon. Member is on his second supplementary. That second supplementary is very long and he still has another preamble. His enumeration of statistics has nothing to do with asking the question.

Mr. Crombie: Thank you very much, Madam Speaker. In light of those statistics, it is clear that the Government's programs have not worked. I would like to ask the Minister what new intiatives he is going to take.

Hon. Ed Lumley (Minister of Industry, Trade and Commerce and Minister of Regional Economic Expansion): First of all, Madam Speaker, the Hon. Member is talking only about high unemployment figures. I notice that he has not mentioned the substantial trade surplus figures which were also announced in the last couple of days. In spite of a lot of objections from some of colleagues on his side of the House with regard to the Export Development Corporation, this

Government made a decision two years ago to get into the export subsidy business to create jobs for Canadians right across the country. That is one of the reasons why we have a record trade surplus in Canada this year.

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IMMIGRATION

RETENTION OF FOREIGN WORKERS BY ATOMIC ENERGY OF CANADA LIMITED

Mr. John McDermid (Brampton-Georgetown): Madam Speaker, my question is for the Minister of Employment and Immigration. I would like to get down to some specifics. Does the Minister know that Atomic Energy is laying off qualified Canadians while at the same time keeping foreigners on work permits on staff? May I ask the Minister if he will investigate this matter as it does not do much to encourage Canadians to trust this administration?

Hon. Lloyd Axworthy (Minister of Employment and Immigration): Madam Speaker, I am always prepared to investigate any matter that is brought forward by a Member of Parliament. The Hon. Member, being an immigration critic in this House, should know full well that we have established a very firm policy. As far as employment is concerned, the first choice and opportunity for any job goes to a Canadian. We do not authorize any employment or immigration visa until an employer has tested right across Canada to see if there is an available Canadian for the job. In fact, when the immigration levels were established just last week, we put a total restriction on workers from overseas to ensure that Canadian workers have the first chance. This demonstrates that we are giving encouragement to Canadians to get those jobs first.

Mr. McDermid: The Minister did not answer the question as to whether he will investigate that claim.

EMPLOYMENT OF NON-NATIONALS BY PETRO-CANADA

Mr. John McDermid (Brampton-Georgetown): Madam Speaker, I want to go on. I was interested in the Minister's comments. While he is at it, will the Minister investigate why his Department allowed workers to come from the southern United States into Montreal to do a clean-up job at PetroCan's refinery in Montreal, when equipment and trained Canadian manpower were available to do the job, in fact in Sarnia, Ontario? This Government asks for trust while these trained Canadians stand by waiting for employment. It allows foreigners to come in on work permits and do jobs Canadians are trained, willing and able to do. Will he investigate that particular situation? Both of these involve Crown corporations.

• (1125)

Hon. Lloyd Axworthy (Minister of Employment and Immigration): Madam Speaker, I think it would be a serious mistake for the Hon. Member to take one or two cases where he may have information and generalize a total policy. He knows full well, and we have examined the issue many times in committees of this House, that we have established a very firm policy concerning work permits which are not given to outside workers if there is a Canadian available for the job. If there have been transgressions against that policy, specific circumstances, I will look into them and correct them, but the general policy holds true that Canadians get the first opportunity.

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CORPORATE AFFAIRS

REPORTED BREAK-IN AT DEPARTMENT HEADQUARTERS

Mrs. Jennifer Cossitt (Leeds-Grenville): Madam Speaker, my question is for the Minister of Consumer and Corporate Affairs. Will the Minister confirm that the RCMP are investigating, or have investigated, a break-in at his Department in Place Du Portage over the past weekend and, if so, will he tell this House if the confidential papers concerning the PetroCan takeover of BP retail outlets are held in the area where the break-in occurred and, if they are, will he assure us they were not tampered with in any way during that break-in?

[*Translation*]

Hon. André Ouellet (Minister of Consumer and Corporate Affairs): Madam Speaker, I shall have to check this statement. I do not know about this.

[*English*]

INVESTIGATION CONDUCTED BY ROYAL CANADIAN MOUNTED POLICE

Mrs. Jennifer Cossitt (Leeds-Grenville): I appreciate the response, Madam Speaker. If these documents were tampered with, would the Minister also explain to this House why the municipal police were not called into investigate further, and why the RCMP are conducting this investigation?

[*Translation*]

Hon. André Ouellet (Minister of Consumer and Corporate Affairs): Madam Speaker, I have noted the Hon. Member's second question and I shall look into the matter.

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[*English*]

THE ECONOMY

REPORTED APPOINTMENT OF ROYAL COMMISSION

Mr. Cyril Keeper (Winnipeg-St. James): Madam Speaker, my question is for the Minister of Finance. Unemployment today is up again at 1.4 million. This is the same level as for fully one-half of the years of the Great Depression. The response of the Government seems to be to appoint a commission of inquiry into economic matters. How can the Minister justify the appointment of the same people who got us into this economic mess, as a substitute for real economic strategy?

Hon. Marc Lalonde (Minister of Finance): Madam Speaker, obviously, I have no comment to make on the speculation to which the Hon. Member refers, but I will refer him to the fact that, for 12 weeks in a row now, we have seen a decline in the bank rate. We have also seen a decline in the inflation rate. Which will lead, as it has led in the past, to lower interest rates. It will help stimulate business in this country, it will help the people with mortgages, and it will help the construction industry. I remind him that the housing industry association is now predicting some 150,000 housing starts next year, compared to much lower rates this year. So there are hopeful times on the horizon. The oil and gas industry has forecast a very good year in 1983. Some even predict it will be a better year in 1983 than the record year in 1980.

My consultations in the United States indicate that investment houses there, for instance, foresee a better year for Canadian oil and gas in 1983 than in the U.S.

The Hon. Member asks about unemployment. Indeed, this is going to create jobs for Canadians. If the oil and gas industry, and the housing industry keep on, as is being forecast by the industries themselves, that is going to create jobs. We are going to generate jobs by lower interest rates and more activity in the private sector. That is what we need, jobs of a permanent nature. We will do our best as a Government to help those who are in need, and to create temporary jobs to ease us over this extremely difficult period. But things are happening at the present time which are encouraging.

• (1130)

ECONOMIC STRATEGY

Mr. Cyril Keeper (Winnipeg-St. James): Madam Speaker, the Minister seems to describe as signs of recovery those which are indicators of the recession. An official of the Department of Employment has indicated that half the jobs lost over the last year are gone forever, yet the Government's response in the Minister's economic statement has been the NEED Program which will simply recycle people back into the unemployment insurance system after 20 weeks of work, while Unemployment Insurance Premiums go up, which is a drag on the economy. When is the Minister going to adopt an economic strategy which really works for people, rather than continuing to dampen the economy?

Hon. Marc Lalonde (Minister of Finance): Madam Speaker, I covered that quite extensively in my statement of last week and I invite my hon. friend to read it if he did not listen to it at that time. I indicated at that time there were a number of measures the Government could take, and was taking, to help those most in need in this difficult time, but the thrust of my economic statement and the thrust of the economic policy of this Government is to create the environment whereby the private sector is going to be the engine of the recovery. This is what we have been working on ever since my predecessor introduced the six and five program on June 28 of this year.

I wish the Hon. Member's party would support that program because it has produced very good effects—

Mr. Deans: More unemployment.

Mr. Lalonde: —and it will produce even better effects. As far as the broad issue is concerned, I remind my hon. friend that, even in the United States, and in Europe at the present time they are also experiencing a recession. There are 30 million unemployed in the OECD countries at the present time. We are part of this very difficult world we are living in, and we will do everything we can to make sure that Canada is not going to suffer as much as it could otherwise.

JUSTIFICATION FOR GOVERNMENT PROGRAMS

Mr. Cyril Keeper (Winnipeg-St. James): Madam Speaker, I wonder how the Minister can justify a Canada which has become a nation of part-time workers, a Canada in which we have lost 500,000 permanent jobs, a Canada in which job creation means 20 weeks of work to requalify for unemployment insurance—when people need permanent full-time work? How can Canadians trust a Government that acts like that?

[*Translation*]

Hon. Marc Lalonde (Minister of Finance): Madam Speaker, we are not trying to justify the situation but to correct it. That is the government's role, and that is what we are trying to do. We are trying to use all the resources at our disposal and those we can develop with the private sector, labour and management and the provincial governments, so that Canada will experience the economic recovery we all need. My hon. colleague should realize, however, that the present world situation is such that even the United States is experiencing the highest level of unemployment it has ever known. So that is the situation, and we will all have to make a joint effort to create an economic environment that will provide the necessary stimulation, instead of merely criticizing as the Hon. Member is doing.

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CORPORATE AFFAIRS

IMPACT OF BILL S-31 ON QUEBECAIR

Mr. Pierre Gimaïel (Lac-Saint-Jean): Madam Speaker, my question is directed to the Minister of Consumer and Corporate Affairs. Yesterday, I think everyone in Quebec was able to watch the Quebec Minister of Transport make his statement on television, and my question to the minister is simple: Further to the introduction of Bill S-31 in the Senate, can the minister inform us whether or not this legislation will cause Quebecair to go bankrupt and whether the Quebec Minister of Transport has perhaps hit on this legislation as a way of extricating himself from a proposition in which the province of Quebec has invested tens of millions of dollars, and I am referring to Quebecair?

Hon. Jean-Luc Pepin (Minister of Transport): Madam Speaker, I think the Hon. Member is a very good investigator. It is public knowledge that well over a year ago, we were about to see the first stage of a merger between Nordair and Quebecair. At that time, the Quebec government intervened to prevent this, for political reasons, and invested $15 million in Quebecair which it considered a commercially viable operation, an investment which today does not have the same value as it did at the time. Now, the Quebec Minister of Transport is trying to blame us for the decision it made then, and the telegram he sent us today should be seen in that light. The fact is that there is no fundamental difference between Section 15(1) of the Aeronautics Act, which goes back to 1977 and prohibits transfer of control of an air carrier to a provincial government, and Bill S-31, which prohibits a provincial government from holding more than 10 per cent of the shares of an air or other carrier. There is no basic difference between the two sets of legislation.

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[*English*]

LABOUR RELATIONS

REQUEST THAT GOVERNMENT END NORDAIR STRIKE

Mr. Geoff Scott (Hamilton-Wentworth): Madam Speaker, at this time last week the Minister of Transport said he would give us a status report on the Nordair strike. Given this morning's awful unemployment figures I think he will agree it is shameful that lack of action should keep out on the street those who want to work. Given the fact that the union has turned down the latest offer from Nordair by a majority of 83 per cent, when will the Government move to end this very lengthy and inconvenient work stoppage?

Hon. Jean-Luc Pepin (Minister of Transport): Madam Speaker I did indeed look into the matter and found out—and my hon. friend is aware of it as well, if not better than I am—that this is an intra-union debate. The same union represents both the white collar and the blue collar workers. Efforts have been made to decertify the union by an appeal to the Canada Labour Relations Board, which the Board refused. This is the imbroglio which has been created, and really the labour side should try to solve it because that is the key to the resolution of the problem itself.

APPOINTMENT OF MEDIATOR REQUESTED

Mr. Geoff Scott (Hamilton-Wentworth): Madam Speaker, perhaps I could put my supplementary to the Minister of Labour and ask him what is the holdup. Are the union leaders sacrificing the interests of the 550 clerical workers out there, or is Nordair deliberately prolonging the strike because it is not too profitable these days to fly these east-west routes? What is the holdup, and will the Minister appoint a mediator to clear it up?

Hon. Chas. L. Caccia (Minister of Labour): Madam Speaker, this is a situation we have been following with great interest and concern since the strike began on July 26. Three days ago a vote took place and the company's offer was rejected by the union. There are at the present time no indications that a mediator has been requested by both sides. But I can assure you, Madam Speaker, that mediator Waller stands available at any time, as soon as both sides request the services of a mediator.

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PENITENTIARIES

AFTERMATH OF STONY MOUNTAIN HOSTAGE-TAKING INCIDENT

Mr. Jack Murta (Lisgar): Madam Speaker, my question is directed to the Solicitor General. Now that the hostage-taking incident in Stony Mountain Penitentiary is over, can the Minister bring the House up to date on what methods his officials will use in trying to get to the bottom of what is becoming a very, very serious problem in our prisons right across this country, that is, Madam Speaker, the whole question of over-crowding, and the question of safety, which you keep hearing more often than not from prison guards?

There seem to be two major concerns but, if there are others, can the Minister indicate them to the House, and what does his department intend to do about the matter?

Hon. Bob Kaplan (Solicitor General): Madam Speaker, I regard the hostage-taking incident at Stony Mountain as a serious one. A special inquiry is under way there now and I would not want to comment on the causes of this incident until I have that report. However, I think it would be reassuring for the Hon. Member opposite, and for all Members, to know that in spite of the tragic nature of so many of these hostage-taking incidents, and the number of them, there are fewer this year than there have been in any year since 1974. I do not accept the present situation as being desirable and I insist that we learn, and improve, on every occasion, our methods of dealing with hostage-taking incidents.

I do not think it is fair to say the problem is getting out of hand or that it is worse than it has been in the past. In fact we have learned a great deal from hostage-taking incidents, and I think we have done a lot to avoid some of the past causes of hostage-taking incidents.

• (1140)

Mr. Murta: Madam Speaker, the Minister has not really told us anything that we did not already know about what the Government is doing.

TERMS OF REFERENCE OF INVESTIGATION

Mr. Jack Murta (Lisgar): Madam Speaker, I have a supplementary question. What kind of investigative inquiry is taking place in Stony Mountain? What are some of the

rules—what are the parameters of the investigators, whoever they may be? I assume that people within the Minister's Department are looking into this. When does the Minister expect a report to be made, either to him or to the House, so that the Canadian people can begin to try to understand what the investigators, the authorities and the inmates have to grapple with in a system that seems to be becoming very, very shaky indeed? What is causing these incidents to occur from time to time?

Hon. Bob Kaplan (Solicitor General): Madam Speaker, two types of investigation are virtually automatic. In the first case the police are called in because crimes or offences have been committed. I would remind the House that a hostage taking is a violation of the Criminal Code. The police come in and they are completely independent from the Government, from the system and from the correctional service. They have full access to everyone, and they lay charges when charges are justified. They also make recommendations when those are justified.

The second string is the work of the Inspector General. The purpose of his investigation is not to find fault with anyone—that is left to the police—the purpose of his investigation is to make recommendations for dealing with the type of situation that gave rise to a particular hostage taking. In order to be effective, confidentiality applies to the work and the report of the Inspector General. I will be prepared to make a statement when I have the report of the Inspector General on the Stony Mountain incident. I can assure the Hon. Member that, where action is justified and can be taken to reassure the surrounding community, which is the most important thing, to reassure the members of the staff, even to reassure the inmates about their personal safety and security in the face of the violence that caused these incidents, then I will be prepared to make a statement about it.

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RAILWAYS

REQUEST THAT WORK FORCE REDUCTIONS BE HALTED

Mr. Mark Rose (Mission-Port Moody): Madam Speaker, I have a question for the Minister of Finance concerning his plans for upgrading the railways of Canada and, according to him, for the creation of some 400,000 jobs by 1991. Since for years the railways have been eliminating an average of 5,500 jobs per year, and in view of the statement made yesterday by the Chairman of CN, Mr. Jack Horner, that there will be even more lay-offs on the railway, will the Minister secure a commitment from the railways that, in view of the public investment of $400 million for this year alone, there will be no further reduction in the size of the work force employed on Canada's railways?

Hon. Jean-Luc Pepin (Minister of Transport): No, Madam Speaker, this is not a promise that we can make. Speaking about CN, the Crown corportions of Canada were not created to achieve social objectives, but as business and commercial operations. Second, the principles under which Crown corporations would keep employees over a period of time when it is not needed, is not one that is accepted by the Government. There were instances, though, when this was done, particularly when the Government moved to create a fund to help a rationalization of a certain service. This is not the case here. The principle invoked by the question is not one that is generally acceptable, however.

Mr. Rose: With the conditions that exist in Canada at this time, perhaps it might be advisable to review that principle, Madam Speaker.

LACK OF GOVERNMENT EQUITY

Mr. Mark Rose (Mission-Port Moody): What concerns many of us is that the railways will take Government handouts and reduce their own investments by an amount equal to those handouts.

If the Minister cannot guarantee job security on the railways, will he at least take steps to prevent the Government from squandering millions more on the railways without a dime's worth of equity for the public investment?

Hon. Jean-Luc Pepin (Minister of Transport): No, Madam Speaker. As I was saying, there have been a number of instances when the Government counted on the railways, the CN in particular, to rationalize a service, and such rationalization was substantially detrimental to the labour force. In these instances the Government has intervened and put an amount of money on the table to facilitate that rationalization. These were exceptional circumstances, however.

In the present circumstances, the principle invoked by the question is not accepted by the Government because Crown corporations were created to be part of the commercial operation of Canada; they were not created as extensions of the Department of National Health and Welfare.

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THE ECONOMY

APPOINTMENT OF ROYAL COMMISSION

Mr. D. M. Collenette (York East): Madam Speaker, my question is directed to the Right Hon. Prime Minister. According to press reports, an announcement will be made of a special Royal Commission to deal with the economy. I should like to ask the Prime Minister if this is true and, if so, if he is at liberty to reveal its membership?

Right Hon. P. E. Trudeau (Prime Minister): Madam Speaker, I am happy that the Hon. Member has shown interest in this matter. I can assure the Opposition that, as far as I know, the interest is purely spontaneous. I am glad to have an occasion to answer this in the House because it is a matter of some embarrassment to me that this leak has occurred, and

I am sure it is of great embarrassment to Mr. Donald Macdonald who has been approached to be the Chairman of such a Royal Commission.

With your indulgence, Madam Speaker, I am happy to give what details I can of the Royal Commission. I want to assure the House that it had been my intention to make an announcement in a statement on motions, when the Opposition would have had a chance to answer questions. This is not possible now. I am happy—

Some Hon. Members: Oh, oh!

Mr. Trudeau: I am glad they are so amused over there, Madam Speaker.

An Hon. Member: We are.

Mr. Trudeau: I am certainly glad that the Liberal Members are more interested in acquiring knowledge on the creation of a Royal Commission, the purpose of which would be to inquire into the economic prospects in Canada in the middle and longer term, and to look at the institutional arrangements which might be necessary for the strengthening of that economic union.

If the Hon. Member has a supplementary question I will be very happy to answer it, Madam Speaker.

Some Hon. Members: Oh, oh!

INQUIRY RESPECTING TERMS OF REFERENCE

Mr. D. M. Collenette (York East): With all due respect to the Prime Minister, Madam Speaker, he did not answer my question in its totality, if I may borrow that phrase.

Since the Prime Minister has confirmed his plan to announce the appointment of this Royal Commission, could he tell the House some of the terms of reference for the membership of that Royal Commission?

Mr. Beatty: What about John Turner?

Right Hon. P. E. Trudeau (Prime Minister): Madam Speaker, as to the terms of reference, they are going to be submitted to the Governor General early this afternoon. Until the document has acquired his signature, obviously I am not free to make those terms of reference known. I would be happy to have them tabled in the House sometime this afternoon, if the House will give consent.

I can even say that, to add to my embarrassment, I have not even consulted my colleagues in Cabinet or caucus on this project, although the Deputy Prime Minister knows about it.

Some Hon. Members: Oh, oh!

Mr. Beatty: Tell Lalonde.

Mr. Trudeau: Madam Speaker, I am sorry that this announcement and the answer to the questions are being greeted so lightly by the Opposition. I think this Royal Commission will be extremely important, in terms of the change in thinking regarding the future of the country. I hope it will play a role as important as that played by the Rowell-Sirois Royal Commission in the years after that was produced.

Finally, Madam Speaker, I wish to tell the Hon. Member that no other member has been approached. The Chairman is the only one who has indicated acceptance, and he was in the process of consulting other participants. No doubt that is how—

• (1150)

Mr. Nielsen: That is a really short answer, isn't it?

Mr. Trudeau: I am sorry, the Opposition House Leader—

Madam Speaker: Order, please. I am sorry to interrupt the Prime Minister but I think he had a chance to answer that question adequately.

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[*Translation*]

FAMILY VIOLENCE

INQUIRY RESPECTING RATE OF INCREASE IN VIOLENCE AGAINST WOMEN

Mr. Jim Hawkes (Calgary West): Madam Speaker, my question is directed to the Minister of National Health and Welfare. Rising unemployment tends to bring about an increase in crimes of violence, including wife battering. Could the Minister inform the House how much the incidence of wife beating has increased over the last six months?

Hon. Monique Bégin (Minister of National Health and Welfare): Madam Speaker, first of all, on behalf of many of my colleagues, I would like to congratulate my opposition colleague on his efforts to speak French, because it is certainly not easy. That being said, I would have preferred receiving notice of his question, because I would need statistics which unfortunately I do not have here before me. We have enclosed an insert with Family Allowance cheques which, I believe, has been fairly well received by Canadians and which tries to advise on how to cope with the issue of battered wives, that is, what people should do in cases where there is violence in the family. As for statistics covering the last six months, I will provide them as soon as possible.

[*English*]

RECOMMENDATION TO HOLD FEDERAL-PROVINCIAL CONFERENCE

Mr. Jim Hawkes (Calgary West): Madam Speaker, my supplementary question is addressed to the minister responsible for the status of women. She will know that some five months ago the Standing Committee on Health, Welfare and Social Affairs recommended the holding of a federal-provincial conference for the express purpose of dealing with the issue of battered wives. Could the Minister report to the House

the progress that has been made on the holding of that conference, what communications were made to the provinces, and hopefully the date on which that conference will occur?

Hon. Judy Erola (Minister of State (Mines)): Madam Speaker, if the Hon. Member had followed events carefully, he would be aware that the various Ministers within the federal government have already agreed to hold meetings with their provincial counterparts, because this covers a very wide spectrum. I have had the assurance of a number of Ministers, including the Solicitor General and the Minister of National Health and Welfare, that those discussions will take place.

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FISHERIES

INQUIRY RESPECTING GOVERNMENT POLICIES

Mr. Lloyd R. Crouse (South Shore): Madam Speaker, I wish to direct my question to the Minister of Fisheries and Oceans. Also at this time I wish to congratulate him on his appointment to this new position. There have been reports in the press and on Newsradio that the Kirby Report recommends the setting up of yet another Crown Corporation called "Phoenix", for the purpose of taking over the management of four large fishing companies in Atlantic Canada. Since this type of action is really an indictment of his predecessor, whose licensing policies, quota restrictions on Canadians, and marketing policies were unjust and unworkable, when will the Minister be making a statement in the House outlining the Government's policies as they apply to this important primary industry?

Hon. Pierre De Bané (Minister of Fisheries and Oceans): Madam Speaker, I would like to say something to my hon. friend. I have met a lot of people in the last month, many of them from the industry sector. Not one of them has told me that the problems this sector is experiencing at the moment are due to any policy of my predecessor. On the contrary, he succeeded in obtaining the 200-mile zone which has been a tremendous boost to our fishery.

Some Hon. Members: Hear, hear!

Mr. De Bané: I will just remind the Hon. Member that, when the Minister took over the Department, our fishermen on the Atlantic coast had a catch of 400,000 tonnes—

Mr. Mayer: Order.

Mr. De Bané: This year it will be 800,000 tonnes.

Some Hon. Members: Order.

Madam Speaker: Order, please.

Mr. De Bané: As for any indictment—

Madam Speaker: Order, please.

Mr. De Bané: —of his policies, I would inform—

Madam Speaker: Order, please. Even I realize that the Hon. Minister is not really answering the question but giving other information which might be extremely valuable but is not exactly relevant to the question. I would not want to express any opinion on that, except that I want to tell the Hon. Minister that he must be brief.

Mr. De Bané: Madam Speaker, the Hon. Member was speaking about an indictment of my predecessor. Therefore, concerning the question put about Government intervention in the fishing sector, this summer when Fishery Products Limited decided to close the plant in St. Anthony, where 700 people were employed, because the company was losing money, my predecessor decided to take over that plant. I am happy to report to the House that the plant will be making a slight profit and the 700 people are working.

Mr. Crouse: Madam Speaker, we, in Atlantic Canada, recognize that the Government did establish a 200-mile limit. But what seems to be at issue here are the quotas and the people who have been permitted to fish within that limit while Canadians at times are required to stay ashore. That is the problem.

Some Hon. Members: Hear, hear!

REQUEST THAT JOINT PARLIAMENTARY COMMITTEE BE ESTABLISHED

Mr. Lloyd R. Crouse (South Shore): Madam Speaker, it is obvious that the Government's fisheries policies, from what the minister has just said, have not been working in recent years, otherwise the Government would not have had to intervene. These policies have inhibited Canadian fishing activities, both offshore and inshore, through restrictive and confusing fishing quotas and licences. Therefore, will the minister give consideration to establishing a joint parliamentary committee composed of Members of Parliament who have some expertise in this field and who represent large fishing ridings for the purpose of discussing current problems in the hope that this parliamentary task force, which I would remind the Government and the Prime Minister will not cost the country anything, could come up with some positive recommendations for the resolution of the present difficulties?

Hon. Pierre De Bané (Minister of Fisheries and Oceans): Madam Speaker, of course our Standing Committee on Fishery and Forestry is free to study whatever problem that Members would like to discuss.

Some Hon. Members: Oh, oh!

Mr. De Bané: But I think at the moment what our fishermen would like is not more discussion, but action. The Hon. Member will see in the next few months that the Government of Canada is giving leadership to that very important sector of our economy.

SOCIAL SECURITY

MINISTER'S SPEECH TO LIBERAL CONVENTION

Mr. Neil Young (Beaches): Madam Speaker, my question is for the Minister of National Health and Welfare who was in her seat two or three minutes ago. She seems to have gone out for a smoke.

Some Hon. Members: Oh, oh!

Mr. Young: I do not know whether the Minister is in the lobby and is coming into the House, but I did give her notice of my question.

An Hon. Member: Here she is.

Mr. Young: I see her now.

Some Hon. Members: Hear, hear!

Mr. Young: Madam Speaker, could the Minister confirm to this House that she told the Liberal convention meeting yesterday that the elderly in Canada need an increase of at least $25 a month to their pensions but that the Government will not give it to them? Will the Minister also confirm that she and the Government have now abandoned the elderly of Canada and, in effect, have hung them out to dry?

Hon. Monique Bégin (Minister of National Health and Welfare): Madam Speaker, I may have sinned a bit while in China and smoked a little for three weeks, but I want to tell the Hon. Member that I have stopped once again.

Some Hon. Members: Hear, hear!

Miss Bégin: I have to deny two aspects of the Hon. Member's question, which I find very detrimental. I repeated the Government commitment to seniors, in particular single pensioners, receiving the GIS, that as soon as we can we will find that money. Everybody knows what the situation is right now in this country. I reiterated that commitment, and I reiterated the commitment to pension reform. I said that the Green Paper will be released shortly. It will be a green paper with concrete peoposals for discussion by various groups in Canada in order that, as soon as the economy picks up sufficiently, we will be ready to move with pension reform that all Canadians want to have.

• (1200)

REQUEST THAT MINISTER RESIGN

Mr. Neil Young (Beaches): Madam Speaker, my supplementary is to the same Minister. We have heard that same story before, at least for the last 12 months. It is obvious to me and this House that the Minister is quite good at making all kinds of pious statements about the needs of the elderly, yet she tolerated capping increases in pensions to 6 per cent and 5 per cent in the last budget. She is even reported as being in favour of ending universality of old age pensions. Will the Minister now put an end to this hypocrisy and offer her resignation to this House?

Hon. Monique Bégin (Minister of National Health and Welfare): No, never, Madam Speaker.

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AGRICULTURE

LEVEL OF BEEF IMPORTS

Mr. Bert Hargrave (Medicine Hat): Madam Speaker, my question is directed to the Minister responsible for international trade. I am sure that the Minister will be aware of the beef export issue brought about by the anticipated closure of the American beef market to our Canadian beef. This is due to the filling of their global quota in the United States for beef. It is a situation which will occur in the very near future.

The Minister will also be aware of the voluntary arrangements agreed to by beef producers in Australia, New Zealand and Canada, with American producers. Would the Minister indicate if current beef imports into Canada are presently being monitored under the Export and Import Permits Act? Would he assure our Canadian beef producers that beef imports for this year will not exceed 142 million pounds, of which 118 million pounds is from offshore, that is, Australia and New Zealand?

Hon. Gerald Regan (Minister of State (International Trade)): Madam Speaker, the Hon. Member brings a matter of some concern to the attention of the House, but I think I can give him good assurance that the Government has taken firm steps to deal with it. Due to the situation in the United States, an agreement was entered into by my predecessor, the present Minister of Industry, Trade and Commerce, and the Minister of Agriculture, with their counterparts in the United States. That agreement would limit the amount of Canadian beef going to the American market this year to approximately 121 million pounds. We are now at about 116 million pounds, which makes it obvious that full utilization will be made of that quantity.

Since the American restrictions also apply to other countries such as Australia and New Zealand, there was the danger of some of that excess being diverted into the Canadian market. We have established a system of beef and veal imports, and we are very confident that the amounts that will therefore come into the country in the relevant time period will not be above the 120 million to 130 million pounds that is established under the Canadian Beef Act. The situation is being carefully monitored. We believe that the situation is well contained.

BALANCE REMAINING IN QUOTAS

Mr. Bert Hargrave (Medicine Hat): I am sure the Minister knows that the concern of Canadian beef producers is that for the balance of this year only, surplus beef may be redirected by the boat load—especially from Australia—into ports like Montreal and Vancouver. Could the Minister indicate what the balance of the quotas available might be for the rest of this calendar year, especially for Australia?

Point of Order—Mr. Nielsen

Hon. Gerald Regan (Minister of State (International Trade)): Madam Speaker, I want to point out to the Hon. Member that I have already said that we are monitoring the amount that is coming in, on a daily basis. If those imports from the areas that the Hon. Member mentions increase significantly, they can then be limited under the provisions of the Meat Import Act. We are prepared to take those actions in order to protect the Canadian beef industry.

Madam Speaker: I find the House very nervous today. I wonder if some historical events are not insidiously influencing the conduct of Members. Do any Members remember that today is Guy Fawkes Day?

Mr. Nielsen: Madam Speaker, certainly we have not forgotten that it is Guy Fawkes Day, but I think that he is over at the Chateau Laurier at the moment.

Some Hon. Members: Oh, oh!

* * *

PETITION

MR. ROSE—CALL FOR REINSTATEMENT OF CAPITAL PUNISHMENT

Madam Speaker: I have the honour to inform the House that the Clerk of the House has laid upon the Table the three hundred and thirtieth report of the Clerk of Petitions, stating that he has examined the petition presented by the Hon. Member for Mission-Port Moody (Mr. Rose) on Thursday, November 4, 1982, and finds that the petition meets the requirements of the Standing Order as to form.

* * *

POINT OF ORDER

MR. NIELSEN—S.O. 43 MOTION OF MR. DAWSON

Hon. Erik Nielsen (Yukon): Madam Speaker, I rose during Motions under S.O. 43 with respect to a point of order concerning the words used by the Hon. Member for Louis-Hébert (Mr. Dawson) on a motion proposed under Standing Order 43. You will recall that I asked to be given a copy of a transcript of those remarks. I have not received such a transcript. Since I may have heard the English translation wrongly or, indeed, if the words were used—the Hon. Member has the opportunity to look at *Hansard* between now and the printing of *Hansard* for today—I think it would be prudent for me to withhold raising the point of order until next Monday.

I have, however, also heard from another Member of Parliament who said that he thought he heard words during the presentation of that motion under Standing Order 43 that might have offended his privileges as a Member. It may give rise to questions by other Members once we have examined the record.

If it is indeed necessary for me to raise the question on Monday, I will also be raising the question of the proper time at which to raise questions or points of order dealing with unparliamentary language. I will be briefly presenting an argument to the Chair to be made under Citation 323, subparagraph (2), of the Fifth Edition of Beauchesne where it sets forth:

(2) The proper time to raise such a point of order—

That is, dealing with unparliamentary language.

—is when the words are used and not afterwards.

Madam Speaker: I think we have to wait until the Hon. Member for Yukon (Mr. Nielsen) raises a point of order on this particular motion. The Hon. Member for Yukon indicates that he is reserving the matter and that he will look at *Hansard* and may raise it on Monday. Therefore, before it is raised I do not think we should discuss it.

[*Translation*]

Mr. Dawson: Madam Speaker, I rise on a point of order. It is a fact that I got carried away and may have used the expression "intellectual dishonesty". I do not know about the word "intellectual", Madam Speaker, but following consultations with my colleagues, I feel I must withdraw the word "dishonesty". As to the word "hypocrisy", I had looked it up in *Beauchesne's Parliamentary Rules and Forms* this morning, but I am now advised that it is unparliamentary language; so, as a good Parliamentarian, I want to advise the House that I withdraw these two words, although I feel that for all practical purposes, the motion I have moved under Standing Order 43 adequately reflects what we feel, my colleagues and I.

Madam Speaker: I suggest, therefore, that the matter is closed, the Hon. Member having withdrawn words which he feels may have offended the House.

[*English*]

Mr. Dan McKenzie (Winnipeg-Assiniboine): Madam Speaker, as I was mentioned in the motion of the Hon. Member for Louis-Hébert (Mr. Dawson) today, I would like to study his comments to see whether I have also been covered by his apology. If not, I will be raising the matter on Monday.

Madam Speaker: I simply want to remind the Hon. Member that unless some unparliamentary language was used, whatever was said about the Hon. Member has been dealt with by the House. Therefore, perhaps the Hon. Member might also want to consider what I am saying now, because then there would, of course, be no point in raising the matter in the House.

BUSINESS OF THE HOUSE

INTRODUCTION OF LEGISLATION IN SENATE

Mr. Deans: Madam Speaker, I have a question with regard to the Business of the House which I would like to raise at this point, if I may. There is a practice which has manifested itself over the last few days and which appears to be growing. It is that legislation which has considerable public interest, over which Members of the House of Commons have expressed concern, is being introduced in the Senate for discussion first, rather than the House of Commons.

I want to ask the Hon. House Leader for the Government (Mr. Pinard) if he would not reconsider this practice now before we get carried away with the appointed Senate dealing with what is, in essence, public business prior to the House of Commons having an opportunity even to debate it.

• (1210)

[*Translation*]

Mr. Pinard: Madam Speaker, I do no think this question relates to the business of the House but it is entirely in order. When a bill is introduced in the Senate, it must subsequently be considered in the House before it has force of law and before it can be given royal assent. This is not new and we are not creating a precedent. Now, if my hon. colleague does not agree with the procedure, since he sits on a special committee on parliamentary reform, he could bring up the matter and try to convince his colleagues. However, I do not think the matter is relevant to the business of the House for the next few days nor that it should be raised at this time.

ROUTINE PROCEEDINGS

[*Translation*]

STANDING ORDERS AND PROCEDURE

PRESENTATION OF THIRD REPORT OF SPECIAL COMMITTEE

Mr. Thomas H. Lefebvre (Pontiac-Gatineau-Labelle): Madam Speaker, on behalf of my twenty colleagues, I have the honour to present the Third Report of the Special Committee on Standing Orders and Procedure.

I would like to add that—

[*English*]

This report is unanimous and is in both of Canada's official languages.

Some Hon. Members: Hear, hear!

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

Order Paper Questions

LABOUR CANADA

TABLING OF TASK FORCE REPORT ON MICROELECTRONICS AND EMPLOYMENT

Hon. Chas. L. Caccia (Minister of Labour): Madam Speaker, today I have the honour to table copies of the Labour Canada Task Force Report on Microelectronics and Employment, in both official languages, respectively entitled: *La microélectronique au service de la collectivité*—In the Chips: Opportunities, People, Partnerships:

* * *

QUESTIONS ON THE ORDER PAPER

(Questions answered orally are indicated by an asterisk.)

Mr. David Smith (Parliamentary Secretary to President of the Privy Council): Madam Speaker, the following questions will be answered today: Nos. 4,038, 4,178, 4,203, 4,254 and 4,375.

[*Text*]

CHIP AND COSP PROGRAMS

Question No. 4,038—**Mr. Rose:**

1. For December, 1981, how many packages of Canadian Home Insulation Program (CHIP) and Canadian Oil Substitution Program (COSP) request forms were sent out to retailers of solid fuel-burning appliances, solar heating equipment and propane fueled heating equipment?

2. Were the packages individually distributed from Ottawa or shipped in bulk to regional distribution centres in each Province before final delivery?

3. (a) What was the distribution cost for each package of request forms (b) what was the total cost of the mailing program?

4. Was Loomis Courier Service used to distribute the material instead of the Canada Post Corporation and, if so (a) for what reason (b) which government official was responsible for the decision?

Hon. Jean Chrétien (Minister of Energy, Mines and Resources): The Department of Energy, Mines and Resources reports as follows:

1. For December, 1981, a total of 112,500 request forms were sent to 914 retailers of solid fuel-burning appliances, solar heating equipment and propane fueled heating equipment, all in the Province of British Columbia.

2. The packages were shipped in bulk to Vancouver where they were distributed individually.

3. (a) Distribution cost per package, $8.75. (b) Total distribution cost, $7,997.50.

4. Yes. (a) Loomis Courier Service was used to distribute these packages in order to meet a deadline. (b) The instructions for delivery were given by the Canada Oil Substitution Program Directorate.

RCMP POLICY REGARDING PAYMENT TO WITNESSES

Question No. 4,178—**Mr. MacKay:**

1. Is there a general RCMP policy concerning payments to witnesses in criminal trials and, if so (a) what are the details (b) does the policy involve payments beyond expenses incurred in connection with court appearances?

Order Paper Questions

2. Is there a general RCMP policy concerning payments to informers and, if so, what are the details?

3. Is it the policy of the RCMP to withhold from the criminal courts the fact that the accused persons are paid informers of the RCMP?

Hon. Bob Kaplan (Solicitor General): 1. (a) Witnesses called by the Crown in criminal cases are entitled to fees and expenses in accordance with the tariffs set by provincial laws or regulations. See also payments to informers in part 2 below. RCMP policy provides for compliance with the schedules and tariffs including Section 772 of the Criminal Code to facilitate these payments.

(b) No, the general policy does not involve payments beyond expenses incurred in connection with court appearances. There is, however, additional policy which deals specifically with the Force's Witness Protection Program and is separate from those witness entitlements provided for by provincial laws or regulations. Payments made in this Program pertain only to relocation and cost of living expenses for a witness and family should the life of the witness or his/her family become endangered as a result of co-operation with the Crown or agreement to testify. The payment of moneys or benefits are not authorized to any person simply in return for their testimony.

2. Yes, there is RCMP policy concerning payments to informers. This policy deals with the following:

(a) the amount of payments: These payments are authorized at varying levels of authority within the RCMP in accordance with Treasury Board directives;

(b) the criteria for payments: In each case the criteria for payment is established by the levels of authority responsible for authorizing payment. They must be satisfied that the expenses are fair and just in relation to the assistance rendered or information received:

(c) the selection of recipients: Not all informants or witnesses receive payments. Payments occur only in those circumstances which dictate the need.

In the event of a paid informer being a witness, Force practice requires, without exception, full disclosure of all details to the Court.

In Security Service matters, it is not in the interests of maintaining internal security to make public policy concerning payments to informers.

3. No.

PETRO-CANADA—LOANS TO EMPLOYEES

Question No. 4,203—**Mr. Baker (Nepean-Carleton):**

Were loans made to any employee of Petro-Canada or its subsidiaries since March, 1980 and, if so, in each case (a) what is the name and title of the employee (b) on what date was the loan taken out and on what date is it due (c) what was the amount of the loan (d) what interest rate is being charged (e) what was the purpose of the loan?

Hon. Jean Chrétien (Minister of Energy, Mines and Resources): Petro-Canada reports as follows: The requested information is considered to be of a managerial and administrative nature between Petro-Canada and the Corporation's employees and, therefore, cannot be released to the public.

DEPARTMENT OF FISHERIES AND OCEANS—CODE OF CONDUCT

Question No. 4,254—**Mr. Crosby:**

1. Does the Department of Fisheries and Oceans have written rules or regulations governing the conduct or standards of behavior for employees of the Department and, if so, are they embodied in a Code of Conduct or other specific document and is the Code or document available to the public?

2. In the five years preceding April 1, 1982, were any employees of the Department disciplined by way of suspension, dismissal or otherwise for violations of any rules or regulations governing the conduct or standards of behaviour for departmental employees and, if so, in each case, what was the name of the employee and the date of the disciplinary action?

Hon. Pierre De Bané (Minister of Fisheries and Oceans): 1. The Department of Fisheries and Oceans has written rules or regulations governing the conduct or standards of behavior for employees of the Department. Standards of behavior for employees of the Department are outlined in the Conflict of Interest Guidelines and the Personnel Management Manual which are available to the public and in any other directive or policy issued by Treasury Board as the employer.

The Conflict of Interest Guideliens deal with the disclosure of matters such as business or other interests which might be in conflict with official business, and also deal with other related subjects. Directives or policies issued by Treasury Board as the employer pertain to subjects such as political partisanship, discrimination, sexual harassment, public money and property, disclosure of official information.

2. DFO does not keep records of this nature in such a way as to render the information easily accessible. The information requested would require an inordinate cost and length of time to prepare.

PETROLEUM INCENTIVES ADMINISTRATION

Question No. 4,375—**Mr. Mazankowski:**

1. For the fiscal year (a) 1982-83 (b) 1983-84 (i) how many persons will be employed by the Petroleum Incentives Administration and at what salary ranges (ii) what will be the total cost of the PIA, including employee benefits and administrative costs?

2. How many other employees of the Department of Energy, Mines and Resources will be involved in regulating the oil and gas industry over the fiscal year (a) 1982-83 (b) 1983-84?

3. What is the projected cost, including benefits and office expenses, of this regulation and how much of the cost is defrayed directly by user-fees or other charges?

Hon. Jean Chrétien (Minister of Energy, Mines and Resources): The Department of Energy, Mines and Resources reports as follows:

1. (a)	(i)	1982-83	—434 person-years	
	(ii)	1982-83	and retroactive back payments for 1981-82	—$2,012,981,850
(b)	(i)	1983-84	—446 person-years	
	(ii)	1983-84	—$1,190,985,110 (projected)	

Salary ranges for 1982-83

	Categories	Salary range
CR	Clerical and Regulatory	$11,619—$28,520
AS	Administrative Services	$20,462—$48,500
SCY	Secretary	$11,732—$23,866
EX	Executive	$43,300—$72,300
CO	Commerce	$22,157—$54,326
SI	Social Science Support	$12,200—$46,354
AU	Auditing	$25,098—$54,890
ES	Economics, Sociology	$12,410—$58,039
LA	Law	$16,613—$52,943
OM	Organization and Methods	$16,680—$45,400
CS	Computer Systems Administration	$16,680—$55,196
PM	Program Administration	$16,215—$42,919

2.	(a)	1982-83	—Department of Energy, Mines and Resources	— 76 person-years
			National Energy Board	—447 person-years
	(b)	1983-84	—Department of Energy, Mines and Resources	—119 person-years
			National Energy Board	—458 person-years
3.		1982-83	—Department of Energy, Mines and Resources	—$ 4,373,000
			National Energy Board	—$21,237,000
		1983-84	—Department of Energy, Mines and Resources	—$ 9,108,000
			National Energy Board	—$22,053,000
		Users fees		
		1982-83	—Department of Energy, Mines and Resources	—$ 6,511,000
			National Energy Board	—$ 400,000
		1983-84	—Department of Energy, Mines and Resources	—$11,500,000 (projected)
			National Energy Board	—$ 1,055,000 (projected)

[*English*]

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

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

Some Hon. Members: Agreed.

GOVERNMENT ORDERS

[*English*]

BUSINESS OF SUPPLY

ALLOTTED DAY, S.O. 58—UNEMPLOYMENT INSURANCE SYSTEM

Mr. Cyril Keeper (Winnipeg-St. James) moved:

That this House condemns the government for their incompetent management of the unemployment insurance system and their mishandling and misdirection of employment programs:

(*a*) by creating and tolerating long and unconscionable delays in payment of earned benefits to claimants;

(*b*) by refusing to provide extended benefits or jobs to the growing thousands of unemployed whose benefits are expiring each month;

(*c*) by raising unemployment insurance premiums by 40 to 53% at a time when UIC services are declining and in disrepute; and

finally, condemns the government for fumbling a growing myriad of uncoordinated hit and miss job creation programs and its consequent failure to begin to provide some meaningful employment and stable incomes for over 1.4 million jobless Canadians.

He said: Madam Speaker, it is very important that the House of Commons begin to deal with the whole question involving the unemployment insurance system and people who are in desperate need of employment. There has been a complete lack of economic policy by the Government of the day. Today the unemployment insurance statistics indicate a new record of unemployment since the great depression. I want to put some of those statistics on the record so that people will be aware of exactly what we mean when we say that unemployment is at the highest level since the depression.

This is the fourteenth consecutive month of decline in jobs. Over the last month we lost another 24,000 jobs and we have lost half a million jobs since October last year. Of the jobs which have disappeared over the last month, 48,000 were full-time jobs. Many people have been forced into part-time employment, which tends artificially to keep the numbers up.

The decline in jobs has been widespread. It has gone through the manufacturing sector, which experienced a loss of 25,000 jobs over the last month, and through the construction sector, with losses amounting to 17,000 jobs over the last month. In light of the comments of the Minister of Finance (Mr. Lalonde) during question period today that somehow the drop in interest rates which is taking place is an indicator of future recovery, I would respond by saying the drop is the result of such a deep and long lasting recession. He claimed that the drop in interest rates would stimulate construction, but that clearly is not evident from the statistics which show that we have lost some 17,000 jobs in construction over the last month and another 15,000 jobs in trades. Unemployment continues at record levels without abatement.

It is very important to consider exactly what that means. While we might carry on some debate over whether to describe the situation as a recession or a depression, I think that all could agree that what we are living through and what we have been living through over the last year is clearly an economic crisis in the order of the last great depression. Therefore, I would call this recession "the great recession". It is long lasting, it is fundamental and it is hurting Canadian people like no other economic crisis has hurt the Canadian people since the great depression.

Today the Prime Minister (Mr. Trudeau) had the nerve to stand up in the House of Commons, in response to what appeared to be a set-up question from a backbencher, to announce the creation of a royal commission. We know that in 1949 and 1953 the Liberal Party went the route of a royal commission in order to try to save its political skin. We know that a former member of the Liberal Party became involved in one of these commissions and eventually became Minister of Finance. Therefore, a royal commission which is to study the economy over the next year, shall we say—but who knows—will obviously be an excuse for lack of action. More than that, I suspect it may be a mechanism for political succession. The gentleman who has been appointed to head this royal commis-

sion which, ostensibly, should be independent, one Mr. Macdonald, has been mentioned by some as an aspiring leadership candidate for the Liberal Party when the Prime Minister finally steps down. I just wonder whether this is not a platform enabling him to go across the country to hear people's opinions on the economy so that he can be in line, in first place in succession, when the time comes. I suspect the Government's response to unemployment and to the economic crisis is more political than economic. Indeed, that is shameful and regretful.

● (1220)

The great depression brought about some fundamental political, social and economic change. It moved the North American economy from a laissez-faire attitude to an economic approach to management of the economy which involved activism on the part of government. It involved direct intervention of government into the economy and established social welfare programs which are still with us today and are constantly under threat. The last economic crisis led to some fundamental social and economic change, to some innovation, and eventually to an economic recovery.

What is lacking in the present economic crisis, this great recession, is fundamental innovation in the economic area. This is really what must take place if we are to respond in a realistic manner to the shocking unemployment which exists in Canada today.

We must display courage and move beyond the simple use of fiscal and monetary policies to some measure of setting national economic goals. The only way that we in the country will be able to pull together in order to provide employment for all who need it and want it is by sitting down together as a nation and setting some national economic goals. The countries in the world which have done best, even in these troubled times, are those that have gone that route. It is time for the Canadian Government and the Canadian people to move beyond a simple reliance upon fiddling with fiscal and monetary policies.

After the innovations of the great depression, the economic solutions of those days were often associated with the name of the economist Keynes. After the recovery and some economic growth many people began to feel somewhat smug. We thought we really knew the answers to all economic problems and that a depression could never occur again. We thought we had the technical answers and the know-how to solve the problems.

Clearly the great depression will not repeat itself, but we have another real economic crisis. It did not just start yesterday or this morning; it has been around for some time. For example, we could date it with the oil embargo of 1974 and with the new economic problems which arose thereafter, problems of rising unemployment at the same time as rising inflation, problems which demonstrated that the economic remedies of the past were just not capable of coping with the economic problems of the country. It is only now that it is becoming clear how deep the economic crisis is and how inadequate the measures of the Canadian Government are to deal with the crisis. It is time for innovation in economic and social matters.

Rather than innovation Canadians are experiencing a reaction. It is a reaction to the difficult problems and to the inadequacy of governmental response to the problems. Now we have a Government which is totally discredited, which is not doing anything real about employment, which is calling a depressed economy a sign of recovery. In the community there is a reaction to the lack of effective intervention by the Government into the economy. There is a conservative reaction which is often called neo-conservatism.

In his latest economic statement the Minister of Finance adopted the same approach. The reaction to the ineptness of the Government's economic approach has discredited its role and led to the conclusion by many that the way to solve economic problems is to take government out of the economy and leave it to the private sector. We have begun to hear this line not only from the Conservatives but also from the Liberals in their latest economic statement. They are mirror images of one another. They want to leave economic recovery to the private sector and to the United States. They want to wait for the American economy to recover and hope that we can somehow hitch our wagon to theirs.

Canadians are disillusioned with this failure to come to grips with the real problems facing them. We want a Government which is willing to deal with real problems and find real solutions. Also we want a Government which has the courage to implement, to experiment, to attempt in a humane manner, to meet the needs of all Canadians and to ensure that all Canadians have employment and decent incomes.

I want to examine more closely the economic statement of the Minister of Finance. It has been called an economic statement, but it was clearly a budget. There were enough items in it to indicate that it was a budget. The Minister simply took the opportunity to fly it under another flag. The centrepiece of the economic statement was called the NEED Program. It was a job creation Program. The Government claimed it would allocate some $500 million to create some 60,000 jobs over a period of 18 months. I think from experience we must examine more closely what the Government has had to say, what it claimed it was doing. We have been disillusioned in the past as it has made announcement after announcement and there were no changes in the unemployment statistics. The fact is that we now have close to two million Canadians looking for work.

The rule of thumb with regard to employment creation accepted by most labour analysts, including officials in the Department of Employment, is that $500 million will create some 25,000 full-time, one-year jobs. The Government is talking about creating 25,000 jobs at a time when there are 1.4 million people unemployed according to the statistics.

This is clearly inadequate tokenism. It is even worse than that because the Government does not really intend to create full-time jobs. It appears that what it intends to do is create a series of part-time jobs in co-operation with the Provinces which will provide a revolving door between unemployment

insurance, short-term work of 20 weeks, for example, and then back to unemployment insurance. This is a very cruel and callous approach to unemployment. It is not a real solution, yet it is the centrepiece of the Government's job creation plan. The provincial Government of Quebec has already put in place a program which would employ people for a period of 20 weeks. The clear intention of such a program is to requalify people for unemployment insurance so that they can pass through the revolving door. The problem with the revolving door is that it is very difficult on the persons who have to live this way. We all know that they need full-time, permanent jobs.

The centrepiece of the Government's job creation Program in its economic statement is a part-time job creation plan which will create a revolving door between unemployment insurance and part-time or short-term work. That is not good enough, it is cruel, and it is insensitive.

I want to refer briefly to some of the other job creation items mentioned in the economic statement so as not to let them go without comment. In the statement $400 million is mentioned for railway investment and development. The statement also indicates that this investment is tied to the resolution of the Crowsnest Pass rate issue. That issue is not resolved, so that money is not moving. If that investment is tied to the resolution of the Crowsnest Pass rate, what the Government is doing is taking money out of the pockets of the farmers and putting it into the pocket of the railway companies. That will not create employment.

• (1230)

We know from past experience that when you invest in railways, you do not have more jobs but a loss of jobs. It has been a question of job loss rather than investment in railways resulting in job creation. We should be skeptical of investment in railways.

Another part of the economic statement as it relates to job creation is the question of where to find the money, from where they reallocate the funds. A good portion of the funds came from foreign aid. That needs to be questioned on at least two grounds. First, foreign aid as it is managed in this country generally leads to the employment of Canadians. When you take money out of foreign aid, you are taking jobs away from Canadians. We live in a world in which we are the affluent in spite of all our economic problems. There are those who need far more than we do. We make a small contribution to that need through foreign aid, yet we have the unmitigated gall to take money away from foreign aid, to rob money from the Third World in order to appear to create jobs. That is not acceptable. It is not the way we should be going.

Another reallocation item was taking money out of the CHIP Program, an energy program, which would be job-intensive. What jobs are created if you take jobs from a job-intensive Program and put them into a job-creation Program? That does not seem to make a great deal of sense. The New Democratic Party by contrast recommended that we take some of the incentives from the oil industry, which is very highly capitalized and creates few jobs, and redirect those resources to job intensive industries such as housing and forestry. That is a way to reallocate money and come up in the balance with more jobs rather than less.

The economic statement of the Minister of Finance has an underlying economic strategy. Not only has he adopted the line of authority, which is to placate the private sector in an attempt to appeal to the business community, but what he has done in real economic terms is that he has given a tax break to those in the very upper income brackets. When the former Minister of Finance brought in his budget in November, he had lower tax rates for those in the upper income brackets, but he closed some of the loopholes. When the present Minister of Finance brought in his statement, he retained the lesser tax rate for the upper income people but reopened the loopholes. Those in the upper income brackets get the tax break while ordinary average Canadians who are struggling to make a living have been given a whopping 40 to 53 per cent tax increase in unemployment insurance premiums.

This is clearly inequitable and does not make any economic sense. I will state why quite clearly. At this moment we have an economy with a high percentage of savings and very weak consumer spending. We have to mobilize those savings and bring them around to stimulate consumer spending in order to get the economy moving and people working. One way to do this would be for those in the highest income brackets, those earning over $40,000 or $50,000, or those 704 people who earn over $100,000 a year and do not pay any tax whatsoever, to pay a fair share, to pay a progressive tax. Those revenues could be used for direct, full-time job creation. That would put money in the pockets of ordinary Canadians. It would get people back to work. Consumer spending would be strengthened, which is what we need to get the economy moving in the direction of recovery.

The economic strategy and the economic statement of the Minister of Finance is wrongheaded. It is out of whack with reality. In effect, it is a drag on the economy.

Unemployment insurance premiums have been increased at a time when most businesses are having a difficult time. For those running a small business, this added tax will make it more difficult to keep employees. Retail trade is down to one-half or one-third of what it was last year. It will be a tough decision to decide whether to keep a sales clerk or put him on the unemployment insurance rolls. The economic strategy in the document does not make any sense in terms of the goal of full employment and the right of Canadians to have a job and a decent income.

I would like to say a little more about the unemployment insurance system. The system is under a great deal of pressure. It was set up to service a lower rate of unemployment. Over the last year, the unemployment insurance caseload has doubled. This has been the experience in the local office in Winnipeg that I visited. The result of this extremely high caseload has resulted in constant delays for the average person applying for unemployment insurance.

One could play the game of trying to find out who is to blame—whether the person returned the card at the right

time, whether the commission sent out the card at the right time, how it got off the computer or how it got in to the computer. Once the process gets off the computer, the delays go on and on. It is a very long and slow process for a person to get unemployment insurance benefits.

I recommend that the Minister of Employment and Immigration (Mr. Axworthy) hire an adequate number of people to keep these unemployment insurance claims moving at a decent pace. If he cannot re-program the computer to handle the situation in order to avoid delays, he should hire people to process the claims so that the unemployed do not have to wait for these much needed benefits.

It is not only the average person applying for unemployment insurance benefits who faces these delays but those who are involved with some of the specific job creation programs of which the Government is so proud. There is, for example, the work-sharing program which the Minister is quoted as calling a success. We have learned that it is somewhat less than a success. Many of those who became involved in the work-sharing program are now unemployed. The program was supposed to keep them working, yet they are now becoming unemployed. This is because work-sharing was designed as a short-term measure and the economic recession we are now in is long-term.

• (1240)

With regard to unemployment insurance, specifically, I have had complaints from various groups across the country who indicate that after they sign the work-sharing agreement it takes months before they can get their benefits. They have to wait an intolerable length of time. Even after the work sharing has run its course and they are back to being unemployed, there are further delays in order to get back on ordinary unemployment insurance. My colleague will be mentioning problems similar to this with regard to other employment programs, including the Employment Bridging Assistance Program.

I would like to focus now upon the question of those people who have been on unemployment insurance over the last year and are now exhausting their benefits. These are the people who are faced with the prospect of seeking welfare and having to exhaust all of their personal savings. These are the people who are suffering a great deal from the recession in which we are today.

The economic statement of the Minister of Finance indicated that the NEED Program, the job creation program, was going to meet the needs of those who had exhausted their unemployment insurance benefits. The statistics of the Department of Employment indicate some 50,000 to 55,000 people a month are now exhausting their unemployment insurance benefits and the predictions are that this figure will increase to 90,000 per month. The NEED job creation program, even by the Government's own standards, is going to create only some 60,000 jobs. That will cover one month, Mr. Speaker, whereas the NEED Program is supposed to last a period of some 18 months. The economic statement made reference to a previous job creation program of $300 million. That also, by using the appropriate rule of thumb, would create some 25,000 full-time jobs, which would in no way meet the needs of these people who have exhausted their UIC benefits.

I think it is time for the Government to consider seriously the extension of UIC benefits for another 26 weeks. I say this because, clearly, the Government has failed to meet the need by providing jobs for those people who are exhausting their UIC benefits. In order to be humane and leave people with their self-respect and human dignity, I recommend to the Government that it extend the benefits under the unemployment insurance system.

I say this because the unemployment insurance system was originally set up because the federal Government recognized that it was the prime mover in the national economy and had responsibility for the health of the economy and for employment. It had adopted the goal of full employment, a goal which is essential to Canada and to the roughly two million people today who are unemployed. By extending these benefits, the Government would once again reassert its responsibility in economic matters and show its concern about those people who have no other place to go now but welfare, or exhaust their personal savings.

Hon. Lloyd Axworthy (Minister of Employment and Immigration): Mr. Speaker, I believe this is the second time this week that we have had the opportunity, through an Opposition motion, to discuss the very important question of unemployment in the country, and it happens on a day when we received the latest figures on unemployment. I wish these figures were otherwise than what they are, because they are serious and tragic, but they do create for the Members of this Chamber the requirement to deal with the matter in a straightforward, logical, consistent, and I hope constructive manner.

That is why I was looking forward with some anticipation, Mr. Speaker, to the opening remarks of the Hon. Member for Winnipeg-St. James (Mr. Keeper) on behalf of the New Democratic Party, which claims, at least in its public utterances, that it is the Party which is concerned about the unemployed. I hope you will forgive me, Mr. Speaker, if I express my deep disappointment in what we have heard in the initial contribution in this House, because it was a massive contradiction wrapped up in a ball of misrepresentations, and has added nothing to the kind of debate which we need in this House in order to come to grips with the issues.

I think one of the difficulties we have is that we can very quickly manufacture pseudo events and pseudo truths. It seems the NDP feel that somehow if they say something long enough it will become reality even though it is not based upon fact but concocted somewhere in cuckoo land and makes absolutely no sense at all when it comes to the reality of what we are dealing with. And that is certainly the kind of position we heard from the Hon. Member today.

He began by condemning the NEED Program, saying it is a make-work program, which make no sense, and does not provide jobs that last long. None of this is true, of course,

because the Program is designed for 12 months, not 20 weeks. We have said that consistently. It is designed to provide long-term jobs in a productive way. It is having the success of bringing a wide variety of Governments and other institutions together to co-operate in a major effort to deal with the problem of exhaustees. We are trying to put together a program which will provide the alternative to work. None of this was acknowledged by the Hon. Member. Instead, the Hon. Member did nothing but criticize the NEED program, throw scorn upon it and dismiss it, even though it will provide work opportunities for many of those people he talks about.

He takes the position that we must do something about the exhaustees. What did he offer us as a solution? The Hon. Member suggested we should extend unemployment insurance benefits for another 26 weeks. Making a quick calculation, Mr. Speaker, that would probably add something like $3 billion to $4 billion to the cost of the unemployment insurance fund. At the same time, the Hon. Member asked that we not raise unemployment insurance premiums to pay for it because they have already gone up too high. Does he have a secret formula or is there a tree out there, wherever the NDP make their policy, that they can shake to get money? Do they not realize that unemployment insurance is paid by the employees, the employers and the taxpayers? If you provide for an extension of benefits for 26 weeks at an additional cost of approximately $3 billion, somebody has to pay for it.

At the same time, Mr. Speaker, to add one contradiction upon another, we also have the Leader of the NDP (Mr. Broadbent) saying the deficit should not be raised any higher, that the deficit should stay where it is. So we are faced with the Hon. Member for Winnipeg-St. James saying we should put another $3 billion into the fund, but do not raise the premiums, do not raise the deficit.

So where is the money going to come from? The conventional knee-jerk answer of the NDP is "tax the rich". Yet we see in today's paper that profits are down in most major companies in this country by 44 per cent. We have other members of the NDP saying we should put more money into investment and research and development. But where does the money come from? It comes form the profits of the companies which the Hon. Member for Winnipeg-St. James wants to tax further. When you add that all up, Mr. Speaker, it simply does not make sense. You cannot add more benefits, cut back taxes, not raise premiums, or put more money into investment, without getting the money from somewhere. The money has to come from taxpayers or by running up a deficit. It has to come from some source. It does not appear magically on a doorstep because the tooth fairy put it there. Yet that seems to be the source of inspiration for the economic policy of the NDP. They are not offering us anything that is consistent, logical or rational. They are simply trying to package together a whole round of mythologies and misrepresentations in the hope of gaining support. So, Mr. Speaker, I think it is important to puncture holes in that particular bit of fantasy spun out by the Hon. Member for Winnipeg-St. James.

• (1250)

I feel badly because we had to raise premiums, but we have to make a choice. We have to say to the unemployed workers that if they want to continue to receive their benefits, then that cost must be shared by the broader base of workers and employers across Canada. That is a good philosophy which has stood us in good stead in times of crisis, times of recession. People are prepared to share. Those who have employment are prepared to offer some of their stipend to help those unemployed.

At the same time, Mr. Speaker, contrary to the position taken by the Hon. Member who obviously has not done his homework, the premium level was established after very extensive discussion and consultation with labour unions and employers. We asked them what their point of view was. I know the Hon. Member for Kootenay West (Mr. Kristiansen) does not know what consultation is. He does not believe in it because he does not practise it. But we do, and we went out over the summer and fall and discussed with a wide variety—

Mr. Kristiansen: Don't give us that line.

Mr. Axworthy: It seems, Mr. Speaker, that we have pushed the Hon. Member's panic button again and all we are hearing is a loud wail.

The fact of the matter is that we did consult with employers and unions as to the appropriate level for the premiums. They all admitted that premiums would have to rise, and they said properly so in order that we can share the burden. They asked us not to take them up to the full rate required to exhaust the benefits, and we did not do that. We are contributing $1 billion to the unemployment insurance fund through Government financing in order to carry the burden for the unemployed through that system. But is the New Democratic Party prepared to recognize that? Are they prepared to recognize the best advice we got from the private sector and the unions? Oh no, they have their own little conjuring machine which sort of spins out these wild fantasies about how we are going to do all the different things we should do and somehow there will be the dollars necessary to pay for it. It just does not work that way, Mr. Speaker. That is not the way the system works. You have to have a balance sheet, and unfortunately they will never have to meet that balance sheet because they will never be in Government.

Let us spend a moment, Mr. Speaker, talking about the other parts of the unemployment insurance system because other Members of that caucus opposite have been rising to their feet in great condemnation of the unemployment insurance system. They do not seem to recognize that across the country in many cases the number of applications has almost doubled. I can give some figures which might be of interest to Hon. Members of the House. If you look at the figures for September, 1981 and September, 1982, the number of claims we received went from 1.8 milion to 2.7 million. In certain regions of the country, particularly in British Columbia, Ontario and Quebec, the claim load has gone up over 100 per cent.

Because of that we have put in place a number of corrective measures. The Hon. Member for Winnipeg-St. James said: "Why not add new people?" I would like to inform him that he is a little late with his advice, because three months ago we appropriated an additional 1,200 person-years, we have finished training these people and they are going into the offices right now to work on the additional unemployment claim load. You would think he might have spent a little time learning those facts. Instead, he simply condemns the hundreds of employees in the UIC who have been spending countless hours of overtime, working six or seven days a week, to try and meet the problems of people as well as the claim load. But oh no, they have no concern or sympathy for those working people who are going above and beyond the call of duty to try and meet the crisis. They simply criticize and condemn those workers.

Mr. Kristiansen: That is not true.

Mr. Axworthy: The fact of the matter is that we have put in a number of measures. In addition to the 1200 person-years, we have established separate adjudication centres to deal with the problem. We have relaxed certain criteria as far as the Auditor General will allow us to. We have worked with business and labour to try and get a better reporting system. We have established special regional task forces so that members of the Commission can move from one area where the demand is low to where it is high. We have been using those measures through the summer and fall and have reduced the backlog as a result.

We have not solved the problem, Mr. Speaker, I admit that. But we are working on it and we have a lot of very fine people in the Commission who are devoting their time to making it work.

Some Hon. Members: Hear, hear!

Mr. Kristiansen: Agreed.

Mr. Axworthy: Then, Mr. Speaker, we get this kind of resolution which absolutely condemns the Commission and the people who work for it.

Mr. Kristiansen: Don't pass the buck.

Mr. Axworthy: That is the NDP for you. That is the Party which likes to say it is full of generosity and tolerance for the working people. They sure do not care about the people in our Commission who are working overtime, double time, to get the product out. They are making very major sacrifices to make sure that the system delivers.

At the same time, Mr. Speaker, the Hon. Member is saying: "Well, part of the problem is the additional employment programs you have brought in. They are putting too much pressure on the system." After all, there are some snags in the system.

Mr. Kristiansen: They are not working.

Mr. Axworthy: The fact of the matter is that when you have 180,000 workers enrolled in a work sharing program, a program which has averted 75,000 lay-offs, it seems to me that is an initiative which should be applauded, not condemned, by the Hon. Member for Winnipeg, St.-James. We have saved the jobs of 75,000 workers in the country through that one program alone. Again, you would think the NDP might have some concern about that. They might take some interest in that program and help us to improve it. If there are problems, then we will respond to them and put the people to work. I invite Members of the NDP caucus, when they have a problem, to bring it to my attention and I will try to correct it. But let them not put up in this House this kind of resolution and make a blanket condemnation of initiatives which are providing basic security and job protection for over 180,000 workers in this country. I will not accept that kind of condemnation because, as we all know, it is based on a know nothing attitude, not on a realistic appraisal of how to correct the problem and come to grips with the issues we face.

I think, Mr. Speaker, this resolution does nothing for the honour, standing or stature of the NDP in this House. It is not constructive or positive, it offers no solutions; it is simply caustic and negative in its tone. The Hon. Member for Winnipeg-St. James continued that particular negative panegyric when he got to his feet to punch holes in the efforts we are making to help people bridge this very serious recession we are in. Those Programs, Mr. Speaker, are working. Not only the NEED Program, but the Training Program of $1 billion.

I was fascinated by the Leader of the NDP who again was only about a year late coming up with a proposal. He said "I have a brand new solution for the problems of the economy; let us have a new training program". Where has he been for the last year when this House passed the National Training Act? Where was be when this House appropriated $1 billion for new training across this country? Have they been asleep so long? Are they so far out of touch that they do not even know what is going on in this Parliament, in this House, and then they propose something already done as part of their great solution to the Canadian crisis?. I think Canadians expect far more from the Opposition critics at this point in time. They expect far more than borrowing ideas and concocting fantasy. They expect the Opposition to be working with the Programs we have initiated in order to help make them work.

Again, Mr. Speaker, we have the NEED Program, a $500 million program which can be added to with the co-operation of the Provinces and the private sector and which will provide over 60,000 jos. Not the short-term jobs the Hon. Member pretends it will provide, but jobs which will last up to a year; jobs which will build fishing wharves in Newfoundland and water systems in Nova Scotia; jobs in the forest industry in British Columbia and in the cities of Canada developing municipal services and renovating housing. That is the kind of work this Program is intended to do, and if we can get the co-operation of Members of this House as we are now getting it from the Provinces and the private sector of this country, we will have a Program which will provide major support and real

hope for the unemployed in this country at a time when they need that support and hope the most.

[*Translation*]

Mr. Deputy Speaker: It being one o'clock, I do now leave the chair until two o'clock this afternoon.

At 1 p.m. the House took recess.

AFTER RECESS

The House resumed at 2 p.m.

[*English*]

Mr. Deputy Speaker: The Hon. Minister of Transport (Mr. Pepin) seeks consent to revert to Routine Proceedings. Is there unanimous consent to revert to the tabling of documents?

Some Hon. Members: Agreed.

Mr. Deans: Mr. Speaker, I am quite sure unanimous consent will be forthcoming. I just want to know if this is for the purpose of tabling the document that sets up the Royal Commission to establish Mr. Donald Macdonald as the heir apparent to the Prime Minister (Mr. Trudeau)?

Mr. Pepin: Mr. Speaker, there is no relationship between the purpose indicated by the Hon. Member and the purpose of the Royal Commission, but the document is the same.

ROUTINE PROCEEDINGS

[*English*]

MACDONALD ROYAL COMMISSION

TABLING OF TERMS OF REFERENCE

Hon. Jean-Luc Pepin (Minister of Transport): Mr. Speaker, I wish to table the terms of reference of the Royal Commission on Economic Union and Development Prospects for Canada.

[*Translation*]

In fact, this is the Commission mentioned by the Right Hon. Prime Minister (Mr. Trudeau) this morning, during question period.

GOVERNMENT ORDERS

[*English*]

BUSINESS OF SUPPLY

ALLOTTED DAY, S.O. 58—UNEMPLOYMENT INSURANCE SYSTEM

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

Supply

That this House condemns the government for their incompetent management of the unemployment insurance system and their mishandling and misdirection of employment programs:

(*a*) by creating and tolerating long and unconscionable delays in payment of earned benefits to claimants;

(*b*) by refusing to provide extended benefits or jobs to the growing thousands of unemployed whose benefits are expiring each month;

(*c*) by raising unemployment insurance premiums by 40 to 53% at a time when UIC services are declining and in disrepute; and

finally, condemns the government for fumbling a growing myriad of uncoordinated hit and miss job creation programs and its consequent failure to begin to provide some meaningful employment and stable incomes for over 1.4 million jobless Canadians.

Hon. David Crombie (Rosedale): Mr. Speaker, seldom has a Royal Commission been announced and established with such a lack of conviction!

I want to make some remarks in this debate on the motion of the New Democratic Party, primarily with respect to the programs of the Minister of Employment and Immigration (Mr. Axworthy). However, in light of the announcement made by the Prime Minister (Mr. Trudeau) last night and in question period today, perhaps I ought to offer some remarks with respect to the proposed Royal Commission first of all.

I have no difficulty in accepting the principle of a Royal Commission. Royal Commissions have been established in this country for over a century and on three or four occasions have dealt with employment matters and economic prospects. They are usually two or three years in the making and take about a year and a half for consideration of the subject. That is generally enough time for most of the recommendations not to be accepted.

When the Prime Minister spoke about a Royal Commission earlier today he mentioned the Rowell-Sirois Royal Commission which was established in 1937 and reported about 1940. It was hardly ever heard from again, except in the lecture halls of universities.

We do not have great difficulty with the idea of a Royal Commission but rather with the way it is being approached. We would like to have a Royal Commission. Indeed, in the past we have urged that one be appointed, but we have two difficulties with the way it is being done here. First, it is being presented as a smokescreen behind which the Government can hide the unemployment figures as the number of people unemployed in this country grows. Second, we have the feeling that it is more related to the Prime Minister's leadership difficulties at the convention this weekend than it has to do with any serious and sincere concern for the economic problems that affect the people of this country. We recognize that the appointment of Mr. Macdonald is absolutely necessary for the weekend, but I do not think this is the kind of approach to

Canada's economic problems that will enhance any trust, if there is any left, in this Government.

• (1410)

If there is to be a Royal Commission, we have a couple of ideas for the Government to consider when it actually sets up this Commission. The Commission should deal with both long-term and short-term problems. It should deal with specific facts and figures in relation to the analysis of what has happened to us in the past ten years. It should make recommendations for the immediate future as well as for the long term in terms of technological change between now and the turn of the century.

I think the Commission should also deal with those aspects of Government policy which have caused such incredible difficulty for this country. I refer to policies with respect to interest rates and the National Energy Program—at least, those aspects of it that have destroyed investor confidence. The Commission should deal with research and development and with the establishment of national training centres across the country so that people can be trained for jobs in the future. This Commission should not be one of those that is drawn out for two and three years. We hope that a deadline will be established of something in the order of six months.

Mr. Deans: Only until the leadership convention.

Mr. Crombie: That is right. I fear that the idea of this Commission will not even last beyond the weekend or until the Liberals have dealt with their convention. It is really a shoddy trick.

A Royal Commission should be independent. It should not be a vehicle for the Liberal Party to politicize its problems with respect to its responsibilities to the Canadian people. I suggest that this Commission be made up of three people, one of whom should represent labour in the interests of the working people. The second member of this Commission should be a woman, because there are so many more women now adversely affected than before with respect to employment opportunities. This three-person independent Commission should be dealing with both short-range and long-range problems. That is desirable so long as it is impartial and independent. The difficulty with such a Royal Commission is that it is simply playing politics on the part of the Liberal Party and its setting up has not been motivated by any sincere concern to do something for the people of Canada facing current economic difficulties.

I now want to deal with some of the matters raised by the Minister of Employment and Immigration. Every time people make suggestions either inside or outside of this House these days, the Minister of Employment and Immigration keeps saying "Let's co-operate; why keep attacking me?" He gets very concerned that somehow we do not believe what he has to say.

The only specific proposal that this House has seen dealing with unemployment since the House opened a week ago has been the proposal made by the Minister of Finance (Mr. Lalonde) to establish a Program called NEED. This Program is to create 60,000 short-term jobs to begin in January, at a cost of about half a billion dollars. Make no mistake about the purpose of that Program. It is not to create jobs but to create an opportunity to allow those whose unemployment insurance benefits are exhausted and would then go on to welfare to requalify for UIC. To that extent, the Program is worthwhile. There is not a Member in this House who is opposed to opportunities for employment so that people can requalify for unemployment insurance. But anybody who suggests in all honesty that this is a job creation Program that deals with 1.75 million unemployed by creating 60,000 short-term jobs, I will not go so far as to say is dishonest, but is certainly in total ignorance of what is happening on the streets of this country. People are hurting yet the Government fools around with that kind of Program and this nonsense about a Royal Commission.

The priority of the Government should be to provide long-term jobs for people. The unemployment rate among the young of this country, those between the ages of 15 and 24, is 21 per cent. These people will not be affected by the Program which the Minister offers. They are not on unemployment insurance because these are the ones applying for their first jobs. Our graduates from colleges and universities have an unemployment rate this year, according to the figures this morning, of close to 19 per cent. The Government has not even bothered to address their problems.

When the Minister seeks co-operation and wonders why we attack his policies, he has forgotten that when he took over the Ministry two years ago the unemployment rate was 7.4 per cent. The number of unemployed at that time was 854,000 people. The rate two years later is 12.7 per cent and there are 1,521,000 people officially unemployed in this country. This Minister has presided over the largest decline of employment in this country since the great depression. I can understand why he gets thin-skinned about people who, on behalf of their own constituents, are attacking his lack of action. He knows his record as Minister has been the worst since the depression.

When a person is responsible for the doubling of unemployment and the loss of 750,000 jobs, I suppose putting up a smokescreen is about the only thing he can do. It is a smokescreen of numbers. The Minister of Finance's Program costing about half a billion dollars and creating 60,000 jobs was not even planned. When that Program was announced the Government was not even aware what budget it would have. It talked airily about participation by the other Provinces to bring in $1.2 billion. The federal Government would put in $500 million, with additions from the Provinces. It is now clear from the Minister's flying around, because we have now had a public statement from the Provinces that he will not have anywhere close to that amount of money for his budget. He not only has no budget but he has no program.

Did anyone hear one program which the Minister was suggesting that was new? There was not one idea. There was not one new program. The Minister was not only looking for ideas from the Provinces or anybody else because he did not have any ideas of his own, but he just had a budget that was

brought in for the occasion. Rumours tell us that the Minister got permission from the Cabinet to do this about 24 hours before the Minister of Finance made his speech. The program bears the marks of having given no thought to the actual on-street delivery of jobs.

The Minister's problem is that he has been unable to approach the House in a kind of honest fashion that says "Here are the problems. Here are the difficulties we see with certain solutions. Here is what we would like to do in the short run and here is what we would like to do in the long run." That is the way in which most people would approach their responsibilities. He does not do that. The Minister of Employment and Immigration just announces figures, reannounces them, scrambles them, multiplies them, permutates them and combines them.

People across the country are at a loss to understand what those figures mean, but what we do know for sure after two years is that every time the Minister announces a new program, unemployment goes up. For people on the streets that is reality. Unemployment simply gets worse as we hear more and more figures announced and reannounced.

The Minister finished his speech in relation to what the Hon. Member for Winnipeg-St. James (Mr. Keeper) said today by saying that this Program will have people back to work in the mines, in the fishing industry, in the manufacturing sector in Ontario, and that we will have people back to work in British Columbia. That is what the Minister does every time. The difficulty is that people know the reality. People live the reality. Increasingly, the federal Government is being brought into disrepute by that kind of publicity seeking, with no reality in terms of actual jobs delivered.

If there is any doubt in anyone's mind that the program announced by the Minister of Finance and the Minister of Employment and Immigration is only to do with so-called exhaustees, I suggest they read the report that was issued. It said that the program is specifically designed to benefit those who exhaust unemployment insurance benefits and would otherwise fall back on welfare. We agree with that. That is what must be done, but there are two problems involved. One, the figures which are used by the Minister which set out 60,000 jobs—even if it is that many—are about 25,000 too short. The statistics the Government is using with respect to unemployment are far lower than the actual unemployment. Mark my words, Mr. Speaker, it will discover that it will have to return to the House or make an announcement that it will need to increase that fund, because the program offered will not cover all those people who are on unemployment and will fall on welfare.

• (1420)

The statistics this morning indicate that this is already happening, let alone what will happen next month and the following months. While there is a short-term problem, the Government's short-term program will not even cover those who are currently drawing unemployment insurance and about to fall into welfare.

Second, it is an absolutely cruel hoax by the Government to suggest that this type of program has anything to do with those who are not on unemployment insurance and going on to welfare. It does not affect the million other people who are simply unemployed. For that reason the Minister is in difficulty when he makes those statements because he promises far too much. People depend on his announcements because they accept what he says as a Minister of the Crown to be the truth. As someone said this morning about a provincial Minister whom he had already seen, "He came here looking for publicity, money and ideas. He got none of them."

There is an interesting column in this morning's *Citizen* which I believe makes the case. The title is: "Job Creation Plan Still a Mystery". Indeed it is, Mr. Speaker. It is still a mystery. The Minister flies, he announces, multiplies and combines, but no jobs of any significance are created for anyone.

Part of the NDP motion also deals with the way in which the unemployment insurance system works. I believe that the Minister made a good defence of the quality of those working in his Department, who try very hard to fill the orders. When the Hon. Member for Winnipeg-St. James indicated that there were thousands of problems with the way unemployment insurance is administered, he was right. I suggest that it was unfair for the Minister to simply say we should not accuse the workers in that Department of not working hard. The Hon. Member for Winnipeg-St. James was not suggesting that. He is trying to impress upon the Minister that there are thousands of problems with how the Unemployment Insurance Program is administered.

The fact of the matter is that every Member in the House can produce a file such as I have—which is only last week's alone—of people who have legitimate concerns over the administration of unemployment insurance. I expect that the Minister would listen to those concerns and act upon them rather than simply attack someone who legitimately questions the administration of the program.

Let me select one letter from about 30 which I received last week. This is an appropriate letter because it points out the problems of UIC. This letter was written to "Change Canada". This person wrote:

> I watched your Television promotion on training Canadians for trades of the future. One thing that I am confused about is the fact that I am one of those Canadians given the chance to be retrained at Humber College (Canada Manpower Retraining) for which I had used all of my Unemployment Insurance Benefits only to find that after long hours of homework and sacrifice I am now in the position of having no employment.
>
> I have inquired for employment at over 140 companies dealing in this field. Being without employment I have taken a job at a temporary placement service which can be of no benefit to me and my career change.
>
> Now I find, that after graduating on December 4, 1981, no one is in the position to hire me due to economic conditions. I cannot even get a junior position in my field! (Numerical Control Machine Program) and no one will give me a position in labour because they feel I will leave when I find an opportunity to enter my field.
>
> So could you please answer this question? Is this new program you are offering designed to give false hopes in the future or is it sincere considering the Employment Departments are going to import 20,000 skilled workers? Where does this leave Canadians like myself?

All the letters that most Members receive either deal with the administration and the problem of getting service in terms of UI payouts or, even more importantly in the long run, with trying to get employment in the types of jobs that the Government, over the last number of years, has seen fit to train people for.

The all-Party committee in its estimation of the track record of the Government in producing training for jobs that are available, which is called "Work for Tomorrow", utterly condemned the Government's handling of Manpower programs primarily because they lead to dead-end jobs, if any job at all. This was the view of all parties in that committee.

This has been the problem throughout when trying ot deal with the Minister and the Government generally in terms of understanding what is actually happening to ordinary Canadians in towns, villages and cities all across Canada as they try to cope with the deepening recession. Canadians, and indeed our Party, do not want to blame the Government; it is just so difficult to convey to it that when it only gives us numbers and multiplies them and publicizes those figures, it creates that lack of trust and credibility which is so entrenched in the minds of Canadians that even when it brings out a program that may be helpful, people have difficulty believing it.

This afternoon a number of Members from the New Democratic Party will be making points and offering suggestions in support of their motion. We will support that motion because the Minister and his Government seem far more concerned either with its publicity or its internal politics than with seriously dealing with the recession which is deepening every day.

The unemployment figures which were released this morning are the highest since the depression. There is 12.7 per cent of the Canadian work force unemployed and 21 per cent of those are between the ages of 15 and 24. Those are the young Canadians who are just starting out in their work life. As well, many towns and villages are economically decimated by the deepening recession while the Government does so little to help those towns and villages which we in the House know so well are so adversely affected that they are unable to deal with their own economic base. Hamilton, for example, has unemployment at 15 per cent.

I see that my time is up, Mr. Speaker. I will conclude by saying that unless the Government begins to take the unemployment difficulties in this country seriously, it will reap social problems in this country which will take decades to rectify. It is time for the Government to stop worrying about publicity and politics and to start working hard to ensure that long-term, useful programs are developed for the people out on the street who are crying out for them.

Mr. Lyle S. Kristiansen (Kootenay West): Mr. Speaker, it was with some dismay and deep regret, I must say, that I heard anything but positive remarks from the Minister of Employment and Immigration (Mr. Axworthy) earlier this morning. There is an old saying with which I think we are all familiar. It is: "If at first you don't succeed, try and try again."

The Minister's feelings were obviously hurt. He said that we do not congratulate him when he tries. He does try, Mr. Speaker. He tries and tries and tries again. However, the first part of that equation is: "If at first you don't succeed—" I, and I think all Canadians, are only left with the very clear impression that the Minister has failed again and again and again and that is why he must keep on trying. That is a sorry situation.

There is such an absolute myriad of mismanagement, disorganization and unco-ordination in the conduct of one employment program after another that no one could believe it is only the fault of some hard working public employees. The Minister himself said that those employees have been working overtime for hours every day, coming in with fresh recruits, having to train at least hundreds to do a job for which the Department is so ill prepared. No one will blame those people. I thought it was a very cheap shot by the Minister to suggest that we were going after the hard working employees of the Unemployment Insurance Commission. No such thought was in our minds. In fact, I would pay a compliment. There have been fuddle-ups in the EBAP Program, within the Salmon Enhancement Program in the Lower Mainland of British Columbia and others. We have actually seen pictures on television of unemployed Canadians who were left with no cash at all because of the fumbling of the Minister, his Government and Department. One of them was lent money out of the pockets of an employee of the Unemployment Insurance Commission. With the restraints imposed upon those hard working employees by the Government, they can ill afford to pass out that money, especially to people who, if we go by the track record of UIC delays, really do not know when or whether their next benefit cheques will come. So it was a cheap shot by the Minister. The Minister has failed and failed again, not the employees of the UIC and not the hard working employees elsewhere in his Department.

• (1430)

Before I list the catalogue of horror stories, both specific and more general, I want to make a comment on a peculiar announcement by the Prime Minister (Mr. Trudeau) of the establishment of yet another Royal Commission into Canada's economic prospects. It is fascinating to some of us who recall history to find that we should once again have a Prime Minister and Government Members who continually pile parliamentary committees upon Royal Commissions. That was the description in the well known poem of Frank Scott entitled "W.L.M.K." In reference to our late Prime Minister, the Right Hon. Mackenzie King, he wrote:

The height of his ambition

Was to pile a Parliamentary Committee on a

Royal Commission

My, my, things have not changed very much, have they? They have not changed at all. I wonder whether this is the

resurrection of Walter Gordon, who headed a Royal Commission on Canada's economic prospects approximately 20 years ago. Will this one turn out to be such a failure? Will the person appointed to run it be the same kind of failure, according to that Government opposite as well as many Canadians, as was the author of that report? When will we receive a regurgitated Herb Gray report on foreign investment in Canada? Is that the next one? When will we get a regurgitated form of a Carter Royal Commission on Taxation? Will we get that, too? Will we have one regurgitated rehash and resurrection after another?

If that is all the Government has to offer, it ought to get out now because there is no sense in us being positive with its Members. All they want to do is hide behind one more commission, behind the hard working Public Service, to screen them from the attacks so legitimately deserved by the Government. What a sorry mess. What a sorry prospect for Canadians who, like many of my constituents who I visited this summer, are almost without hope because of the Government's constant inaction and delays.

I think the most heartrending experience I have ever had was in visiting the homes of some of my former workmates at B.C. Timber's Kootenay forest products sawmill in Nelson which has been shut down for almost a year. The first group was dropped from the seniority list, after being laid off for 18 months just a few days ago. I am not stereotyping here, but I think that almost all Hon. Members in this House and most Canadians would agree that, in spite of their Catholicism,Italian-Canadians are almost the very picture of the Protestant work ethic. No group is recognized as working harder and longer and using credit less until the advent of the larcenous interest policies of the last few years, both the Conservative and Liberal interest rate policies. Hardly any member of that community even went into debt to buy a house. To start with, they would buy a small house. They would build and improve. They would pool their labour together with their neighbours and families.

Now we see that after decades of hard and honest work, many of these people own not only their own homes, but also second homes and third homes. However, because the only industrial operations in their community have been shut down for either a year or a year and a half, they do not have any tenants left because anyone who does not have deep roots has moved away. These home owners are in a state of crisis. Some of the hardest cases that I know of, and I use that term in a complimentary way, involve guys who would give me the roughest time at any union meeting we ever attended. I have been seated at their kitchen tables when these men have openly cried in front of me and admitted to me that on alternate days—because they are still pretty strong—they think that perhaps the sawmill will open again, that they may survive and will be in a position to send their children to ice-skating classes again. They think that maybe they will be able to afford to put decent food on the table on a regular basis again and purchase a few building materials to make improvements to their houses so they can take advantage of some of the other Government programs. But then there are the other days when they look at the sorry morass around them across this country, the morass that this Government sits on top of, and they wonder if they will ever get out of that hole.

I have seen them break down and cry, and these are pretty tough people, these hard working guys, some of the toughest I have ever had the honour of working beside. When they work they work hard, and when they build they build well. They want a chance to build, a chance to contribute, because it hurts anyone's pride to be left out of the productive sector of our society. It is exactly these people and their neighbors who have never had to resort to going on UIC benefits before, and it tears their guts out to think they may have to go on welfare. I will not continue to talk about how these people, no matter how hard pressed they are, feel. It is a sad story and having once stated it, I do not believe we need to go over it again and again.

However, I do want to refer to some specific problems. In my own home town of Nelson and in the surrounding community, there are a number of programs under the Employment Bridging Assistance Program. However, one of the problems is that if one is approved and hired under such a Program, one is taken off the regular UIC computers and is entered on to a manual system of benefits payment. Quoting from a newspaper article in my own local paper, "If you work, you wait longer for your cheque than you would if you do not work". That is the dilemma being faced by unemployed Nelson area workers who have opted for make-work projects funded under the federal-provincial Employment Bridging Assistance Program. That is exactly what has happened because of the fumbling within the Minister's area of responsibility. If one goes to work for one's benefits, one does not receive any money for weeks. When I say weeks, I do not mean two or three. One can be cut off regular benefits which one has received for a long time and then can wait two to 12 weeks before one begins to receive any money out of the benefits one has paid for. That is inexcusable and intolerable and these delays have been going on for months.

Do Hon. Members want to know what happened to one of these UIC employees who led a group of his fellow EBAP employees down to the welfare office so they would have social assistance to provide food on their tables? He had the audacity, I suppose, according to the Government's views, to complain on CBC Radio about the maladministration of the Program, not only because of delays in payments, but also because administration costs going to the employers of record had risen from $50 a week to $100 to $200 per week per man. He was fired from the UIC Program the next day and his employer of record said that it had nothing to do with his work.

• (1440)

Those of us who know the history of Canada, especially that of working people, realize that not so long ago it was not uncommon for employees of Government and employees in private industry to be fired for exercising their God-given right to freedom of speech. But have we now reached the point

where one can be fired from the unemployment rolls for it? How ridiculous can they get? I raised this matter the other day in the House. When that employee sought redress through his former union representative—of course he does not pay dues any more but he has a retirement card—he looked at the laws of the land and found out that his provincial Government, the partner in this mess with the federal Government had wiped out the Employment Standards Act of British Columbia as it applied to people who work under the Employment Bridging Assistance Program. I expect that has happened in other Provinces as well.

The Minister of Labour (Mr. Caccia) is present but the Minister of Employment and Immigration is not. I ask him whether the Government will assume some responsibility for the conditions and terms of work of people employed under a program which is essentially its program. If the Provinces, either by collusion with the federal Government or acting independently—British Columbia does some funny things some times—do not look after the basic and fundamental rights of employees, surely we must ask the federal Government and the Minister of Labour to confirm that this is a matter of federal jurisdiction. Then a case could be made and the basic rights, imperfect as they are outlined in our federal labour laws, will apply to these EBAP employees.

I should like to turn to a slightly less serious note but one that is very important. The Minister of Employment and Immigration wanted some cases. What about an unemployed construction worker in Vancouver who was denied his claim for benefits because he was pregnant? Perhaps this example is on the humorous side, but I would like to quote his language, it is not mine. He went down to the unemployment insurance office and said, "I know I am getting screwed but I ain't pregnant". The information I have is that he is still waiting, and he has been waiting weeks and weeks. Anyone can slip up. I am not suggesting that this sort of extreme example, which gives the worst impression, often goes on. There are more odd stories than we would like to ever admit or think about.

I would like to refer to another case of an unemployed logger who has waited 12 weeks for his benefits. For some weeks he has, along with other claimants, been launching a class action law suit, assisted by his union, the International Woodworkers, against the Minister and the Unemployment Insurance Commission. Why is it that people have to shell out their own money, whether it is money that they have put into union dues or out of their own pockets, to get some attention paid to foul-ups and unconscionable delays in payments of regular UIC benefits to which they are entitled and for which they have paid many times over? These are not lazy people. Many of them have not been on UIC before. They have paid into it, they want to work, and they have a right to expect their benefits. It is not enough to say that, "we are working all our employees overtime, hiring more people and training more people." My God, could they not see it coming?

Mr. Young: They planned it.

Mr. Kristiansen: As my colleague says, they planned it. Perhaps it was not planned consciously.

Mr. Young: It was consciously.

Mr. Heap: Trudeau threatened it.

Mr. Kristiansen: Many people suspected that it was planned. It got away on them. They went a little too far. It was not enough to kick just a few people back into their place or to lower the proportion of the national income which goes to the labour force. They got carried away. Now we are in the midst of what the Minister of Finance (Mr. Lalonde) admitted the other day was a depression, and let there be no doubt about it. The Minister of Employment took some issue with him, but even today in Question Period the Minister of Finance said that this is a time when the value of homes is going down. In response to a question by the Hon. Member for Winnipeg-St. James (Mr. Keeper), the mover of this motion, earlier today, the Minister of Finance said that this is a time when the value of people's homes is going down and when prices on a wide range of commodities were falling. He did not say that the prices set and determined by the Government are going down; they continue to go up.

When prices are falling in this manner along with the value of homes, the rate of inflation and, of course, interest rates, it is not a recession, it is a depression. I am not trying to be an alarmist, but the other day the Minister of Finance said that we were in a state of depression. Those were his words, not mine. That is exactly the situation we are in.

Also a few moments ago the Minister of Employment made reference to consultation and that somehow my NDP colleagues and I do not want good consultation with anyone.

Mr. Young: Where is the Minister?

Mr. Kristiansen: He is probably at the convention. Politics before people, that is their way.

The Community Development Program has done many good things. We welcome it. I know, as I am sure many other Members of the House know, that we have excellent working relationships at the regional and local level with the officials of Employment Canada. We consult regularly. We had, after the Tories took them away and the Liberals brought them back, excellent institutions known as Local Advisory Boards, which built up some skills, so that there would be proper community consultation. A few months ago the Minister and the Government wiped out these Boards, and immediately some Liberal Senators in Saskatchewan, British Columbia and elsewhere ran around the country becoming involved in pork-barrel politics once again. We always welcome money. Now we have been told that there is a whole bunch of extra money for us. We want it, and my people can use it. It is good, and I congratulate them for it. But, it must be spent in a hurry, it must be spent quickly. There was not even time for a minimal consultative process similar to the ones which NDP Members and myself have paid for ourselves in the absence of any consultative process being carried on by the Government.

Do you want to know what the officials of Employment Canada had to say about it? One official said:

> The Prime Minister's office has been providing projects. They have to be approved by Lloyd Axworthy. There are no regional allocations. The only real concrete guidelines are that 50 per cent must be spent on labour.

Another employee said:

> The message came down that these guys are getting it. We've put in our objections that this by-passes the whole advisory board route. But they didn't heed any of our words. I believe it was the Minister's office. It's really annoying. It's going past any processes that have been established. It looks like patronage.

One final quotation by an official in Employment Canada was as follows:

> The Senators have been talking to various community groups. They're asking some people if they have a project that could use money. This whole thing is very political.

I think that is enough. The Minister is not speaking the truth. He talks about the fact that we do not believe in consultation. It is he who does not believe in it; they do not believe in it.

Mr. Deputy Speaker: Order, please. I regret to interrupt the Hon. Member but his allotted time has expired.

• (1450)

Mr. Dave Dingwall (Parliamentary Secretary to Minister of Energy, Mines and Resources): Mr. Speaker, I rise to participate in this debate because the subject matter is of great concern to me and the constitutents I represent. It is fitting for me to congratulate the Hon. Member for Winnipeg-St. James (Mr. Keeper) as well as the Hon. Member for Rosedale (Mr. Crombie) who earlier in the week had this very same subject matter placed before the House of Commons. I like to see issues of great importance not only to my constituency but to the national economy placed before the Parliament of Canada.

In reading through the motion put forward by the Hon. Member for Winnipeg-St. James, I note that the tone of that motion is a harsh one. I agree with some parts of the motion. The Hon. Member attacks the system of unemployment insurance and attacks a system whereby there are numerous delays, claims and appeals. Members of Parliament have files of people who are encountering these difficulties. It is fair to place before the Parliament of Canada, the Minister and his officials as well as Government members those specific instances so that they can be examined.

It is awfully unfair for the Conservative Party and the New Democratic Party to talk only of the problems and not the solutions. Anyone can list the number of people unemployed in his or her community. Anyone, particularly on the Opposition benches, can list the number of businesses that have gone into bankruptcy or receivership as a result of the world economic recession. Unfortunately, when mentioning the problem they forget some very pertinent elements, such as the world recession of which Canada is a part. They fail to mention that there are 30 million people unemployed in the OECD countries. If Canadians for one moment think or hope that somehow that world recession is going to pass us by and leave us alone, they are sadly mistaken.

When listening to the Opposition, particularly the New Democratic Party, one would think there is only one Government in this country. Yes, there is a national Government, but there are also provincial and municipal Governments and they have to play their part.

Not only the public sector but the private sector has a role to play in terms of changing and turning our economy around to provide the jobs we all want. I find it somewhat repugnant to have the Hon. Member for Rosedale, the Hon. Member for Winnipeg-St. James or the New Democratic Party try to have this corner of sympathy for the working man to themselves. All Members of Parliament regardless of their political ideology share that concern and want to do something about unemployment.

The Government has introduced the six and five program on wages and prices. It has to be accepted that a 6 per cent world or 6 per cent inflation rate is a lot better than the 12 or 14 per cent world we have had for the last number of months and will provide businesses with confidence and the incentive to reinvest. It is essential that that program work.

I find Members of Parliament, particularly those opposite, questioning the substance of that program, sneering at it as opposed to getting together with a collective will as a national parliament to support that program. It is in the best interest of every working man and woman in this country to have inflation reduced substantially and to have prices reduced as much possible in order to have our economy turn around.

There are certain facts that even the Opposition, although they talk about the problems, have forgotten to mention. I talked about provincial Governments. We ought not to forget our responsibilities as a national Government, but provincial Governments have a role to play as well. What has the provincial Government of my Province of Nova Scotia done? They are of a different political stripe than we. They have had taxes upon taxes, particularly on industries in my constituency. It is very difficult.

The Government of Canada has introduced a Program funded to the tune of $500 million called the NEED Program. I am somewhat concerned that the New Democratic Party would make jokes and laugh about such a Program. The Program not only requires money from other levels of Government, but requires a sense of co-operation by municipal and provincial Governments to make it work.

It is not the time for us in Canada, regardless of our political ideology, to play that game. The problem is too serious. We need to have jobs in this country and we need them now. To those individuals opposite who want to engage in political rhetoric and political gamesmanship, I say I do not want any part of it. As a member of the national Government, I want to co-operate with my provincial and municipal Governments to see that people get back to work, and do so right away.

The Hon. Member who spoke prior to me made some remarks about the Minister of Employment and Immigration

(Mr. Axworthy) not being in the House today. That is correct, he is away. He is attending a national convention at the present time. He is discussing issues and resolutions pertaining to jobs, job creation and the economic development of this country. That is important. The Hon. Member has on this occasion and indeed on many other occasions taken upon himself to resort to low and undignified tactics in this House.

The Department of Employment and Immigration is not the only arm of the Government of Canada. There are numerous other Departments that are actively involved in an attempt to create jobs in Canada and to create them right away.

I mention to the Hon. Member that in my own riding in the last number of weeks and months the Department of Fisheries has made moneys available for the creation of numerous jobs. I refer to the very small communities of South Bar, Lingan, Barrachois Cove, False Bay Beach and Little Harbour in Richmond County. Thousands of dollars have been poured into those small communities. They are not Vancouver, Toronto or Montreal but small communities. The Government has put this money into those communities to build facilities to assist the fisherman who, too, is a working person. This is very important, but we do not hear anything positive coming from those on that side. They never want to highlight the moneys which the Government of Canada spends in their areas. As I said at the outset, their sole purpose is to emphasize the problem and not talk about the solution. Part of the solution is making certain that the federal Government and its agencies expedite the moneys they have budgeted under this capital program to get jobs moving in this country.

I have had consultations with the Minister of Public Works (Mr. LeBlanc). I have emphasized that it is absolutely essential for him and his Department to expedite each and every proposal that is budgeted for in his Department so that jobs, construction and a variety of economic spin-offs will result from those initiatives. Housing, Mr. Speaker, is vital. As the House knows, Mr. Speaker, the Minister of Finance (Mr. Lalonde) put additional sums of money into those programs. That also is part of the solution. It is not the entire solution and I would be less than honest if I tried to suggest in this Chamber, the highest court in this country, that we have all the solutions and answers. As a national Government, we have to accept our responsibilities and put into place the best programs based on the amounts of money available. Even the New Democratic Party has broken away from its longstanding tradition of not increasing the federal deficit any longer.

• (1500)

I am somewhat saddened, however, by the NDP and the Conservative Party of Canada because there is a sense of hypocrisy when they talk about job creation and job security. In my own riding we are fighting tooth and nail to save two heavy water plants. The NDP laughed because at their national conference they said they were not in favour of the nuclear industry. They said in the House of Commons that the two heavy water plants should be closed. The Progressive Conservative Party said basically the same thing, in what the Chairman of the Public Accounts Committee said, in what the former minister of Finance said when he intimated in his questions to the Secretary of State for External Affairs (Mr. MacEachen) that they ought to be closed. Yet Hon. Members opposite have the gall to come before this Chamber and say they are concerned, they want to have job creation, have jobs maintained and have security. I find a great deal of hypocrisy coming from the other side of the House, which concerns me greatly. I sat in this Chamber when the Hon. Member for Rosedale brought in his motion earlier this week. I listened to the hon. member for Winnipeg-St. James. I tried to get one hint of some positive notion they might have in terms of job creation or of stimulating the Canadian economy, and absolutely nothing was forthcoming. It is intellectually dishonest to say, on the one hand, yes, I am concerned about the unemployed and, on the other hand, not to propose anything of assistance. I think that is shameful on the part of the Opposition in this Chamber.

The Conservative Party throughout this country has a responsibility. Every municipal government has a responsibility. We, the Government of Canada, also have a responsibility, and that is to put those programs into place so that we can assist in some real way in alleviating the unemployment problem in this country. The Minister has articulated today the number of programs which are in place and the additional moneys which will be forthcoming for those programs. It is not the panacea for all the ills of the unemployed. I think it would be dishonest on my part if I even suggested that. But it is equally dishonest for the Opposition Parties to stand in their place when there is a national concern like the unemployment issue and merely talk of the problem but provide no solution.

I suggest, Mr. Speaker, the Parties opposite are not doing their job. I think it is high time we put political rhetoric aside and collectively supported the Government's policy of six and five, that we supported the principles of fairness and sharing so that those that have, will share with those who do not. That is key, Mr. Speaker, in terms of changing around the Canadian economy. I suggest today, as I have in previous discussions with various Ministers, that the national Government has to continue to examine, through debate and various discussions, the programs we have put into place. We have to expedite some of our capital projects as quickly as possible. We have to do this with a demonstrated spirit of co-operation with other levels of Government and, indeed, the private sector. When inflation prices come down and interest rates come down, I think the road to recovery is not far off, but we must work together as Members of Parliament, not just solely as members of a constituency. The problems are too serious to be shoved aside.

In concluding my remarks, I want to go on record now, as a Member who represents a constituency which has high unemployment, as expressing appreciation to the Minister, to his Parliamentary Secretary and, indeed, to all the members of the Public Service of that Department, for the sensitivity and co-operation they have bestowed on my constituency which is encountering some grave times. I assure you, Mr. Speaker,

that the individuals in my constituency, who are hard pressed by unemployment, are aware of those who proposed the quick fix. It is just like the old medicine man when he came around with a bottle of medicine and tried to perpetrate a fraud on the people. The people knew this was not going to be a cure for the illness. I suggest to the Opposition, therefore, let us be honest, put the facts on the table and come to grips with our problems in a co-operative way. Let us have programs for Canadians and forget the political rhetoric which the Party opposite is so good at spreading in this country.

Mr. Jim Hawkes (Calgary West): Mr. Speaker, it is, as usual, a pleasure to follow the Parliamentary Secretary to the Minister of Energy, Mines and Resources (Mr. Dingwall). The Hon. Member and I have profoundly different views as to what is wrong in Canada and what needs to be done to make it right. The Parliamentary Secretary asks for solutions. He asks the Members of the Progressive Conservative Party of Canada for solutions. Well, Mr. Speaker, you cannot have a solution without first understanding the problem. The Minister of Finance (Mr. Lalonde) has admitted we are in a recession. The Prime Minister (Mr. Trudeau) in his public television broadcast would have you believe that that recession is a consequence of the world-wide economic situation. You would have to be blind not to realize, that, of course, there is a world-wide problem. But other industrialized nations are not in recession. That is a unique Canadian condition caused by Canadians, and if the Parliamentary Secretary to the Minister of Energy would like a solution to the current problem, can I make one very simple suggestion? There are 147 members of his Party elected to this House. There is a distance of 20 feet to be crossed over to this side of the House to cause a general federal election to be held in this country so that individual Canadians can have a choice as to the future economic direction of this country. That, Mr. Speaker, I suggest to the Hon. Members of this House, is the only solution that will work, because this is a recession brought on primarily, by fear of the federal Government of Canada and what it will do to individuals. It is a fear brought on by the track record of the present Government. It is fear brought to the hearts of Canadians by what the Members opposite have done to this country. It is fear brought to the hearts of Canadians by what the Members opposite have done to this country. It is fear brought on by both previous and current legislation. It is a well known fact, Mr. Speaker, that in the two years since the Liberal Government came back into office some $18 billion—$18 billion—of capital has left this country to be invested in homes, condominiums and factories in the U.S., and in oil wells and drilling platforms around the world. This money was chased out of this country—unwillingly, but chased—by federal Government policies, and with every dollar of that money there went jobs.

• (1510)

The fear has grown in Canadians, Mr. Speaker. Two days ago, on Tuesday of this week, the Minister of Consumer and Corporate Affairs (Mr. Ouellet) introduced into the Senate of Canada a Bill which is a direct attack on property rights. There is a Bill before this Chamber, dealing with Public Works, which is a direct attack on the right of Canadians to own property. These are two current pieces of legislation, and they go together, Mr. Speaker, with the National Energy Program which took 25 per cent of property held by Canadians in the oil industry on Canada lands, confiscated it without compensation. It was that particular piece of legislation, coupled with the Constitution, which created the fear in those who had money, those who were willing to create businesses and jobs in this country. It created that fear, Mr. Speaker, so investors took their money and left the country. For the balance of their lives they will not trust the leadership of the party which sits opposite the Conservatives in this House. The leader of that party have been supported by the 146 Members on the backbenches, and they have brought fear to this land through that support. They cannot correct the problem, Mr. Speaker, until the Government changes, until we create a new face on economic conditions in this country.

The victims, Mr. Speaker, are the unemployed. Right at this moment, as we speak in this Chamber, in some communities in this country, individual hard-working employees will be getting a letter from the president of their employer. That letter will say that unfortunately economic conditions are such that we have to close this factory, we have to close this mine, lay off 20 per cent of the people, and you are on the list. How many of us in this chamber stop to think how we would feel if that letter arrived on our desk and we had to climb on the subway or on the bus and go home and break the news to our families? How would we feel if we had to tell our families that the income we have been counting on to pay the mortgage on our house, to pay the rent or make car payments has all of a sudden been cut off?

For the average Canadian, Mr. Speaker, there is a sense of betrayal, a sense of bewilderment, because they do not comprehend where and how all this began. Well, Mr. Speaker, it began in the years 1972 to 1974. You can see it in the public accounts of Canada. The Prime Minister was in office, the Hon. John Turner was the Minister of Finance, but the Liberal Party was in a minority position, forced to depend on the New Democratic Party for support. When they look at the financial records of the Government of Canada, people may remember that those were good times. My family taught me that in good times you save a little for a rainy day. That is a sensible way to think about your own future and your own life. In those good times when the Government could have been saving a little for a rainy day, the Liberal Party and the NDP put Canada on the path of borrowing money. We are in good times, so let us go deeper in debt. In those years, Mr. Speaker, federal Government expenditures went up 30 per cent a year. Inflation was around 4 per cent or 5 per cent. And our debt has continued to grow to this day.

When I was elected in 1979, Mr. Speaker, 17 cents out of every federal tax dollar went to pay interest on the national debt. As I stand here three years later, it is over 30 cents. Back in 1979 the Government had 83 cents to spend and 17 cents to pay the interest. Today it is 30 cents on interest and 70 cents

left to provide unemployment insurance benefits, build an airport or try to stimulate the economy. What happens, Mr. Speaker, to individual Canadians if they borrow so much money that everything they earn goes to pay interest? They have nothing left for food. That is what the NDP Party and the Liberal Party did to this country.

As I stand here today, Mr. Speaker, I look with regret on the first seven days of the return of this Parliament. Last spring, one year ago, two years ago, three years ago, we were warning the Government that unemployment was bound to become a flood. We told the Government over and over again that when unemployment rises there are other social costs. Individuals and families are put under stress. And now unemployment has risen to the point where we can expect a 20 per cent increase in the number of Canadians suffering from the problems of alcoholism. We have about 20 per cent more suicides and heart attacks than we had a year ago, all of which are a direct result of the incease in unemployment we have experienced in the past year.

We stood in this House, Mr. Speaker, and asked the Minister of National Health and Welfare (Miss Bégin), if she was planning for that eventuality, what extra money she would provide for it. And we have been told with clarity: "No planning, no extra money. We cannot get it." Well, the reason they cannot get it is that they spent it when times were good. They did not save for a rainy day. Well, the rainy day is here and the Government does not have the money to help Canadians. But the Government bribed Canadians with borrowed money in order to be re-elected, and then the Members opposite have the gall to stand up and say: we do not have the money. But they never tell you why, Mr. Speaker. They do not remind you of the past decade and what they did and the bind they put Canadians in today.

We go to the Minister of Finance and review his public pronouncements in the last couple of weeks. We know there are 1.5 million unemployed Canadians out there and there are an awful lot more Canadians who make less money per hour today than they made a year ago. Incomes are dropping. The average adult person's income in this country has dropped enormously in the past 12 months. People are worried about buying food and about making their house payments. Then, because they are worried, we get the Minister of Finance standing up and going to news conferences and saying, "Now you can worry about your pension and about your family allowance payments. We do not think you are worried enough so we are going to make you worry some more. You do not have enough trouble putting food on your table, so we as a Cabinet are considering cutting out your family allowance payments and pensions". At a time when Canadians are worried enough, why do they do that? What positive value is served by the announcement that the Government is considering these moves, by the announcement: not today but maybe tomorrow? What does this uncertainty do to help this country? I suggest, Mr. Speaker, that it does nothing positive but it does a great deal that is negative to increase the distress level, the heart attacks, the suicides, the alcoholism and violence around us. That is what it does. Yet the 146 Hon. Members opposite continue to support a leadership that does that to the nation at the worst possible time and in the worst possible way. Where is the sanity in that?

• (1520)

In December, 1979 the Progressive Conservative Party, under the leadership of the Hon. Member for Yellowhead (Mr. Clark) had been in office for nine short months. I should like to remind Canadians that in those nine short months the number of employed Canadians increased by 350,000 people—in nine months 350,000 more jobs were created, Mr. Speaker. The Hon. Member for St. John's West (Mr. Crosbie) who was the Minister of Finance of the day brought in a budget. All across the country learned people judged it to be the fairest budget in the world for the poor. It was the fairest budget for the poor in the decade of the seventies because it gave assistance to a broad range of Canadians and it gave a great deal of assistance to the really poor. At the same time, it encouraged Canadians to own their own home, it gave them the courage to start a small business. Young people dared to dream about owning a farm, or owning a piece of a large business through the stock system.

Built into that budget was the principle of encouraging Canadians to own, to invest and to produce. It encouraged Canadians from coast to coast to create jobs, and in nine months 350,000 jobs were created; that was 40,000 jobs per month, Mr. Speaker. In this last month we have lost 50,000 full-time jobs, Mr. Speaker. A loss of 50,000 jobs and a gain of 40,000 jobs means a difference of 90,000 jobs in a one-month period. That difference was brought about by a change in the attitude of one agency in society, that is, the federal Government.

For the New Democratic Party to put this motion and speak about their compassion for the unemployed is one thing—no one doubts their compassion—but their sanity is a different matter. When we had a government that was creating jobs for Canadians, they threw it out. I hope that the next time Canadians get a chance to vote in this country, they will remember that the New Democratic Party is culpable, is guilty, is a partner in responsibility for 1.5 million people being unemployed in this country today.

That situation exists as a direct consequence of the actions of the man who now leads that Party in the Province of Ontario. He moved the motion. He was the finance critic for that Party, but he did not have the brains to see the wisdom of the budget. He led people down the garden path, and now 1.5 million Canadians are suffering unnecessarily. He was supported in that exercise by the trickery of the leadership of the Party opposite, the Party that does not dare tell the Canadians the truth, the Party that says it does not have any money and tries to bamboozle people about why there is no money. The money is not available because that Party spent it when it should have been saving it. It has chased jobs out of the country through its policies, its attitudes and because of the

insane support by backbench Members of that Party for the leadership.

In conclusion, Mr. Speaker, may I offer one solution. It will be slow and painful but it will be positive. The solution for the unemployed in this country lies in a federal general election. This recession is the consequence of fear—fear of the leadership of this country. Until the leadership is changed and people Canadians can trust are elected, they will not have a chance and jobs will not be created.

Every day that this Parliament sits, more Canadians will lose their lifetime careers, will be made to depend on the social support system and will risk losing the dignity of being a productive member of society. True patriotism asks simply that seven people walk that 20 feet and start to help this country back to economic health.

Mr. Douglas Fisher (Parliamentary Secretary to Minister of Finance): Mr. Speaker, I appreciate the opportunity to join in this debate today and make some comments about the unemployment insurance fund. I will offer statistics which I hope will help people understand the impact of the increase in premiums.

Before I do so, however, may I thank the Hon. Member for Calgary West (Mr. Hawkes) for his usual numbing insights into the performance of this Party. The more I listen to him the more I am able to repeat his speech by rote. I am surprised that he did not bring in Ghengis Khan or the Spanish Revolution today, two phenomena that he has managed to discuss in previous monologues. I look forward to hearing about them from that quarter the next time the Hon. Member speaks. I missed that part of his standard address today.

An Hon. Member: He had only 20 minutes.

Mr. Fisher: As my colleague points out, he had only 20 minutes so he had to leave something out.

I am pleased to be able to make some comments about the unemployment insurance fund in the presence of the Hon. Member for Lincoln (Mr. Mackasey). When he assumed the arduous task of changing and strengthening the unemployment insurance fund in the early 1970s, he could not have foreseen how valuable his contribution would be to the fabric of the country in tough times like these. So it is a great pleasure for me to point out that we have been able to draw on the strength of his ideas during this most difficult period.

The unemployment insurance fund is a vital safeguard. It is the first safety net for Canadians when they face the tragedy of unemployment. It was built with the funds of the workers, especially during periods of prosperity, and supported by Government funds, especially in tough times like these.

Every worker knows that the fund is there as a vital insurance plan. He contributes personally to that insurance and he expects responsible Government help and support when the contributions are not sufficient.

In this October statement, the Minister of Finance (Mr. Lalonde) followed this principle. He strengthened the Government's assistance for the fund and asked those workers who have the strength, who have the jobs and the resources, to contribute to the fund as well.

An increase in premiums was brought in on October 27. I should like to put the details of that on the record so that we may understand the consequences of this.

• (1530)

The new rates for 1983 are $2.33 for $100 of insurable earnings for an employee, and $3.22 for $100 of insurable earnings for the employer. The maximum insurable weekly earnings are rising to $385 in 1983. Therefore, the maximum weekly contributions per employee will rise to $8.86 and to $12.40 for the employer. The maximum annual contribution for an employee will rise to $460.72. It will rise to $645.01 for the employer. This is what we are asking ordinary Canadians to contribute to their fund, to their safety net, their insurance policy. At the same time the Government of Canada is contributing $1 billion to pick up the shortfall. At the moment, according to our projections, the fund is running a cumulative deficit of $6.5 billion. It will reach that state by the end of 1983.

If we went only to the insurance aspect of the fund, if we went only to the workers and said, "You must pick up the shortfall", the workers' premium would not be $2.30, it would be $3.75 per $100 of insurable earnings. If we did not go the insurance route, if we simply said that we should subsidize the fund from Government general revenues, then we would have added $3 billion to our deficit in 1983. In both cases, we felt those were too extreme. We felt that the premium increase all the way up to cover the deficit would have been too tough a blow on both the worker and the employer. Equally, as all parties in this House have said, we did not believe that $3 billion could be added on to the federal deficit at this time. So we compromised.

We asked the worker to pay an extra 65 cents a week for every $100 of insurable earnings. We asked the Government to pay $1 billion to soften the total cumulative deficit. What is the impact on the private sector? That is a 39.4 per cent increase in premiums. What is the impact of that on the private sector. In gross terms, the gross revenue is $2,189 million. But we need to remember that for both the worker and the employer, these premiums are tax deductible. We also need to remember that a large portion of the employer related contributions are coming from governments acting as employers.

When we make these calculations, we find that the private sector, in after-tax dollars, is going through a $1,400 million increase, not a $2,100 million increase, roughly two-thirds the gross size. The impact is considerably diminished. Also we need to remember that over the past year some very significant changes have been made in our tax measures.

I listened with great interest when the Hon. Member for Winnipeg-St. James (Mr. Keeper) had some comments on the tax rate workers will pay over the coming year. I think he had some of his statistics somewhat wrong. I would like to point

out to him that there have been significant drops in the marginal tax rates. Those drops were increased in the November budget a year ago and are in place now.

We also saw an increase of $50 in the child tax credit for lower- and middle-income families. That increase was introduced in the June budget and it is in effect now. In the October statement, the Minister of Finance continued the tax free status of employer-paid health and dental plans.

These increases in the unemployment insurance plan premiums are not coming in a vacuum, they are coming along with decreases in some of the other taxes that ordinary people are paying.

Most important, and I keep coming back to this, we are following the principle that those who have resources, those who have the funds, those who have the strength, are joining with the Government to extend assistance at this time to those who need help the most.

It is this sense of sharing and compromise, this moderate course, that is typical of the Government's action in the June budget and in the October financial statement. In June, we introduced the six and five program. In that program, by looking at our expenses, by putting them under a magnifying glass, we found $3 billion that we took away from original allocations.

As some of our critics demanded, we could have used that $3 billion simply to reduce the deficit. Had we done so, where would the help be for farmers, fishermen, small-businessmen and the unemployed? Instead, the Government reallocated that money into vital programs for each of those sectors in Canada. In October, we used the same approach. In the October statement we found $1.4 billion that we were able to reallocate into more needy areas, reallocate for jobs and economic stimulation. We should see the October statements as a continuation of the trend started in the June budget, a continuation of the strength that we were able to develop during the initial stages of the six and five program.

We have seen over $4.4 billion reallocated since June into areas that will stimulate jobs and stimulate new economic activity in Canada.

Let us take a look at housing. Housing is a source of quick job creation. Consumers react speedily to this. We found $400 million for housing projects in June, and an additional $165 million in October. New home buyers have been universally praising the Government's $3,000 grant. Existing home owners have been praising the home renovations programs. Not only do people get actual benefit from those programs but, in addition to that, these programs create jobs very quickly.

In small business we have seen the creation of the small business investment grant program in June, and then the extension of the small business bond in October. We saw hundreds of millions of dollars allocated to job creation in June, and then in October the development of the NEED program.

Today in this House we have Bills in front of us to start the special interest subsidy program for farmers and fishermen. That was a program first started in June. The Government cannot solve each and every one of our problems. We are trying to get that point across to Canadians as hard as we can. The time has come for co-operation in our economy. The Prime Minister (Mr. Trudeau) stressed that point over and over again in his three addresses to the country a short while ago.

• (1540)

The Government cannot solve all our problems, but we can do it together. What the Government is doing during these times is providing some leadership for Canadians. We have done that through the six and five program. Furthermore, the Government can cushion those people who are most in need. I have spoken about how we have reallocated $3 billion in June and an additional $1.4 billion in October. That provides a cushion for those people most in need.

The Government can encourage the economy to begin building and preparing for the day when recovery comes both at home and abroad. We have seen the $500 million that has gone into the NEED program which will help those workers most in need of it. This will also help companies, municipalities and communities across Canada to start on badly needed programs.

The Minister of Transport (Mr. Pepin) is in the House today. He is deeply involved in the rebuilding of the western rail system and the restructuring of the Crow rate so that the railroads can become major instruments for national prosperity over the next decade.

Finally, we have seen the Government stimulate the most sensitive sectors of our economy: housing, small business, forestry, fishing and agriculture. Many extra millions of dollars have been injected in those areas in order to help create jobs.

No one says that the premium increases for the unemployment insurance fund are desirable. We had to take a difficult situation and find a middle of the road course. We could have placed the entire burden on the worker and the employer. It would have been a crippling blow for them. We could have put the whole burden on the deficit, but that would have been an irresponsible move on our part. Instead, we shared and asked those of us who have jobs to contribute something, and then took the resources of the Government and contributed the remainder. That is the type of approach we have taken time and again for job creation and the development of an economic direction to prepare the country for economic recovery.

Mr. Mark Rose (Mission-Port Moody): Mr. Speaker, I am also pleased to take part in this Opposition day debate this afternoon. Since we have had the co-operation of the Government and, I assume, the Official Opposition, as the third NDP speaker I will try not to take up too much time of the House and will keep to my 15 fifteen minutes.

I was particularly disturbed by the statement of the Minister of Employment and Immigration (Mr. Axworthy)—sometimes called the Minister of unemployment—when he retaliated to

the criticism by the Hon. Member for Winnipeg-St. James (Mr. Keeper). The Minister's approach is to criticize the person who attacks him and to adopt a defence posture, a stance which is often indefensible. In that manner, he tries to shift the blame for his failures back to the person who criticizes him.

We can cite appalling examples of unemployment program mix-ups and mismanagements which have occurred during the last year, especially over the last six months. This does not suggest that the people who administer unemployment insurance at the local level are incompetent. They have had to carry a tremendous load. This mismanagement suggests that there must be something wrong with the administration of the program in which there are many delays for those wishing to receive premiums. Hence we blame the Minister responsible.

A classic example was provided to me by our research department. It involves the situation in the City of Sudbury where half of the 4,000 claims made by the company—presumably INCO—were in error. Some of the claimants were overpaid, others were underpaid, and many had to wait for five weeks or more. As well, some were cut off entirely from receiving benefits.

While there have been some recent improvements, I would describe the entire program as a bureaucratic nightmare. I hope that the Minister will consider that specific case of Sudbury with quick dispatch. When we criticize the administration or how the Minister handles his role, I think it would behoove him to listen to that criticism, instead of retaliating.

I was here when the Hon. Member for Lincoln (Mr. Mackasey) brought in the unemployment insurance scheme. At that time it was considered too generous. At that time we heard much criticism and satirical remarks about the UIC ski team at Banff. They had their own T-shirts, we are told. However, there is no question that in modern society—especially one directed by this Government—unemployment insurance is a necessity.

Yet, I repeat, unemployment insurance delays are awesome. As I said, in Sudbury the delay is six to eight weeks. In Windsor, it is six weeks. There is a six to eight-week delay in Fort McMurray. It is eight weeks in Belleville, eight to ten weeks in Port Alberni and four weeks in Nelson. There is a 12-week delay in Vancouver. I realize that the Minister may find it distasteful for me to cite these examples and that he may find it somewhat nettlesome. He therefore attacks the people who make those criticisms. But these criticisms are made because the people who are facing these delays are average Canadians and they need that money desperately. Many of them are forced to go on welfare. In at least two ridings represented by Members of this Party, the Hon. Members for Brant (Mr. Blackburn) and the Hon. Member for Kamloops-Shuswap (Mr. Riis), food distribution centres have been set up in their riding offices. Apparently, they have not only been deluged with serious offers of food but with requests for food from those offices. If that is the state of the nation, it is a most serious situation.

Defensiveness on the part of the Minister is unacceptable. There are all kinds of horror stories which I could list. I would like to talk about one of those stories because it reflects the prevailing attitude in Canada. This constituent is trying to deal with impatient creditors. His business is one of about 8,000 to 10,000 that officially went bankrupt last year. We do not know how many more just quit. This constituent had to go on to social welfare, but because he had a suite which he was renting out in the basement he could not get full social welfare. He received $420 per month from the Human Resources Department and due to the interest rates he is obligated with a mortgage payment of $938. What will that man do? He is trapped. I am not suggesting that the Human Resources Department in the Province should either ignore his plight or pay the total amount because he is receiving income, but he is still trapped. He will lose his home in the same way he lost his business. This constituent said, "I hope to be back on my feet soon and become a regular part of the working community." I hope so too. He went on to say, "But for the time being I have to swallow my pride and beg for assistance." You see, Mr. Speaker, our culture assumes that if you need help you must be a failure in some way. I wrote back to the man and asked him whether he had paid into unemployment insurance or had paid taxes all his life. He apparently had. I told him, "Well, you have earned that. This is what these programs are all about. This is why they are provided". However, that is not the way people feel about them. People feel very degraded by after exhausting unemployment insurance benefits because they have to seek social assistance. I phoned my riding office today and it reports that the number of people coming into the office who have been forced to go to Human Resources has gone through the ceiling. Most of the people are trying to find other programs because they feel humiliated when they must go on welfare. It is the result of our attitude that somehow if one is poor or needs help, one is a bum. That is known as the lazy bastard theory of social welfare, the feeling that the only people who are obtaining assistance are the socially incompetent. I do not accept that theory and I did not think anyone else should, either.

• (1550)

Other people, notably the UGN, the United Way in my riding, have written to me. They want some money from the community development grants to provide unemployment support centres. Why do we need unemployment support centres? We have human resources offices, unemployment insurance offices and offices of Members of Parliament. We probably even have regional desks so that citizens can reach government. What for? For assistance in job searching, counselling, personal situations, referrals, other facilities, charities and other things. So it is very serious matter in many ridings. Mine is one of the least touched, in the lower mainland, amounting to 11 per cent, because there are a tremendous variety of occupations in my area and we are part of an agricultural and fishing area. We provide a transport corridor. It is a suburban area, and we also have some manufacturing. Many other areas of B.C. are far worse off than mine.

Let me turn from the litany of losses to something else. Today I raised a question concerning job creation on the railways. I directed it to the Minister of Finance (Mr. Lalonde) and it was answered by the Minister of Transport (Mr. Pepin). I am glad the Minister of Transport is here because I simply do not understand the kind of answers I received from him when I asked him the question. Apparently the situation amounts to a shell game by the Government which has allotted, as a conerstone of its employment policies over the next year, some $400 million for the upgrading of the railways, to stimulate some employment. I do not know whether the Minister is using the figure of $25,000 per job or whatever. All I know is that it will supposedly produce about one-tenth of the employment we need. However, since the total rail program will supposedly run until 1991 and create 400,000 jobs and he will put in $400 million this year alone, to begin with, and I do not know how many more millions of dollars will be required, I asked the Minister whether he could guarantee that there would be no employment cuts to the railways. The railways have been losing 5,500 jobs a year on an average since 1976. He could not guarantee me that. What concerns me is that all we will do will be to pump more money into the railways for the purposes of upgrading and creating employment, yet we will continue to lose employment. I find that hard to understand. I frankly find that to be very confusing because the projections for investment in the railways over the next year have been exactly what they have been over the last two years, that is, $1.3 billion. We are losing employment on the railways at the rate of 5,000 or more jobs each year on the average, since 1976. If the railways do not increase their investment in their own rolling stock, upgrading, track enhancement and improvement, then it will be up to the Government. If the Government is to put in money just to let the railways off the hook, my Party and I think we should have equity. The Minister gets up. Yes, I am suggesting that perhaps we should even nationalize the CNR—

Mr. Pepin: Good!

Mr. Rose: —because the Minister says that it is a commercial venture and is not part of social welfare. I have the facts right here in my hand. However, if he looks at the charter of the CNR, and it decided to bail out a couple of bankrupt railway companies when it was first established, its objective is for enhancement and improvement—and I have forgotten the precise word, but in other words its objective is to assist and enhance Canada. I do not have the right quote in my hand at the moment. I have lost it in this pile of papers, but if I find it, I will read it.

Mr. Pepin: It must have something to do with transportation.

Mr. Rose: If it is not to the benefit of Canada, then why do we have a national railway? Why do we have a railway as a Crown corporation?

Mr. Pepin: For transportation purposes.

Mr. Rose: However, if it is just another business with no social purpose other than that, then I do not see much point in having it as a Crown corporation. We might as well sell it off.

Mr. Heap: That is what the Government will do.

Mr. Rose: Well, no, they did not want it in the first place.

Mr. Heap: When it starts making money.

Mr. Rose: Oh, I see. Bandeen has said it will be sold. Where is Bandeen now? He has gone on to some insurance company. Anyway, I object to that. We will pump more money into the railways, they will take that money and they will not create jobs. If they do not create jobs, how can that be a core of a job creating program? On Wednesday the Minister of Finance said that $400 million would be pumped into the railways for job creation—that is a third of the $1.2 billion he plans to use. The Minister is shaking his head.

Mr. Pepin: Four hundred million is in addition to the $3.2 billion over the next four years for the modernization of western rail transportation.

Mr. Rose: The bottom line is, will it be job-creative or not? If the railways continue to cut their work force, how on earth will that create jobs? The Minister is shaking his head. It is too difficult, too complex for this Member to understand. Therefore, I must be wrong. The money is to be used for tracks and will employ the steel plants, but in the meantime the railways will be nationalized and improved in such a way that they will not need as many people. That is probably what he is suggesting.

The problem with our economic policies and employment strategies is that, first, they have been short-term and, second, they have been wrongheaded. We have been spending all kinds of money to push megaprojects, such as drilling in the Beaufort Sea. What about provinding a few small social welfare bits for Dome Petroleum? That ought to be a good idea, and perhaps a few more, if they really need it. Ignore the guy who will lose his home. Consider Hibernia and the oilsands. The Government will steal from alternative energy sources, from conservation, from the CHIP program and give it to what? Nukes? Will it give money toward stockpiling more heavy water down in Canso or Cape Breton, where there are two plants and $800 million was written off last year? So we have all kinds of money for certain things and not for others. The Nova Scotia Federation of Labour says, "Do it now. Let us start some upgrading and expansion". However, we do not get that. We are asked to pull together. We are asked to do some vague thing called pulling together. We are experiencing business bankruptcies, people are out of work, taxes are rising, but what have we done? The Prime Minister says, "Pull together. We must have unity and co-operation". Who's fault is it? Who has been in the Government for these past 14 years? One cannot blame it all on the municipalities or on world conditions. Hon. Members opposite must bear some of the blame. Today the Prime Minister had the crushing gall to say that he will appoint a former Minister of Finance to tell us

what is wrong with our economic policy. That is the height of ludicrousness, if that is a word. He called for us to help him through co-operation to get us out of this mess and said that the way to do it was through six and five.

• (1600)

When the Prime Minister (Mr. Trudeau) came into office in 1968 we were second in the world in terms of standard of living. Now we are fourteenth. Some people say that all countries in the western world and in the OECD have problems, but they do not have the unemployment problems that we have. Certainly they do not have the rates of unemployment which we are experiencing. For example, Germany and Japan have half the rate of Canada.

I will tell the House what is wrong with Canada. We are a mega-based, resource-based economy. When a world recession comes along, we have nothing to back it up. We have lost manufacturing jobs by the thousands. I could refer to the list of statistics, but who would want to refer to a list anyway? As a matter of fact, I heard that the level of oratory in the United States Senate fell markedly when people stopped using their emotions and began to quote statistics. Statistics are not good for oratory because no one likes numbers. There are so many big numbers around that no one really listens to them, anyway.

At the present time $100 million is being spent each year on nuclear research and the stockpiling of lethal poisons. Would it not be better to spend it on solar or double-glazed windows? Would it not be better to spend it on things which would create employment at a lot less money per job? I think we should. People are going out of business because of cutbacks, but look at the money the Government has taken out of the pockets of people. Naturally businesses will go bankrupt if people are paying most of their money out in interest rates on mortgages. In that event they do not have much left to purchase cars or bicycles; some do not have enough to purchase food. It is not sensible.

We will have five and six on the people but they will not touch oil, which is the prime inflationary factor in Canada today. It will go up again on January 1. I know there is an agreement. I know it will make many people unhappy, but many more people will be unhappy when they have to put away their cars because they have no other option.

They are subsidizing nuclear sales abroad to Mexico. They have subsidized interest rates for Korea or for whatever tin pot dictator comes around wanting to buy one. They will break the contracts with retired public servants. They will allow the dollar to go way down and force many people into bankruptcy. They will scapegoat the Public Service. There will be 800,000 families on welfare by the end of the year; 10,000 more each month. They tell the young that they cannot have jobs. They tell them that they cannot obtain an education by raising the fees. They tell people that they cannot expect to own their own homes. They tell the elderly that they cannot have their indexed pensions because indexing is too expensive and that they must work until they drop.

Mr. Kristiansen: Even if they have paid for them.

Mr. Rose: Yes, even if they paid for them. We are accused of being negative. We are accused of carping and being compassionate at the same time, compassionate to the working and the poor and carping to the Liberal Government. There is no way that they can dutch and dodge and shell-game their way out of this one. They have done it to us.

What do we suggest? Re-forestation would be one suggestion. There should be vast expansion, not lay-offs, in the rail yards. There was some money in the budget speech of last Wednesday for co-op housing. We run out of it in my riding in March of every year. We need Government and industry co-operation in terms of investment. Perhaps we do not need any more McDonald stands with their imported buns. If the Government wants to cut money, it could cut a bunch of those F-18s. I know they make nice toys, but we might as well be using slingshots. There are many useful things we could do through the municipalities to put people to work.

I am glad we have the community development grant. It was increased in my riding from $100,000 last year to $400,000 this year. I am very pleased by the amount of money, but why is my riding getting it? It is because the labour force survey indicates that things are much more rotten in my riding. I say to the Government, as I thank it for allowing me to speak, even if its Members did not listen very much, that it probably has three options. They can either lead, which they have not been doing, or they can follow, which they do not like to do because they are Liberals, or they can step down and get the hell out of the way.

Some Hon. Members: Hear, hear!

Mr. Bosley: Mr. Speaker, I rise on a point of order. This is a very important motion on an important subject, and everyone in the House knows it. But there is also a courtesy which occurs at the time of a national convention. As I understand the rules of the House, the normal speaking pattern at this time would be to go to the Government benches, then to our benches—and we have a speaker ready to go—and back to the Government benches. It being an NDP day I would suggest, as a matter of both courtesy to the Government Members who have an event which they would like to attend and as a courtesy to the mover of the motion, that we end the debate at this point, so that those on the other side who wish to attend their annual convention today could do so, so that the New Democratic Party would have had, through the Hon. Member for Mission-Port Moody (Mr. Rose), the closing speech.

Mr. Rose: Mr. Speaker, this subject was broached a little earlier. It is not usual that we would close debate on an Opposition day on an important subject earlier than normal. It is true that the New Democratic Party has had more than its share of time. From that point of view I am grateful, and I have said so in my previous remarks. I would propose an early adjournment provided it were generally known that we have had our time and that no further NDP speakers would have had the floor, anyway. This was a courtesy on the part of the Members of the Official Opposition who have given up their speaking time, which was accepted by the Government.

[*Translation*]

Mr. Rémi Bujold (Parliamentary Secretary to Minister of Employment and Immigration): Mr. Speaker, I merely wish to add my comments to those concerning comments by the Member of the New Democratic Party, namely, that you should alternate between the official opposition and the government side. Since this is our second opposition day this week and we have had ample time to speak to the matter, although it is indeed very important, we should agree to call it five o'clock.

[*English*]

Mr. Bosley: I want to ensure that the record shows my Party is prepared to give up its time by reason of courtesy only and that we regard the subject just as important as Hon. Members of the New Democratic Party..

Mr. Rose: Mr. Speaker, I find that acceptable. I would also like to say that if the debate does not end we have other Members who are prepared to participate, as do the other Parties. We are unlikely to get the floor anyway, so it is under those conditions that we put forward our agreement.

The Acting Speaker (Mr. Blaker): The House seems to have reached an agreement, but I think it would be fair to mention to the Hon. Member from Mission-Port Moody (Mr. Rose) that the Chair very often attempts on an Opposition day, with respect to either Opposition Party, to see to it that the Party has a representative to speak and to close the debate. If the debate were to continue, it would be my intention to attempt to provide further time for the New Democratic Party.

If the House is satisfied under the circumstances to close down a little early—and this is the impression I have from the representatives of the three Parties who have spoken—then it will do so. The easy way to find out is by simply putting it to Hon. Members. Is there unanimous consent to call it five o'clock?

Some Hon. Members: Agreed.

The Acting Speaker (Mr. Blaker): Accordingly, by unanimous consent, it being five o'clock—and I might indicate that Opposition Parties have expressed a great courtesy to the Liberal Party which has its convention this week—the House stands adjourned until next Monday at 2 p.m.

At 4.10 p.m. the House adjourned, without question put, pursuant to Standing Order.

HOUSE OF COMMONS

Monday, November 8, 1982

The House met at 2 p.m.

• (1405)

MOTIONS UNDER S.O. 43

[*English*]

ENVIRONMENTAL AFFAIRS

CALL FOR RECONSTITUTION OF SUBCOMMITTEE ON ACID RAIN

Mr. Stan Darling (Parry Sound-Muskoka): Madam Speaker, I am sure that the Minister of the Environment (Mr. Roberts) and Hon. Members throughout the House share my concern with regard to the serious matter of acid rain. It is a concern felt throughout my riding of Parry Sound-Muskoka and, I know, the rest of the country. It is an ongoing problem and one which demands our ongoing attention. Among other considerations which spring to mind, I would mention that the Government, in its dealing with those beyond our border, should have the backing of an ongoing subcommittee devoted to the subject. I would also point out that all Members of the former committee are unanimous in their request that it should be reinstituted. I therefore move, seconded by the Hon. Member for Northumberland (Mr. Hees):

That immediate steps be taken to reconstitute, on a continuing basis, the former Special Sub-Committee on Acid Rain.

There is a precedent for this action, involving the Subcommittee on the Disabled, which is still continuing.

Madam Speaker: Is there unanimous consent for this motion?

Some Hon. Members: Agreed.

Some Hon. Members: No.

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THE ADMINISTRATION

DEMAND FOR RESIGNATION OF MINISTERS

Mr. Ron Stewart (Simcoe South): Madam Speaker, in his speech to the Liberal convention this past weekend the Prime Minister (Mr. Trudeau) promised delegates that the Government "will move in five strategic areas", these to be detailed in the coming Speech from the Throne. In a recent full-page newspaper ad The National Citizen's Coalition presented five truly strategic reasons why Canada is in such trouble: the new Minister of Finance (Mr. Lalonde) and his disastrous energy program; the new Secretary of State (Mr. Joyal) and his costly and divisive bilingual policies; the new Minister of Energy, Mines and Resources (Mr. Chrétien), who removed property rights from the Constitution; the Minister of Agriculture (Mr. Whelan) who plans to do to the agricultural industry what was done in the energy field; and the Prime Minister himself, whose Government has created debt and despair.

I move, seconded by the Hon. Member for Bow River (Mr. Taylor):

That if the Government is really serious about taking five steps to restore our economy and our confidence, the aforementioned immediately resign, a move which would instantly improve prospects for at least five million of their fellow Canadians.

Madam Speaker: Is there unanimous consent for this motion?

Some Hon. Members: Agreed.

Some Hon. Members: No.

* * *

ATOMIC ENERGY OF CANADA LIMITED

NUCLEAR WASTE DISPOSAL—SUGGESTED TRANSFER OF RESPONSIBILITY

Mr. Mark Rose (Mission-Port Moody): Madam Speaker, in a special report on the Canadian nuclear industry in yesterday's *Toronto Star*, Egon Frech, a spokesperson for the nuclear waste management division of Atomic Energy of Canada Limited, admitted that the nuclear industry was not really interested in dealing with the problems of permanent nuclear waste disposal and that, "if it were not for public pressure, we would not be engaged in . . . disposal research". In that same exposé, the Hon. Member for Thunder Bay-Atikokan (Mr. McRae) said this about the AECL: "I have never had experience with any group that I mistrust more. They operate in a semi-secret way and they use a big public relations operation to put people off." In view of these statements, I move, seconded by the Hon. Member for Winnipeg-Birds Hill (Mr. Blaikie):

That the Government, in order to protect future generations of Canadians, transfer responsibility for nuclear waste disposal research, and responsibility for assessing the health hazards of nuclear waste, to a scientific body completely independent of AECL and one beyond the reach of the powerful nuclear lobby groups.

Madam Speaker: Is there unanimous consent for this motion?

Some Hon. Members: Agreed.

Some Hon. Members: No.

S.O. 43

INDIAN AFFAIRS AND NORTHERN DEVELOPMENT

CALL FOR ARTS AND CRAFTS SECTOR DEPARTMENTAL AUDIT

Mr. Lorne Greenaway (Cariboo-Chilcotin): Madam Speaker, in light of the fact that more than $15 million has been spent between 1977 and 1981 by the Department of Indian Affairs and Northern Development in the sector of Indian arts and crafts, and in view of the history of chronic mismanagement and counter-effective use of public funds in this area, I move, seconded by the Hon. Member for Calgary West (Mr. Hawkes):

That an immediate investigation and complete audit of the funding and management of the Indian arts and crafts sector be initiated by the Minister of Indian Affairs and Northern Development, in conjunction with the Auditor General, in order to ensure that these public funds are used efficiently, effectively and in the best interests of the native people.

Madam Speaker: Is there unanimous consent for this motion?

Some Hon. Members: Agreed.

Some Hon. Members: No.

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FAMILY VIOLENCE

HOLDING OF FEDERAL-PROVINCIAL CONFERENCE

Mr. Jim Hawkes (Calgary West): Madam Speaker, five months ago the Standing Committee on Health, Welfare and Social Affairs recommended that a federal-provincial conference be held to deal with the pressing issue of battered wives. On Friday the Minister responsible for the Status of Women indicated that, contrary to the recommendations of that report, this important conference will not be held. I therefore move, seconded by the Hon. Member for Simcoe North (Mr. Lewis):

That the Minister of National Health and Welfare bring this matter to the urgent attention of Cabinet and, hopefully before Christmas, report back to the House the dates, times and location of the recommended conference.

Madam Speaker: Is there unanimous consent for this motion?

Some Hon. Members: Agreed.

Some Hon. Members: No.

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NUCLEAR ARMAMENTS

TESTING OF CRUISE MISSILE

Mr. Terry Sargeant (Selkirk-Interlake): Madam Speaker, I rise under the provisions of Standing Order 43. Whereas the Prime Minister (Mr. Trudeau), speaking to the Liberal convention on the weekend, showed a surprising naivete on the nuclear arms race, stating that we need to deploy the Cruise missile in order to force the Soviets to the arms reduction bargaining table, and whereas, while the U.S. enjoyed an overwhelming superiority in nuclear arsenals during the fifties, sixties and early seventies, the Soviet Union felt compelled to do just the opposite and will now certainly match deployment of Cruise missiles with deployment of their own, I move, seconded by the Hon. Member for Burnaby (Mr. Robinson):

That the Prime Minister fulfil his own wish that Canada not have to test the Cruise, a wish shared by most Canadians, by not allowing its testing in this country, thus making a positive, non-naive statement on the arms race.

Madam Speaker: Is there unanimous consent of this motion?

Some Hon. Members: Agreed.

Some Hon. Members: No.

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MEDICAL CARE

USER FEES AND EXTRA BILLING

Mr. Dave Nickerson (Western Arctic): Madam Speaker, the Liberal uncertainty over universality in social programs—

Mr. Smith: No uncertainty!

Mr. Nickerson: —with the Minister of National Health and Welfare (Miss Bégin) telling the party convention one thing while telling Parliament something quite different, has led to confusion over whether the national health care system will be retained in its present form or not. I therefore move, seconded by the Hon. Member for Calgary West (Mr. Hawkes):

• (1410)

That the proposed new Canada Health Act be tabled in draft form immediately so that Canadians might be aware of the Government's intentions respecting user fees, extra billing and changes in medical cost distribution between different levels of Government.

Madam Speaker: Is there unanimous consent for this motion?

Some Hon. Members: Agreed.

Some Hon. Members: No.

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THE PRESS

DEMAND THAT GOVERNMENT DROP PRESS COUNCIL PLAN

Mr. Pat Nowlan (Annapolis Valley-Hants): Madam Speaker, I rise to move a motion under the provisions of Standing Order 43. In view of press coverage of the Liberal annual general meeting over the weekend, especially on the commendable Young Liberal movement for democracy and honesty in political affairs, when aides, schemers and manipulators of the Prime Minister's Office were criticized, but no mention made of the man elected 17 years ago this date, I move, seconded by

another Member who was elected 17 years ago, the Hon. Member for Dartmouth-Halifax East (Mr. Forrestall):

That this House direct the Minister responsible for the Kent Commission to cease and desist in his efforts to establish a Press Council since the Government not only controls, but obviously already owns a press with a double-standard, which lets Liberals blame little folk as fall guys with nary a negative on a man who never carried his own luggage.

Madam Speaker: Is there unanimous consent for this motion?

Some Hon. Members: Agreed.

Some Hon. Members: No.

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EXTERNAL AFFAIRS

NICARAGUA—REPORTED UNITED STATES BACKED RAIDS

Mr. Ted Miller (Nanaimo-Alberni): Madam Speaker, I rise to move a motion under the provisions of Standing Order 43. This past week the public has learned of U.S.-orchestrated clandestine raids on the Central American country of Nicaragua, launched from neighbouring Honduras and designed to destabilize the Nicaraguan Government. We have also learned that the escalation of these operations has increased the possibility of war in the region, and that considerably larger-scale U.S.-Honduran military manoeuvres are planned against Nicaragua in December.

In view of Canada's growing bilateral relationships in Latin America and desire for the restoration of political stability to the region, I move, seconded by the Hon. Member for Skeena (Mr. Fulton):

That this House call on the Secretary of State for External Affairs to provide the House with full information on the magnitude of American arms supplies, military and intelligence activities in Central America, and the Canadian Government's view of the dangers caused by these activities to the political stability and independence of all countries in that region.

Madam Speaker: Is there unanimous consent for this motion?

Some Hon. Members: Agreed.

Some Hon. Members: No.

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CANADIAN PACIFIC RAILWAY

WINNIPEG LAY-OFFS

Mr. Bill Blaikie (Winnipeg-Birds Hill): Madam Speaker, I rise to move a motion under the provisions of Standing Order 43. The CPR, by recently laying off 1,100 workers at its shops in Winnipeg when there is plenty of rolling stock to repair, is certainly not demonstrating any faith in Canada and can hardly be said to be preparing to take advantage of future economic recovery as the Prime Minister via television encouraged everyone to do. Indeed, it appears that the CPR does not really expect a recovery. Therefore, I move, seconded by the Hon. Member for Winnipeg North (Mr. Orlikow):

That the Government order the CPR for once to act like a decent corporate citizen and, failing that, that the CPR be nationalized and the CNR be renationalized so that finally we might have a railway system in this country which serves the public interest.

Madam Speaker: Is there unanimous consent for this motion?

Some Hon. Members: Agreed.

Some Hon. Members: No.

ORAL QUESTION PERIOD

[*English*]

THE ECONOMY

CONFIDENCE AND TRUST OF PRIVATE SECTOR

Hon. Bill Jarvis (Perth): Madam Speaker, in the absence of the Prime Minister my question is for the Deputy Prime Minister. He will likely be aware that many of the more than 1.5 million Canadians who are jobless are either previous or prospective employees of that group of Canadian entrepreneurs whom we often call the risk takers, whether they be small businessmen, farmers, fishermen et cetera. I think the Deputy Prime Minister is also aware that within this group are those who are deterred from fulfilling their traditional job creating role by high interest rates, inflation or unemployment. Simply because at this moment they do not have sufficient trust or confidence in either the country or the Government to invest the pool of capital they have in a more traditional job creating sense, they are sitting on it.

Does the Deputy Prime Minister not agree that the necessary trust and confidence within that group cannot be restored by a Royal Commission which might report in three years from now, or in a Throne Speech that might be months away? If the Deputy Prime Minister does agree, first, with the problem and, second, with the solution, what immediate steps does the Government propose to take to restore that very necessary trust and confidence in this, the most dynamic segment of our society?

• (1415)

Hon. Allan J. MacEachen (Deputy Prime Minister and Secretary of State for External Affairs): Madam Speaker, the Hon. Member is speaking as if the investor were operating in some sort of an abstract world. He is operating in a world economy that is presently characterized by very high inflation which has resulted in high unemployment and high interest rates. It has been my belief, and it has not changed since I ceased being Minister of Finance, that the basic pre-condition for the restoration of confidence and trust in the future of the Canadian economy is to make progress in the reduction of

inflation in the country. That is one of the pre-conditions. It is not the sole element.

The Minister of Finance in his economic statement underscored the importance of the six and five program, and added further elements in the process of building up that trust and confidence. The Hon. Member will realize that concrete evidence of recovery in other countries such as the United States would do as much to restore trust and confidence for the investor as any of the notions that he has put forward to the House.

PREPARATION OF SPEECH FROM THE THRONE

Hon. Bill Jarvis (Perth): Madam Speaker, the concrete evidence is that over the last few days these people who normally create more jobs than any other segment of society, "the engine of recovery", to use the words of the Minister of Finance, instead of buying a pick-up truck, a piece of equipment, or embarking on imaginative projects or marketing programs, have been buying Canada Savings Bonds, not out of patriotism but simply because they do not have the confidence to do anything with that capital except to let it sit another year. That is to that issue and I wish and I plead with the Deputy Prime Minister that he direct himself. They are not deterred by international condition. They simply do not have enough confidence at the moment to fulfil their traditional role.

The House Leader indicated a week or two ago that the Throne Speech is ready. I am now a little concerned because the Prime Minister said on the weekend it was still being worked on in terms of some recovery program.

Madam Speaker: Order. The Hon. Member took a minute and a half on his first question. The second one should be very much shorter.

Mr. Jarvis: I apologize, Madam Speaker. Is the Throne Speech ready? If not, when does the Deputy Prime Minister expect it to be ready and when might this House hear it?

Hon. Allan J. MacEachen (Deputy Prime Minister and Secretary of State for External Affairs): Madam Speaker, when it is the intention of the Government to present the Speech from the Throne, the House will be notified. That decision has not yet been taken. I believe the Government House Leader has had consultations with respect to the legislative program, with his opposite numbers. I believe the progress that is now being made on that important legislative program will justify its completion or, indeed, substantial progress in that direction, before bringing down a Speech from the Throne.

USE OF ENERGY TAX TO ENCOURAGE CANADIAN OWNERSHIP

Hon. Bill Jarvis (Perth): Madam Speaker, I have a final supplementary. In terms of priority, will the Deputy Prime Minister agree that the Government, collecting over $700 million a year for its Canadian ownership program—four cents a gallon—and knowing the difficulty the Minister of Finance has with a lack of funds for job creation, could use that in excess of $700 million far more wisely and far more effectively on programs that would create jobs, whether it be research and development, capital equipment or whatever? In terms of priority, will he agree that would be a much more effective use of that $700 million in taxpayers' money, given the 1.5 million unemployed today?

Hon. Allan J. MacEachen (Deputy Prime Minister and Secretary of State for External Affairs): Madam Speaker, the Hon. Member realizes that there are a number of objectives that have to be pursued simultaneously in the national interest. The Canadian ownership charge has been approved by Parliament for a specific purpose. It cannot be used for any other purpose except the purpose that was decided upon by the Parliament of Canada, namely, that it should be used to increase the ownership of Canadians in the energy sector.

• (1420)

The Hon. Member has talked about the necessity for job creation. The Minister of Finance, in his recent statement, has put forward very large sums, added to the large sums already available for job creation in the country. Both these objectives are therefore being pursued simultaneously by the Government.

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MACDONALD ROYAL COMMISSION

REQUEST THAT MINISTER SPEND WEEK IN RIDING

Mr. Jim Hawkes (Calgary West): Madam Speaker, my question is for the Deputy Prime Minister also and it concerns the appointment of the Macdonald Royal Commission. We do not know how much that will cost. We do know that the reporting date is three years in the future, but it is Canadians today who are out of jobs, Canadians who are feeling the effects of stress illness. I would like to ask the Minister whether or not he thinks another ivory-tower exercise of this kind is better than the Minister himself going back to his riding for one solid week to talk to the people who are in trouble and the people who have creative ideas on how to get the economy going. Will the Deputy Prime Minister commit himself to going back to his riding for one week to talk to the people, instead of giving us another ivory-tower exercise?

Hon. Allan J. MacEachen (Deputy Prime Minister and Secretary of State for External Affairs): Madam Speaker, I very much disagree with the Hon. Member's description of the proposed Royal Commission as an ivory-tower exercise. The Chairman of the Commission is not the kind of person who would conduct an ivory-tower exercise. It will be a down-to-earth and realistic appraisal of the long-term prospects of the Canadian economy and in what direction that economy ought to be encouraged to evolve in the medium term. There is nothing "ivory tower" about that exercise. I also would like to tell the Hon. Member that I do not need any advice from him

about how often I should go to my riding. I will take advice from my constituents on that point.

Mr. Hawkes: I wish the Deputy Prime Minister had the courage to put that to an election test. Maybe his constituents have a message for him.

COMMITTEE REPORT

Mr. Jim Hawkes (Calgary West): The first item, Madam Speaker, on this list of tasks for the Royal Commission is "trends in labour market requirement and conditions". A committee of this House on which I served for 14 months prepared a massive report on labour market conditions and training. As Minister of Finance, he did not implement a single recommendation in that report after we spent hours and thousands of the taxpayers' dollars on it.

I wonder if the Deputy Prime Minister could at least change the terms of reference for this ivory-tower commission, pull that file off the shelf and get some action started today for Canadians, in the field of jobs, training, and things they need. Can the Minister do that?

Hon. Allan J. MacEachen (Deputy Prime Minister and Secretary of State for External Affairs): Madam Speaker, I think the Hon. Member should admit that action has already been taken on major aspects of the report to which he referred in his question.

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HOUSE OF COMMONS

PRESENCE IN GALLERY OF LORD PRIVY SEAL OF GREAT BRITAIN, BARONESS YOUNG

Madam Speaker: I would like to draw the attention of the House to the presence in our gallery of the Right Hon. the Baroness Young, Lord Privy Seal and Leader of the House of Lords of Great Britain.

Some Hon. Members: Hear, hear!

* * *

THE ECONOMY

REQUEST FOR EARLY INTRODUCTION OF PROGRAM ANNOUNCED BY PRIME MINISTER

Hon. Edward Broadbent (Oshawa): Madam Speaker, I have a question for the Deputy Prime Minister. On the weekend we learned that Canada has the highest level of unemployment since 1936. We also learned from the Prime Minister on Friday night, in his speech to the Liberal Party, that the Government has now a five-point national economic recovery program which it will not bring in until sometime in the new year. We have in real numbers over a million and a half unemployed now. We are going to lose many thousands in terms of jobs, in addition, before Christmas. If the Government has a program, why, in heaven's name does it not bring it in now instead of waiting for another two months?

• (1425)

Hon. Allan J. MacEachen (Deputy Prime Minister and Secretary of State for External Affairs): Madam Speaker, may I read a couple of paragraphs from that excellent speech—

Some Hon. Members: Oh, oh!

Mr. MacEachen: —made by the Prime Minister at the outstanding convention held in Ottawa on the weekend.

Some Hon. Members: Hear, hear!

Mr. MacEachen: I wish the Hon. Member, and especially the Leader of the Opposition, had tuned in to the convention to see how political conventions are operated.

Mr. Broadbent: I went to another comedy instead.

Mr. MacEachen: The Hon. Member asked about the Prime Minister's program for economic recovery. This is what the Prime Minister said:

> We will build upon the success of six and five. We will build upon the new directions forecast by Marc Lalonde's economic statement. We will build upon this convention. And with that legacy, we will present to the Canadian people a new program for economic recovery.

REASONS FOR DELAY IN INTRODUCTION

Hon. Edward Broadbent (Oshawa): Madam Speaker, that was almost as boring as when we heard the original from the Prime Minister. Is the Minister telling us there really is no new program, that what the Prime Minister and his wonderful staff hoked up was simply a regurgitation of what we already had presented to us in this Parliament and nothing new is forthcoming? Or, if there is something new, I ask my first question again: why does the Government not bring it in now?

Hon. Allan J. MacEachen (Deputy Prime Minister and Secretary of State for External Affairs): Madam Speaker, I think the next paragraph—

Some Hon. Members: Oh, oh!

Mr. MacEachen: —will provide the answer to the Hon. Member's question. Madam Speaker, the Prime Minister went on to say:

> The details of that program are being worked upon and the process of consultation is going forward. But our direction is clear. To restore economic growth without inflation, we will move in five strategic areas:
>
> First, we will put in place a national program to rebuild our communities, restore our infrastructure, and renew our industrial strenght. Right across Canada—in every region, in every city, in every village, there are roads to be built, sewers to be constructed, community projects to be advanced, ports to be deepened, or railway tracks to be laid.

That, Madam Speaker, is the first area of strategic advance planning which the Government is now undertaking.

Oral Questions

REQUEST THAT GOVERNMENT TAKE ACTION

Hon. Edward Broadbent (Oshawa): Madam Speaker, the Deputy Prime Minister can read very well. We now know why he was appointed Secretary of State for External Affairs. The Minister smiles there at his own cleverness and his infinite intellectual capacity in being able to read one of the Prime Minister's speeches. But I say to him a lot of unemployed Canadians out there do not take this matter as a joke, not one little bit.

If the Minister says now that there are sewers to be constructed, and if there are roads to be built, I say to him that there are sewers to be constructed now, roads to be built now, and why can the Government not do something now instead of waiting until January?

Hon. Allan J. MacEachen (Deputy Prime Minister and Secretary of State for External Affairs): Madam Speaker, the Hon. Member asks why is the Government not doing something now. The Minister of Employment and Immigration has put out $500 million in order to achieve employment objectives. Today he is consulting with one of the provincial governments in order to advance that program which is being put in place now, I tell the Hon. Member for Oshawa.

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HOUSE OF COMMONS

PRESENCE IN GALLERY OF DEPUTY PRIME MINISTER OF ARAB REPUBLIC OF EGYPT, HIS EXCELLENCY KAMAL HASSAN ALI

Madam Speaker: I have the honour to call attention to the presence in our gallery of a distinguished visitor in the person of the Deputy Prime Minister of the Arab Republic of Egypt and Minister of Foreign Affairs, His Excellency Kamal Hassan Ali.

Some Hon. Members: Hear, hear!

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MACDONALD ROYAL COMMISSION

QUALIFICATIONS OF CHAIRMAN

Miss Pat Carney (Vancouver Centre): Madam Speaker, my question is also addressed to the Deputy Prime Minister in regard to the appointment of former Finance Minister Donald Macdonald as Chairman of the Royal Commission on Economic Union and Development Prospects for Canada. Considering the fact that, when Mr. Macdonald was Minister of Finance, his budget deficit nearly doubled from $5 billion to more than $8 billion and unemployment rose from 7 per cent to 8.2 per cent, what exactly were the economic qualifications for the chairmanship of this commission?

• (1430)

Hon. Allan J. MacEachen (Deputy Prime Minister and Secretary of State for External Affairs): Madam Speaker, I think anyone who knows the background of Mr. Donald Macdonald knows that he is uniquely qualified to head such a Royal Commission. He has had long and successful service in the House of Commons. He has acquired a knowledge of the economic situation both at home and abroad because of the responsibilities he has discharged in Canada. In recent years he has had considerable experience in the private sector.

Miss MacDonald: And as a Liberal!

Mr. MacEachen: I believe that this experience, combined with his acute intelligence and organizational ability, will provide the leadership that is required to make this an effective Royal Commission.

COMMENTS MADE BY FORMER AUDITOR GENERAL

Miss Pat Carney (Vancouver Centre): Madam Speaker, I have a supplementary question for the Deputy Prime Minister, if I could have his attention. He spoke about the unique record of Mr. Macdonald. I should like to point out that during his term as Finance Minister the Auditor General's report said that "financial management and control in the Government of Canada is grossly inadequate". The Lambert Royal Commission on Financial Management and Accountability said that under Macdonald's rule there was a "grave weakening and in some cases an almost total breakdown in the chain of accountability," first, within government and, second, within Parliament. How can Canadians have trust and confidence in a Chairman with that kind of track record?

Hon. Allan J. MacEachen (Deputy Prime Minister and Secretary of State for External Affairs): Madam Speaker, the Hon. Member is going back to comments that were made several years ago by outside observers of the parliamentary scene.

Mr. Clark: The Auditor General.

Mr. MacEachen: I am sure if the Hon. Member had been in the House with Mr. Macdonald, he would have effectively answered any comments that were made.

Mr. Clark: No, he didn't; he quit and ran.

Mr. MacEachen: He told the House at that time that he had taken steps to correct these difficulties. Subsequent Ministers have done the same thing.

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NORTHERN AFFAIRS

NORTHERN CANADA POWER COMMISSION—SUBCOMMITTEE RECOMMENDATIONS

Mr. Dave Nickerson (Western Arctic): Madam Speaker, my question is directed to the Minister of Indian Affairs and Northern Development. The Report of the Parliamentary Subcommittee on the Northern Canada Power Commission

was tabled in the House of Commons on April 7, 1982, seven months and one day ago, but so far there has been no response to this report from the Minister. When will he implement the recommendations contained in the Penner Report?

Hon. John C. Munro (Minister of Indian Affairs and Northern Development): Madam Speaker, since that time there has been an urgent request from northerners for the Government to forgo a good deal of expenditures through the tax system, and to extend northern benefits. At considerable cost, and to the entire satisfaction of all northerners, that is exactly what the Government did. That is a high expenditure item and, as you know, other items in the Penner Report also involve millions of dollars. They have to be considered in terms of their over-all cost, in view of our financial situation. This is especially so in view of the fact that the Official Opposition keeps talking about our horrendous deficit. Their position should be consistent, also.

More specifically, the Penner Report is being considered within the Department by the Energy Task Force in which territorial officials are involved. I hope to put that before my Cabinet colleagues for consideration some time prior to the end of the year.

Mr. Nickerson: Madam Speaker, you ask a question on the Northern Canada Power Commission and get an answer pertaining to the remission order on northern taxation. But I thank the Minister for that information anyway.

COMMISSION DEBT

Mr. Dave Nickerson (Western Arctic): The Minister will know that about one-third of the power cost in the Yukon and Northwest Territories is due to the amortization of about $200 million in debt that has built up over a period of years. Much of this debt is due to previous mismanagement. One of the recommendations of the Penner Report was to liquidate this debt. Will the Minister take to Cabinet the recommendation that that outstanding debt be liquidated so that power costs can be brought down by some 30 per cent?

Hon. John C. Munro (Minister of Indian Affairs and Northern Development): Obviously, Madam Speaker, that is one of the key elements of the Penner recommendations, so we would have to give consideration to it. The Hon. Member should keep in mind that it is an additional expenditure at the time when, as Minister, I am trying to find money for many additional expenditures, whether it be for Cyprus-Anvil in the Yukon, or infrastructure throughout the Territories. It means a loss of $17 or $18 million in interest payments per year to the Government. That is what we have to look at, and certainly we will be looking at that very thing.

FINANCE

IMPACT OF MARINE FUEL TAX

Mr. J. M. Forrestall (Dartmouth-Halifax East): Madam Speaker, I have a question for the Minister of Finance, and I am pleased that the Minister of Transport is also in his seat.

In light of the charges made yesterday and today by Admiral Timbrell, president of Dominion Marine Association, with respect to the economic impact of the discriminatory marine fuel tax, will the Minister take an early opportunity to meet with the President of DMA and his officials for the purpose of discussing in detail the economic impact and effect of this continuation of a discriminatory tax?

Hon. Marc Lalonde (Minister of Finance): First of all, Madam Speaker, I should like to challenge the assertion made by the Hon. Member that the tax is discriminatory; it is not discriminatory at all. It is the same tax that is applied to Canadians and American lake ships when they are engaged in international trade. Both are required to pay the international price for the oil they use for their transportation. This tax has no discriminatory element at all.

As far as the suggestion made by the Hon. Member I receive representations on the subject is concerned, I have indicated in the House before that I am open to representations on any particular subject having to do with taxation. If Dominion Marine Association has representations to make, it can make them to me. I will be happy to look at the representations.

Mr. Forrestall: Madam Speaker, the Minister invites comments. Of course he will be aware that this fuel tax with respect to international aviation flights has not only been removed but that rebates have been made to that industry, while they have not been made to the marine industry.

REQUEST THAT GOVERNMENT REVIEW TAX

Mr. J. M. Forrestall (Dartmouth-Halifax East): Madam Speaker, I put the question to the Minister again and ask whether he is prepared even to entertain the possibility of a review of this matter. It has cost not only the Great Lakes Seaway, but the St. Lawrence system, a significant amount of money this year and, as well, has probably cost hundreds and hundreds of Canadian seamen their jobs.

Hon. Marc Lalonde (Minister of Finance): First of all, Madam Speaker, I should like to remind the Hon. Member that since February the tax on aviation fuel has been transformed to a new form of taxation. That tax applies to all aircraft flying on international flights.

Second, there is no competition for the transportation of wheat, iron ore, or coal between aircraft and ships. I have not heard from the airline industry that there was any problem of unfair competition in that regard.

Third, I fail to see how the tax could have caused the loss of jobs when, in effect, it applies in exactly the same way to

American and Canadian carriers engaged in international transportation. As a matter of fact, because of the difference in the exchange rate between Canadian and U.S. dollars, Canadian operators already benefit and have a very significant advantage resulting from the lower value of the Canadian dollar versus the U.S. dollar. They are in a good position to compete if they run their businesses efficiently.

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PENITENTIARIES

UNITED CHURCH MODERATOR'S REPORT ON AFTERMATH OF ARCHAMBAULT RIOT

Mr. Svend J. Robinson (Burnaby): Madam Speaker, my question is directed to the Solicitor General. Late last week the respected Moderator of the United Church of Canada released a report containing very serious allegations of torture and brutality on the part of a small number of guards at Archambault Prison following the tragic deaths there in the July 25 riot.

In view of the fact that this report by the Right Rev. MacDonald repeats earlier allegations by Charles Kolb of the International Human Rights Law Group, which the Minister glibly dismissed as sensational, is the Minister now prepared to order a full, independent, public inquiry into these very serious charges of brutality and lawlessness at Archambault institution?

Hon. Bob Kaplan (Solicitor General): Madam Speaker, I do not agree at all with the characterization which the Hon. Member has given to the new MacDonald report. In fact the allegations of torture and brutality were not supported by the MacDonald report; they were referred to without indicating in any way whether the Moderator agreed or disagreed with them. I am looking forward to meeting him. I found the report a sincere one. I would very much like to have that meeting.

• (1440)

In the meanwhile, one additional step that I would like to take across the whole Correctional Service of Canada is to require that if and when an incident of the sort that took place at Archambault ever takes place again, the ombudsman of the inmates, that is, the correctional investigator, be called in at once and be present as much as possible during the incident and during its aftermath, not only as a curb on the possibility of such events actually occurring, but also as a curb on and confirmation of allegations which are made subsequently, from an independent source, of what actually did take place during the incident.

Mr. Robinson (Burnaby): Madam Speaker, once again we have the Minister trying to cover up responsibility for wrongdoing at Archambault, just as he did at Dorchester two years ago when there were allegations of beatings and gassings. Clearly the prison system in Canada is in a state of crisis today. We have seen it right across the country.

REQUEST FOR COMMITTEE STUDY OF LENGTHY SENTENCING PRACTICE

Mr. Svend J. Robinson (Burnaby): Madam Speaker, in view of the obvious problems which have been identified by prisoners, prison guards and, indeed, a former Liberal Solicitor General, with the mandatory provision for a 25 year sentence without eligibility for parole, is the Minister prepared to recommend that the Justice Committee study fully and comprehensively in the near future the ramifications of the 25 year sentence before we see further outbreaks of violence in the Canadian prison system?

Hon. Bob Kaplan (Solicitor General): Madam Speaker, as to the suggestion that this hostage-taking incident proves a deterioration taking place in the Correctional Service of Canada, I think the statistics show quite the opposite. In fact the number of hostage takings which have occurred so far this year, as regrettable as each of them is, is below the number which has taken place in any year since 1974. As the Hon. Member very well knows, a very important measure of stability in the institutions, that is, the measure of major incidents, is down by 50 per cent from what it was prior to 1980. I think a serious look at the Correctional Service of Canada would show improvement, not deterioration.

As to his suggestion that the 25 year sentences should be reviewed, I admit that I am concerned about the implications of the 25 year sentence. I am having the Correctional Service and my secretariat look into them, but I think it is far too early to draw conclusions about the impact of the 25 year sentence. I have met, as perhaps my friend has, with 25-year inmates across the system, and I find despair is as much a consideration as extra hostility on the part of these individuals. I would like to know more about them, and I think that with only 171 or so individuals having had that sentence since 1976 it is too early for him to draw horrendous conclusions—

Madam Speaker: Order.

* * *

[*Translation*]

TRANSPORT

"HUDSON TRANSPORT" ACCIDENT—INQUIRY BY JUDGE HUGESSEN—CONSIDERATION OF RECOMMENDATIONS

Mr. Alexandre Cyr (Gaspé): Madam Speaker, my question is directed to the Minister of Transport and concerns the inquiry conducted by Justice James Hugessen following the accident with a tanker, the *Hudson Transport*, on the St. Lawrence at Christmas 1981. In his report, Justice Hugessen made forty recommendations regarding operations on board ship, with special emphasis on the crew and on rescue operations in the Gulf. My question is as follows: Could the minister inform us how many recommendations have been accepted and

more specifically, whether he approved the recommendation dealing with the availability of a search and rescue ship on an hour's notice along the Gaspé coast?

Hon. Jean-Luc Pepin (Minister of Transport): Madam Speaker, Justice Hugessen did indeed make a number of recommendations. It is common practice for the Department of Transport to consider these recommendations and to consult with experts, which was done in this particular case, and subsequently, to publish a report indicating the recommendations the department is prepared to accept and those it cannot accept. That is the usual process. In this case, as far as Recommendation 16 is concerned which indicates that a ship must be ready to go to the rescue of a ship in distress on an hour's notice, it is already a Department of Transport regulation. In the case of the Hudson, the regulation was not followed as a result of some very unpleasant business which occurred in Quebec City. So, the regulation does exist. As far as safety on the St. Lawrence is concerned, at the present time we have the *Ville-Marie*, which is now in service, and this winter, the *Simon Fraser* will also be put into service, in order to be prepared for all eventualities on the St. Lawrence.

* * *

[*English*]

REGIONAL ECONOMIC EXPANSION

DESIGNATION OF ONTARIO REGIONS

Mr. Stan Darling (Parry Sound-Muskoka): Madam Speaker, my question is directed to the Minister of Industry, Trade and Commerce. I might say that I have addressed this question to his predecessors, the President of the Treasury Board, and the Minister of Fisheries and Oceans. I presume he is aware that the Department has been studying for some months now the proposal to extend the boundaries of regions eligible for DREE grants. The Province of Ontario has particular significance to me because part of my riding, the Regional Municipality of Muskoka, is not covered. Could the Minister bring us up to date on this situation and on what the decision will be?

Hon. Ed Lumley (Minister of Industry, Trade and Commerce and Minister of Regional Economic Expansion): Madam Speaker, there is no decision forthcoming in the immediate future of which I am aware with respect to changing any boundaries in Ontario with respect to DREE.

REQUEST THAT GOVERNMENT HELP PRIVATE INDUSTRY

Mr. Stan Darling (Parry Sound-Muskoka): Madam Speaker, I wonder if the Minister could have a word with his predecessor twice removed, because I was informed categorically that there was a study being made and serious consideration being given to parts of central Ontario, to extend the boundaries. That is an area in which there is high unemployment. I am quite sure, if the Government is now doing everything possible to provide jobs, that it will help private industry with these grants to do the job itself, and they will not be only 20 week jobs, either.

Hon. Ed Lumley (Minister of Industry, Trade and Commerce and Minister of Regional Economic Expansion): Madam Speaker, I did not say that the study was not under way. I just said that I did not think there would be a decision forthcoming in the immediate future with respect to any changes in the boundaries of DREE-designated areas.

* * *

CRIMINAL CODE

APPLICATION OF BREATHALYZER TESTS

Hon. Elmer M. MacKay (Central Nova): Madam Speaker, my question is directed to the Minister of Justice. It is with respect to recent developments in the so-called breathalyzer provisions of the Criminal Code. In view of the solemn promises which were given around 1969 by the Liberal Government—and I believe John Turner, who was then Minister of Justice—that at the first opportunity accused persons given the breathalyzer test would be provided with an independent analysis facility, a container suitable for independent analysis of their breath, and in view of recent statements by Douglas Lucas, the Director of the Centre for Forensic Science in the Department of the Solicitor General, that this is now possible, will the Minister of Justice take steps to fulfil that commitment and alleviate the incriminatory and Draconian aspects of the legislation about which so many Members had reservations at the time it was brought into the House?

Hon. Mark MacGuigan (Minister of Justice): Madam Speaker, I thank my hon. friend for bringing this matter to our attention. As he knows, the reason for the delay over these years has been the technical problem. I want to assure him that, in light of these developments, the matter is now under active study.

* * *

FISHERIES

REQUEST THAT PEARSE REPORT BE REFERRED TO STANDING COMMITTEE

Mr. Donald W. Munro (Esquimalt-Saanich): Madam Speaker, my question is directed to the Minister of Fisheries and Oceans. We are looking forward to meeting him in committee. Could he say yes or no right now as to whether he is prepared to refer the Pearse Commission report on the Pacific fisheries to the Standing Committee on Fisheries and Forestry?

Hon. Pierre De Bané (Minister of Fisheries and Oceans): Madam Speaker, I intend to go and meet with as many groups in the West as possible within the next ten days. I would be very interested in having the views of the Hon. Member, but personally I do not think fishermen on the West Coast are

awaiting more and more talk from us. Dr. Pearse has presided over that Royal Commission of Inquiry. I have met with him. At the moment I am studying his report and consulting with various sectors. I hope to be starting the implementation of some of his recommendations, in the very near future.

• (1450)

POSITION OF MINISTER

Mr. Donald W. Munro (Esquimalt-Saanich): Madam Speaker, I gather from the answer that there is no intention to refer that particular report to the Standing Committee. Would the Minister then be prepared to comment on remarks made by Dr. Pearse in paragraphs 4 and 6 of that Report, since he has been studying it? Dr. Pearse said, "My Inquiry pointed inescapably to deficiencies of Government policy, uncertain objectives, weak and outdated legislation, bad organization, contradictory programs and confusion." In paragraph 6 he said, "The policies are neither coherent nor well suited to modern needs." Would the Minister be prepared to comment on that right now?

Hon. Pierre De Bané (Minister of Fisheries and Oceans): Well, Madam Speaker, it is precisely because of the need to take action that I would not think that the fishermen on the West Coast would like to see more talks take place but that we try to implement concrete steps. This is what I intend to do in the very near future.

Mr. Munro (Esquimalt-Saanich): Will we ever see it referred to the Committee?

* * *

LABOUR RELATIONS

NORDAIR STRIKE—APPOINTMENT OF MEDIATOR

Mr. Maurice Foster (Algoma): Madam Speaker, my question is directed to the Minister of Labour. In view of the continuing strike at Nordair which has been going on for some four or five months, and which is having a very negative impact in many parts of eastern Canada, and had been a tremendous inconvenience to travellers in northern Ontario and northwestern Ontario especially, is he prepared to take any action now to see that this dispute is resolved?

Hon. Chas. L. Caccia (Minister of Labour): Madam Speaker, the company has now indicated that it is willing to enter into mediation with the Aerospace International Union of Machinists in the dispute involving the clerical bargaining unit. As soon as I learned this, I appointed a mediator. He will be available as of today to assist in settling the dispute.

AVIATION SAFETY

ADVISORY COMMITTEE REPORT—REQUEST FOR REFERRAL TO STANDING COMMITTEE

Mr. J. R. Ellis (Prince Edward-Hastings): Madam Speaker, my question is for the Minister of Transport. The Minister has had the report of the Minister's Advisory Committee on the Commission of Inquiry into aviation safety before him for some time now. Would he tell the House if he intends to refer that Report to the Standing Committee on Transportation for their comments?

Hon. Jean-Luc Pepin (Minister of Transport): Madam Speaker, I assume that my hon. friend is talking about the Dubin Report.

NATURE OF REPORT

Mr. J. R. Ellis (Prince Edward-Hastings): No, Madam Speaker, the Report that I am talking about is that of the Minister's Advisory Committee. I read it a moment ago. The Minister's Advisory Committee on the Commission of Inquiry into Aviation Safety, which was an outfall of the Dubin Report—that is the Report which I would like to see referred to the Standing Committee on Transportation.

Hon. Jean-Luc Pepin (Minister of Transport): Madam Speaker, as I recall, this is an internal document. The advice of the committee that I have had on the subject will be brought forward in the Canadian Air Safety Board Bill which is now ready to be introduced in the House. I hope to send it for discussion to the Committee on Transportation before the New Year.

* * *

ATOMIC ENERGY OF CANADA LIMITED

NUCLEAR WASTE DISPOSAL—REQUEST FOR TRANSFER OF RESPONSIBILITY

Mr. Mark Rose (Mission-Port Moody): Madam Speaker, yesterday's *Toronto Star* carried a statement which I think is of interest to Canadians, and to the Minister of Energy, Mines and Resources in particular. There was a statement in yesterday's *Toronto Star* attributed to a Mr. Egon Frech which dealt with the permanent waste disposal of some 500,000 tonnes of atomic waste. That represents the size of a hockey rink filled three feet high. He said, "If it weren't for the public pressure we wouldn't be engaged in disposal research." Would the Minister tell us if the Government's attitude is the same as expressed by Egon Frech and, if not, why does the Government not remove the responsibility for waste disposal research for AECL and give it to an independent body?

Hon. Jean Chrétien (Minister of Energy, Mines and Resources): Madam Speaker, I think that AECL is working in that area but there is a review committee which supervises everything and which has issued some reports on research

activities. I believe that the reports have been quite positive so far, and that the work is being done properly. It is independently supervised, and I think that the mechanisms which have been installed for this purpose are satisfactory.

Mr. Rose: Not according to the Liberal Member for Thunder Bay-Atikokan who says, "I have never had experience with any group that I mistrust more. They operate in a semi-secret way and they use a big public relations operation to put people off."

SUGGESTED ESTABLISHMENT OF INDEPENDENT REGULATORY AGENCY

Mr. Mark Rose (Mission-Port Moody): Madam Speaker, secretiveness and mistrust are not what Canadians expect from a regulatory agency. Will the Minister assure Canadians that he will give deep consideration to having an independent regulatory body deal with the research into atomic waste disposal, and have it set up in such a way that it is out of the reach of the nuclear lobbyists?

Hon. Jean Chrétien (Minister of Energy, Mines and Resources): Madam Speaker, I have the names of all those on the advisory committee. There are some very independent Canadian groups, such as the Biological Council of Canada, the Chemical Institute of Canada, the Canadian Geoscience Council, the Canadian Institute of Mining and Metallurgy, the Canadian Association of Physicists, and the Canadian Association of Biological Societies. I suggest that these people who are in the technical advisory role are quite independent in nature. I think that to say that just because they are working with AECL they cannot have an independent view of what is happening, is an exaggeration. If someone has a specific case for complaint of which they can advise me, I will certainly look into that, but no one has talked to me about it as yet. I have seen it in the paper.

* * *

[*Translation*]

TRANSPORT

PLIGHT OF QUEBECAIR EMPLOYEES

Mr. René Gingras (Abitibi): Madam Speaker, my question is directed to the Minister of Transport. As you know, this week the Minister of Transport met with Quebecair employees who are suffering the consequences of a rather unusual situation. The owners of Quebecair are playing politics and the employees are bearing the brunt of the situation. I would like to ask the Minister of Transport what happened at his meeting with representatives of the flight attendants, pilots, maintenance crews and ground personnel, what the results of this meeting were and whether there is still hope for Quebecair employees?

Hon. Jean-Luc Pepin (Minister of Transport): Madam Speaker, I tried to explain to them the facts about the current situation, but obviously they are caught or at least they get the impression they are caught in a crossfire between the federal and the provincial government. I really do not know what Mr. Clair, the Quebec Minister of Transport, intends to do. He seems to have taken control of the destiny of Quebecair, which would seem to point to control of the company by the Quebec government, but the minister announced that the government was no longer interested because it could not invest any more in the company. In any event, I am willing, since I was supposed to see the minister on Friday about something else, to see him before then to try and find out what his intentions are and to discuss all aspects of the matter with him.

* * *

[*English*]

UNEMPLOYMENT INSURANCE

JOB CREATION PROGRAM CRITERIA FOR EMPLOYMENT

Mr. Paul Dick (Lanark-Renfrew-Carleton): Madam Speaker, my question is directed to the Deputy Prime Minister. Because of the great concern that has been expressed, and indeed the money that has been allocated for job creation programs, and because the Liberal Government has set up a number of job creation programs under Section 38 of the Unemployment Insurance Act whereby people who have fallen off of unemployment insurance can not get one of those jobs and people presently collecting unemployment insurance can get those jobs, does the Government not feel that it is unfair to discriminate against those who are the worst off in this situation?

[*Translation*]

Mr. Rémi Bujold (Parliamentary Secretary to Minister of Employment and Immigration): Madam Speaker, as the Hon. Member just pointed out in his question, under the provisions of Section 38 of the Unemployment Insurance Act, only individuals who are drawing unemployment insurance benefits are eligible. However, he forgot to mention, regarding those who have exhausted their unemployment insurance benefits or are about to do so, that the department has already taken action to deal with the situation. This summer, the department conducted a study which showed that the number of people in this situation would increase this fall and next spring. Therefore, we established in our own department a follow-up system for all Canada Employment Centres, and as announced by the Minister of Finance three weeks ago, a job creation program is directly aimed at these people, and the Department of Employment and Immigration is taking all the necessary measures to deal with the distressing problems now facing this particular group.

• (1500)

[*English*]

GOVERNMENT POLICY

Mr. Paul Dick (Lanark-Renfrew-Carleton): Madam Speaker, I know of two individual cases where people have used up their unemployment insurance funds and are the only qualified people in their area to get on one of the job creation programs under Section 38 of the Unemployment Insurance Act, yet they cannot be employed because they do not fit the criteria set out by the Government. Is it a new tenet of policy, in spite of having the right of affirmative action enshrined in the Canadian Constitution, that the Government will not give affirmative action programs specifically to help those who are in the worst economic condition?

[*Translation*]

Mr. Rémi Bujold (Parliamentary Secretary to Minister of Employment and Immigration): Madam Speaker, I believe I have partly answered the Hon. Member's first question. I agree that Section 38 of the Unemployment Insurance Act clearly specifies that workers who may work on these projects must be receiving unemployment insurance benefits. However, the government has already taken action to deal with the group to which the Hon. Member is referring, and the job creation program, whose criteria are to be announced shortly by the Minister of Employment and Immigration, will in fact be responding to the situation described by the Hon. Member.

ROUTINE PROCEEDINGS

[*English*]

SUPPLEMENTARY ESTIMATES (B), 1982-83

A message from His Excellency the Governor General transmitting Supplementary Estimates (B) of sums required for the service of Canada for the fiscal year ending March 31, 1983, and in accordance with the provisions of the Constitution Acts, 1867 to 1982, was presented by Hon. Herb Gray (President of the Treasury Board) and read by Madam Speaker to the House.

[*Translation*]

REFERENCE TO STANDING COMMITTEES

Hon. André Ouellet (Acting President of the Privy Council and Minister of Consumer and Corporate Affairs): Madam Speaker, pursuant to the provisions of Standing Order 59, I move, seconded by the President of the Treasury Board (Mr. Gray):

That the Supplementary Estimates (B), 1982-83, tabled earlier this day, be referred to the several Standing Committees of the House as follows:

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

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

November 8, 1982—Supplementary Estimates (B) 1982-83 referred:

To the Standing Committee on Agriculture:

Agriculture Votes 5b, 10b, 15b and 40b

To the Standing Committee on Communications and Culture:

Communications Votes 1b, 5b, 10b, 15b, 20b, 35b, 41b, 50b, 65b and 80b

Secretary of State Votes 1b, 5b, 10b, 25b, 30b, 35b, 40b, 45b and 55b

To the Standing Committee on External Affairs and National Defence:

External Affairs Votes 1b, 5b, 10b, L16b, L17b, L18b, 25b, 30b and 35b

To the Standing Committee on Finance, Trade and Economic Affairs:

Economic Development Vote 1b

Finance Votes 1b, 11b, 12b, L13b and 20b

Industry, Trade and Commerce Votes 1b, 10b, 26b, 27b, L35b and 45b

National Revenue Vote 5b

To the Standing Committee on Fisheries and Forestry:

Environment Votes 5b, 10b, 15b and 30b

Fisheries and Oceans Votes 1b, 5b and 10b

To the Standing Committee on Health, Welfare and Social Affairs:

Consumer and Corporate Affairs Votes 1b, 2b, 3b and 4b

National Health and Welfare Votes 5b, 10b, 15b, 20b and 40b

Social Development Vote 1b

To the Standing Committee on Indian Affairs and Northern Development:

Indian Affairs and Northern Development Votes 1b, 5b, 15b, 20b, 25b, 30b, 45b, L50b, L55b and L60b

To the Standing Committee on Justice and Legal Affairs:

Justice Votes 1b, 5b and 25b

Solicitor General Votes 1b, 5b, 10b, L14b, 15b and 20b

To the Standing Committee on Labour, Manpower and Immigration:

Employment and Immigration Votes 10b, 15b and 20b

Labour Votes 1b and 5b

To the Standing Committee on Miscellaneous Estimates:

Privy Council Votes 1b, 2b and 15b

Science and Technology Vote 15b

Supply and Services Votes 1b and 15b

To the Standing Committee on National Resources and Public Works:

Energy, Mines and Resources Votes 5b, 10b, 40b, 45b, 55b and 81b

Public Works Votes 10b, 11b, 40b, 55b and 60b

To the Standing Committee on Privileges and Elections:

Privy Council Vote 10b

To the Standing Committee on Regional Development:

Regional Economic Expansion Votes 10b, 25b and 30b

To the Standing Committee on Transport:

Transport Votes 1b, 10b, 35b, 45b, 50b, 55b, 60b, 65b and 80b

To the Standing Committee on Veterans Affairs:

Veterans Affairs Votes 1b, 10b, 20b and 30b

[*English*]

Mr. Baker (Nepean-Carleton): Madam Speaker, I do not think there is anything wrong with the suggestion that they be included in *Hansard* as read. However, before consent is given, I wonder if the Hon. Gentleman would assure us that these

referrals are in accordance with the usual practice and that there has been no departure from that practice. That will save us all a great deal of trouble.

[*Translation*]

Mr. Ouellet: Yes, Madam Speaker.

[*English*]

Mr. Baker (Nepean-Carleton): Consent is therefore given, Madam Speaker.

[*Translation*]

Madam Speaker: Does the House then give its unanimous consent to this motion?

Some Hon. Members: Agreed.

Motion agreed to.

* * *

[*English*]

QUESTIONS ON THE ORDER PAPER

(Questions answered orally are indicated by an asterisk.)

Mr. David Smith (Parliamentary Secretary to President of the Privy Council): Madam Speaker, the following questions will be answered today: Nos. 4,104, 4,251, 4,377 and 4,417.

[*Text*]

MR. JOHN W. SANDFORD

Question No. 4,104—**Mr. MacKay:**

1. (a) Did Mr. John W. Sandford, President of de Havilland Aircraft, come to de Havilland from the Admiral Corporation (b) what experience, if any, did he have in aircraft, aeronautical or any other business pertaining to aviation?

2. Does Mr. Douglas Kendall hold the office of Chairman of the Board of de Havilland Aircraft and does he also hold the position of Chairman of the Enterprise Development Programme of Canada?

Hon. Ed Lumley (Minister of Industry, Trade and Commerce and Minister of Regional Economic Expansion): In so far as the Department of Industry, Trade and Commerce is concerned: 1. (a) Mr. Sandford was President of Canadian Admiral Corporation Ltd., from 1975 to 1978. (b) Mr. Sandford's appointment is an internal matter of de Havilland Aircraft of Canada Ltd. While the information requested is of a personal nature, the disclosure of which is governed by the Human Rights Act Part IV, a copy of Mr. Sandford's curriculum vitae is attached with his consent.

2. Yes.

Resume John Sandford

Mr. Sandford's background includes over 16 years with Rockwell International. During that period he has served in many capacities and in a number of divisions.

During the past three years he has been the President of Canadian Admiral Corporation, Ltd. Canadian Admiral manufactures and distributes consumer products throughout Canada. Their annual sales are approximately $120 million. They have plants in Mississauga and Ottawa for the manufacture of refrigerators, colour TV's, microwave ovens, radiation detection equipment, electric ranges and home heating furnaces.

Before joining Canadian Admiral Mr. Sandford spent a year as a member of the Rockwell headquarters staff. He was one of a small team responsible for the integration of Admiral into the Rockwell organization, following the 1974 acquisition. His prime areas of responsibility were engineering, product design and plant operations in the United States, Canada and overseas.

Mr. Sandford joined Rockwell International in 1962. Initially his career involved engineering assignments on the Appollo spacecraft and the Saturn V launch vehicle, used for the manned lunar mission. As a director of advance launch systems, his responsibilities included upgraded versions of the Saturn V, new rocket systems and nuclear rocket stages.

Starting in the second half of the 1960s he headed up the design investigation which led to the space shuttle. He was responsible for Rockwell's winning proposal to NASA for the design, development and production of the $5.2 billion shuttle vehicle system. He left the shuttle program early in 1973 to become a director of engineering and product development for the General Aviation Divisions of Rockwell.

Mr. Sandford's background in aeronautics started with Westland Aircraft, England, where he was an engineering apprentice working on various fixed and rotating wing aircraft designs. In 1957 he immigrated to Canada and joined Avro Aircraft in Malton. Following the cancellation of the Avro Arrow program he joined with five other engineers and formed Avian Industries of Georgetown, Ontario.

Mr. Sandford has a master's degree in aeronautical engineering and is a professional engineer of the Province of Ontario. He lives in Mississauga with his wife and two children.

DEPARTMENT OF THE ENVIRONMENT—CODE OF CONDUCT

Question No. 4,251—**Mr. Crosby:**

1. Does the Department of the Environment have written rules or regulations governing the conduct or standards of behavior for employees of the Department and, if so, are they embodied in a Code of Conduct or other specific document and is the Code or document available to the public?

2. In the five years preceding April 1, 1982, were any employees of the Department disciplined by way of suspension, dismissal or otherwise for violations of any rules or regulations governing the conduct or standards of behaviour for departmental employees and, if so, in each case, what was the name of the employee and the date of the disciplinary action?

Hon. John Roberts (Minister of the Environment): 1. The Department of the Environment does not have a written Code of Conduct per se; however, guidelines for employees concerning conditions of employment are contained in the following documents: Departmental Disciplinary Guidelines, Departmental Conflict of Interest Guidelines. These documents are available to all Departmental employees; they are also available to the public on request.

2. Over the five years preceding April 1, 1982, and as permitted by the availability of records, the following numbers of disciplinary measures have been imposed for breaches of behaviour. The figures on written reprimands were available for a two year period only.

	Written Reprimands	Suspensions	Discharges
1977-1978	—	15	—
1978-1979	—	7	2
1979-1980	—	7	2
1980-1981	194	66	—
1981-1982	247	44	2

To be consistent with the provisions of the Canadian Human Rights Act we are not providing names.

WEAPONS TESTING IN CANADA BY FOREIGN COUNTRIES

Question No. 4,377—**Mr. Manly:**

1. During (a) 1977 (b) 1978 (c) 1979 (d) 1980 (e) 1981 (f) 1982, were Canadian sites used by the United States for weapons testing and, if so, what were such sites?

2. During the same years, were Canadian sites used by any other foreign governments for weapons testing and, if so, what were such sites?

3. During the same years, were sites or training facilities in Canada used by foreign governments for military training or any other military exercise and, if so, what were such sites or training facilities?

Hon. J. Gilles Lamontagne (Minister of National Defence): 1. (a), (b), (c), (d), (e) and (f) Canadian Forces personnel, with U.S. observers present, tested on behalf of the United States, torpedoes in an exercise configuration (no explosives) in each of the years 1977 to 1982. These tests were conducted at Canadian Forces Maritime Experimental and Test Ranges (CFMETR), Nanoose, B.C. and are in accordance with a Canada-United States International Joint Agreement effective April 14, 1976.

In the winter of 1977/78 tests to determine the effect of high air density on the projectile trajectories of 155mm shells were conducted on behalf of the United States at the Defence Proof Engineering Test Establishment (PETE) at Nicolet, Que.

2. (a), (b), (c), (d), (e) and (f) The following tests were conducted on behalf of the United Kingdom at Canadian Aerospace Engineering Test Establishment (AETE), Cold Lake, Alta. and on Primrose Lake Evaluation Range (PLER).

Cold weather systems trials on a Royal Air Force Hawk aircraft in both ground and flight environment from December, 1977 to January, 1978. These tests involved gun firings and delivery of bombs and rockets. All stores were inert or practice.

Support was provided to trials of Royal Air Force Harrier aircraft on April 24 and 25, 1980 in conjunction with Exercise MAPLE FLAG. The trials involved delivery, single and in salvo, of inert bombs.

Support was provided to trials of the Royal Air Force Buccaneer aircraft from September 28 to November 4, 1981. The trials involved delivery of inert laser guided bombs.

A joint Canadian, Netherlands and Norwegian torpedo test program was carried out at CFMETR, Nanoose, B.C. in the summer of 1980.

On behalf of the United Kingdom tests were conducted in 1977 at PETE, Nicolet, Que., to determine the effect on landmines of prolonged burial in frozen ground.

3. Yes. See table below.

Year	Location	Country
1977	Petawawa, Ont.	United Kingdom
	Suffield, Alta.	United Kingdom
	Wainwright, Alta.	United Kingdom
	Shilo, Man.	Federal Republic of Germany
	Goose Bay, Nfld.	United Kingdom
1978	Petawawa, Ont.	United Kingdom
	Suffield, Alta.	United Kingdom
	Wainwright, Alta.	United Kingdom
	Shilo, Man.	Federal Republic of Germany
	Goose Bay, Nfld.	United Kingdom
	Cold Lake, Alta.	United States/United Kingdom
1979	Petawawa, Ont.	United Kingdom
	Suffield, Alta.	United Kingdom
	Wainwright, Alta.	United Kingdom
	Gagetown, N.B.	United Kingdom
	Edmonton, Alta.	United Kingdom
	Shilo, Man.	Federal Republic of Germany
	Goose Bay, Nfld.	United Kingdom
	Cold Lake, Alta.	United States/United Kingdom
1980	Gagetown, N.B.	United Kingdom
	Suffield, Alta.	United Kingdom
	Wainwright, Alta.	United Kingdom
	Shilo, Man.	Federal Republic of Germany
	Goose Bay, Nfld.	United Kingdom
	Cold Lake, Alta.	United States
1981	Gagetown, N.B.	United Kingdom
	Suffield, Alta.	United Kingdom
	Wainwright, Alta.	United Kingdom
	Shilo, Man.	Federal Republic of Germany
	Goose Bay, Nfld.	United Kingdom/Federal Republic of Germany
	Cold Lake, Alta.	United States/United Kingdom
1982	Meaford, Ont.	United Kingdom
	Suffield, Alta.	United Kingdom
	Wainwright, Alta.	United Kingdom
	Shilo, Man.	Federal Republic of Germany
	Goose Bay, Nfld.	United Kingdom/Federal Republic of Germany
	Cold Lake, Alta.	United States/United Kingdom

SIGN-STRIPS ON POST OFFICE SIGNS

Question No. 4,417—**Mr. Scott (Victoria-Haliburton):**

1. Will the Canada Post Corporation be adding an additional sign-strip to the bottom of existing post office signs in the Constituency of Victoria—Haliburton and, if so, at what cost?

2. Will the sign-strip be added to all government buildings in the Constituency and, if so, at what cost?

3. (a) Who produces the sign-strips and at what cost per strip (b) what is the labour cost of their addition to existing signs?

4. Are the strips being added to already-existing government signs and, if so, for what reason?

Hon. Roméo LeBlanc (Minister of Public Works): 1. The Canada Post Corporation has been adding an additional sign-strip to 15 existing signs in the Constituency of Victoria-Haliburton (Apsley, Omemee, Lindsay, Little Britain, Bobcaygeon, Kinmount, Coboconk, Sunderland, Cannington, Beaverton, Jackson Point, Pefferlaw, Sutton West, Ponty Pool and Woodville). Total cost for the 15 Post Office "Canada" wordmark blades was $6,750.

2. Yes, Canada wordmark sign-strips are being added to all government buildings which do not comply with the Federal Identity Program (FIP) at a national average cost of approximately $950 per sign-strip, prices varying with dimension of blade and location and including shipping, handling and installation.

3. (a) The sign-strips are produced by the Department of Supply and Services, Canadian Government Expositions Centre, at a national average cost of approximately $750 per strip. (b) Approximately $200 per sign-strip for installation including shipping and handling.

4. The sign-strips are being added to the bottom of existing signs to make them conform with the Federal Identity Program. The strip being added is the Canada wordmark. According to the Federal Identity Program all buildings must be identified in the following manner:

Federal signature (in this case Canada Post);
message (name of building or address);
Canada wordmark.

* * *

[*English*]

QUESTION PASSED AS ORDER FOR RETURN

Mr. David Smith (Parliamentary Secretary to President of the Privy Council): Madam Speaker, if question No. 4,397 could be made an order for return, this return would be tabled immediately.

[*Translation*]

Madam Speaker: The questions enumerated by the Hon. Parliamentary Secretary have been answered. Is it the pleasure of the House that question No. 4,397 be deemed to have been made an order for return?

Some Hon. Members: Agreed.

[*Text*]

DIAND—OUTSIDE CONSULTANTS

Question No. 4,397—**Mr. Shields:**

1. Were outside consultants employed by the Department of Indian Affairs and Northern Development in the fiscal year (a) 1980-81 (b) 1981-82 and, if so, how many and what was the total amount paid?

2. Were any consultants paid more than $10,000 and, if so, in each case (a) what was his/her name (b) what was the amount paid (c) what services were provided?

Return tabled.

[*English*]

Mr. Baker (Nepean-Carleton): Madam Speaker, I rise on a point of order. Late last week, on Friday, the Parliamentary Secretary filed an answer to question No. 4,203. The question related to loans to employees of Petro-Canada or its subsidiaries. It requested the usual answers and asked what was the name and title of the employee, what loan was made, what date it was made, what was the amount of the loan, what interest rate was being charged and what was the purpose of the loan. The answer I received to that question stated:

Petro-Canada reports as follows:

The requested information is considered to be of a managerial and administrative nature between Petro-Canada and the Corporation's employees and, therefore, cannot be released to the public.

Some Hon. Members: Shame!

Mr. Baker (Nepean-Carleton): I know the Ministers can say anything they want in their answers, but I wanted to bring the fact to the Chair's attention that there have been many other answers given to similar questions with respect to similar organizations. This is the first in the number of answers I have received in which the answer has not been "No" to the question: "Have any loans been made?" The answers to former questions were very clear and indicated that information would be given even if it were managerial and administrative in nature.

Now, when we know that the answer is yes, there have been loans made, and we merely want details concerning public money, we receive the answer "No" from the Minister and this half-baked answer from his colleague. I would like to give the Parliamentary Secretary a chance. He and I have discussed the importance of clarity and openness with respect to answers. Would the Parliamentary Secretary undertake to go back to the responsible Minister and obtain an appropriate answer, one which is responsive to the question as all other answers have been responsive to similar questions?

Mr. Smith: Madam Speaker, I will be happy to review that answer with the Minister concerned. I believe he is in the House and has heard this exchange, so it may not be that difficult to consult with him.

Madam Speaker, I ask that all remaining questions be allowed to stand.

Madam Speaker: Shall the remaining questions stand?

Some Hon. Members: Agreed.

GOVERNMENT ORDERS

[*English*]

FARM LOANS INTEREST REBATE ACT (NO. 2)

MEASURE TO REDUCE INTEREST RATE

The House resumed, from Thursday, November 4, consideration of the motion of Mr. Whelan that Bill C-134, respecting rebates of interest on farm loans under the Farm Credit Act, be read the second time and referred to the Standing Committee on Agriculture.

Mr. G. M. Gurbin (Bruce-Grey): Madam Speaker, one can clip a sheep every year but one can only skin it once.

Some Hon. Members: Hear, hear!

Mr. Gurbin: The Liberal Government is down to the hide of Canadian agricultural producers and Canadian businessmen. Indeed, for 316 Canadian farmers this year, the Government has gone right to the bone.

Today we are debating the Farm Loans Interest Rebate Act, the provisions of which are in addition to the normal provisions of the Farm Credit Corporation and will provide some much-needed assistance to Canadian farmers. The tragedy is that this special assistance is required. In brief, this legislation provides $200 million in loans through the Farm Credit Corporation; $100 million of that is new funding. There is a $16 million Government donation, if you will, to agriculture to lower interest rates from the current 15.75 per cent to 11.75 per cent. That will assist between 500 and 1,500 Canadian farmers who are in serious financial distress.

• (1510)

There is no real debate on this Bill as such. No one is speaking in opposition to it. Indeed, I support this Bill strongly as a measure that will help that number of Canadian farmers. This Bill will be supported by my Party, as have all other additions to Farm Credit Corporation legislation through the years. But the tragedy is that we are required to pass legislation like this. It is really a band-aid measure which will only help a small percentage of Canadian farmers, those who are able to qualify. This legislation does not approach the basic problem or deal with the over-all number of Canadian farmers who need assistance. According to the calculations of the Canadian Federation of Agriculture, at least 10 per cent of Canadian agriculture is in some degree of financial distress. According to the Minister's statements, 11 per cent of farmers involved in financial arrangements with the Farm Credit Corporation are in default. Out of 300,000 Canadian farmers, according to that ratio, 30,000 Canadian farmers are in financial distress.

I would like to comment on two points in the Minister's statement. First, he took exception to my description of the agri-bond concept that I mentioned in a question I asked in the House. It was described as a Conservative concept. By way of clarification, if the Conservative Party were in Government this concept would indeed have been implemented. I offer as proof of that the fact that the Small Business Development Bond, a similar type of mechanism, was introduced first in the Crosbie budget. We are committed to that type of principle, where it applies, in order to assist Canadian agriculture and businessmen. We all know that the Small Business Development Bond was supported later on by the Liberal Government, and it continues to be in place for those in distress. We all know, however, that it is not working well in providing the real relief that is required as a result of circumstances existing in the country today.

Second, the Minister of Agriculture (Mr. Whelan) mentioned that the number of people to be helped by the farm loans program was at least 2,000. According to the Minister's figures, 554 special assistance loans have been made which accounts for $80.1 million. On that basis, certainly the maximum to be helped would be in the neighbourhood of 1,500 Canadian farmers.

The Minister also mentioned that because of the importance of Canadian agriculture a number of things have been done over the years to assist agriculture. While the Minister looks to these mechanisms as donations to agriculture, for which he has been responsible to pilot through the House, I think it fair to mention that, at the same time as the Minister has been doing this, he has also stood in the House and supported a number of programs which have severely damaged agricultural producers in Canada. Specifically, I refer to the budget of November 12 and the National Energy Program. Everyone knows that income averaging annuities are gone and have been replaced by a provision that is more awkward and is probably not as effective for those farmers who are retiring. The Minister of Agriculture supported that by supporting the November 12 budget.

We also know that energy prices were significantly increased in the National Energy Program. While the Minister of Agriculture repeatedly claims that farmers are relieved from federal taxation on farm fuels, we also know that through the provisions of the National Energy Program farmers, like other Canadians, are paying significant increases for diesel fuel and gasoline. This amounts to 40 per cent in the cost of farm fuel. According to my rough calculations, assuming agriculture uses approximately 3 per cent of the liquid fuels, that is, diesel and gasoline, farmers are actually paying each year into the federal treasury approximately $144 million by way of direct and indirect federal levies. Farmers are not free from federal taxation. Indeed, farmers are making a significant contribution to the federal coffers.

By comparison, this whole Program that we are talking about now amounts to approximately $20 million. It is very similar to the program that was instituted in the November 12 budget of last year, to which $5 million had been allocated. All of this money is money that will have to be repaid. It is not really a gift in the true sense.

Certainly the Farm Credit Corporation as we have known it over the years has made a valuable contribution to agriculture. Even in my own area, I can attest well to the capable efforts

that are being made. In particular I would like to mention the manager in the Walkerton office. He has a real feeling and understanding for the needs of agriculture. He does his best to help the local farm community within the limits and constraints that are provided by the Bill and the different revisions that have been made to the Farm Credit Corporation legislation.

Beyond that, we also know that farm credit has only provided a proportion, approximately one third, of the financial requirements of agriculture and that the regular lending rate of the Farm Credit Corporation now is 15.75 per cent. That 15.75 per cent is now well above what it cost the Farm Credit Corporation to borrow from the Government. The Bank of Canada prime rate is now approximately 11.25 per cent. One of the reasons that agricultural borrowers have to pay the high interest rate for at least the next six months is that the Farm Credit Corporation is required to set its rates for a six-month period. It does not have the flexibility in which to deal with the trends, whether up or down, in order to provide the lowest interest rates possible to agriculture borrowers.

Changes should be made to correct this. Whether on a three-month basis or a one or two-month basis, this would provide flexibility. This is particularly necessary now at a time when rates are coming down. Farm borrowers need to have the availability of that capital at the lowest possible interest rate.

The background to this whole situation that has made it necessary for this provision to be introduced really has to do with the state of the economy in Canada. Looking at interest rates and how they have fluctuated, both within Canada and internationally, over the last two years, we have seen the problem grow for agricultural producers.

• (1520)

It has been mentioned that we in Canada are experiencing the consequences of international situations over which we have no control. There is no question that Canadians are vulnerable to some of the fortunes and misfortunes of the international financial community, of interest rates going up and down, of international trade and so on. It is also true and fair to suggest that we have to compare ourselves and our relative performance with other countries.

In two recent cases we have seen the comparison of Canada's productivity and economic abilities with other countries. "Euromoney", a respected European financial document, has put us in fifty-fifth place, well behind other countries, most of which we would like to be ahead of, such as India, Pakistan and New Guinea. The OECD, in a statement by Sylvia Ostry, shows us at the very bottom in terms of economic performance compared to other western democracies.

Over the past ten years those things have created the crisis we have in our economic situation today. This crisis was experienced first in some sectors of the agricultural community, and the crisis will continue to be experienced as farmers face increasing bankruptcies. So far this year there have been 315 farm bankruptcies. By the end of the year it is expected there will be approximately 500.

That figure is not large. Five hundred people does not sound like a lot today. The important point is that it represents a 65 per cent increase in bankruptcies over last year. When talking about farm bankruptcies, we are talking about farmers who have openly declared bankruptcy and are identifiable. We are really only talking about the tip of the iceberg in terms of what is going on in the farm community.

In his statements on this bill, the Minister talked about the 50 per cent of farmers who are not vulnerable because they do not have significant borrowings. Since becoming Minister of Agriculture the Minister's constituency has decreased significantly. There are now approximately 300,000 farmers across Canada. Five hundred less may not make that big a difference, but the downward trend has been accelerated, particularly in the last several years, because of financial circumstances. It is one that promises to decrease his constituency to a size that may make it easier for him to handle, but it will create many long-term problems for Canada. One of the problems has been that the Government has not had a sense of what is happening at the basic farm unit level.

Efforts that have been made to try to express this to the Government have not been particularly well received. Recently in the area I represent, Bruce-Grey, the Parliamentary Secretary to the Minister of Finance (Mr. Fisher) was invited to speak to a group of farm women. His major address was describing the Government's five and six program and the need for national unity. Both of those may have their place in Government policy and he certainly had a right to espouse them, but he missed the point completely. As they listened to him, they tried to communicate the fact that they were not being heard or being understood, that the Government had no sense of the frustration and difficulties they were experiencing.

When a farm goes out of business, all the related people downstream are also affected. Farmers will be the first to tell you that the reason Massey-Ferguson is in trouble is that the farmers cannot afford new machinery. That is a highly visible example. Beyond that highly visible example are more important examples in communities across Canada. The small-businessmen in the rural communities depend on the agricultural community for support in their recovery, ranging from hardware stores to co-ops and so on.

This impact ripples throughout the entire economy in such a way that unless we have recovery at the primary producer level, we will continue to experience difficulties in unemployment and general economic difficulty which we now see throughout the country. It is at the primary producer level that we must concentrate and ensure that we have recovery and then growth.

There are two aspects to the financial distress we are now seeing. One is the calculated financial aspect and how it relates to the economy. The other is the human aspect, the distress being experienced by both the direct farm families and the communities in which they live.

This psychological stress that has been experienced over such a period of time is, in my opinion, creating a significant long-term problem. They will not recover from this quickly. It

will be very difficult to deal with. It is an additional problem for the Government as we progress through the eighties, but we must try to cope with it.

This is an unnecessary situation. We need to address the primary producer and primary production level, not just in agriculture but in all sectors. We see ripples through forestry, mining and so on. If we do not ensure that the primary producer level survives, we are not going to have a vehicle for recovery. We will not have the opportunity to recover from our current crisis.

There are two major parts of agricultural production costs over which the Government has some direct control. Those two major parts are interest rates and energy costs. Interest rates probably account for 20 per cent of farm input costs. Farm debt this year is approximately $17.6 billion and the interest on that debt is around $2.2 billion. That is 20 per cent of production costs.

The other single major factor in so far as input costs are concerned over which the Government has some control is energy costs. Depending on the type of farming done, energy costs can range from 8 per cent to 33 per cent, the 8 percent level being beef producers and the 33 percent level being cash croppers. What has happened in the last several years is that the primary producer has had to bear as much, and more in some cases, of the burden of increased interest rates and energy costs. They have not been able to recover those costs. Those opposite have many theories on how those costs can be recovered, but the primary producers do not have the opportunity to pass those costs on directly to consumers.

• (1530)

This Government, Mr. Speaker, has failed in the last several years to come up with some reasonable solutions, so that there is at least an insulation, if not a relief, from those burdens. If we do not provide some relief at that primary producer level, we are going to see not only a continual decrease in the number of farmers, but a potential collapse of the whole farming industry, certainly in some sectors. Many times there has been mentioned specific things that could be done. This Party, over the last six months, presented a ten-point program of specific things that could be instituted to allow the type of healthy agricultural economy this country needs in the short and the long term.

The first thing that must be done is that in some way the Minister of Agriculture must be given more influence in Cabinet. The Minister mentioned in the House that he did have some influence in Cabinet, but it has been very difficult for me, as a reasonably new Member, to see where that influence lies. Certainly it has not resulted in any meaningful improvement in the financial circumstances of farmers in my area and, as far as I know, has not resulted in any significant improvement in the financial circumstances of farmers across Canada.

The second thing that must be done is to stabilize farm prices. We must have co-operation and leadership for and within the Provinces. As recently as several days ago, the provincial Ministers of Agriculture met, without the federal Minister of Agriculture, not because they did not want to meet with him, but because he failed to follow through on a program he had committed himself to and they were forced to get together to try to come up with a national program. That clearly, Mr. Speaker, is a federal responsibility. We must have a national program so that each Province is not pitted one against the other, with different resources and opportunities, and there is some type of harmonization, some type of equalization of opportunities for farmers in the various Provinces.

I am not sure of the specifics of the meeting of the provincial Ministers of Agriculture, but clearly it is the time for the federal Minister of Agriculture to forward and enjoin the provincial ministers not only to co-operate, but to help in developing a plan which all Provinces can live with and which has some equity for all farmers in the country.

The Canadian Federation of Agriculture and, particularly, the Ontario Federation of Agriculture, have been very active in looking at farm financial conditions of today and over the last several years. They have come up with several proposals which we have looked at and with which we are in agreement, if not on the figures, certainly on the concept.

There is no question in anyone's mind that the Farm Credit Corporation itself requires a very significant, if not massive, infusion of capital. The changes which occurred in the legislation last April allowed the Minister of Agriculture to seek funding from outside Government, whether it be from pension funds or international banking interests. It has the ability now to do that. This increase in capital is very necessary for the Farm Credit Corporation to have the strength that is needed to meet the financial requirements of farmers today.

I have already mentioned, as many others, the agri-bond concept. That principle is simple. It is one that can be easily understood and implemented and is also allowable under the changes already provided through legislation last April. The Ontario Federation of Agriculture has also suggested an income market assurance program, which we would like to support. We are all on-track in the agricultural community in realizing that something at least equal to the provisions of IAACs should be reinstituted in order to provide security for farmers who will retire, and to help in some way to reduce start-up costs for young farmers.

With respect to the energy tax credit, I would like to compare the farm situation to the petroleum situation. Some petroleum companies—Union Carbide is one that comes to mind—are in a situation right now where they have faced massive increases in pricing, particularly of natural gas, to a degree that they are not building plants. They are not investing their capital in Canada, not providing jobs, and they are not providing the value added, which in the case of their products can be as high as 21 times the value of the natural gas. They are not doing these things because they cannot be competitive at the prices which are being charged for the raw resources.

The same situation applies to agriculture, Mr. Speaker. It uses a very small percentage of our total energy requirements in Canada. If it is required, as a cost of input, to pay the full

tariff—which it does, with the exception of some rebate on excise tax which is a small portion of the total cost—and it cannot get it back at the other end because it cannot pass those costs on, then agriculture is in a very poor position to face the future.

These are two specific examples where we have an opportunity in Canada, with our resources, to assure an industry, whether it is agricultural or a segment of the petrochemical industry, that we are in a position to provide them some relief so we can get that value added. Much has been mentioned of the export value that we gain from agriculture. We know the whole economy of Canada is perhaps 40 per cent dependent on agriculture, and as many as one-quarter of the population is directly or indirectly employed at some stage in the agribusiness. It is critically important that the primary producer remains competitive. Providing something like an energy tax credit or in some way reducing the input costs at the energy level can have a significant impact on how healthy that industry is. There is no question but that it can be done and should be done. The payoff could be tremendous.

In closing, I would like to say that over the last weekend particularly we in Canada have been treated to an example of, I suppose "reincarnation" might be the most appropriate word, of a leadership which has had some difficulty in coping with, if not in grasping, what are the problems facing Canadians today. If it was understood, there would be some action which would give myself and others a sense that the problems were going to be solved. We know the Prime Minister (Mr. Trudeau) has made efforts in the last several months, in his trip out west and his presentation to the policy conference most recently, to get the pulse of the country and try to find out what his position should be. I do not know, Mr. Speaker, whether he in fact has accomplished his goal. What I have a clear sense of is that, if he was out there, either he was using the wrong finger or he got the wrong pulse. Or we have the wrong Prime Minister.

• (1540)

Mr. Jack Murta (Lisgar): Madam Speaker, it is indeed a pleasure to enter this debate on amendments to the Farm Credit Corporation legislation. It is not too often that members from rural parts of Canada have a chance to debate agricultural concerns and problems here in the House of Commons. From time to time we have a chance to ask questions in Question Period, but as to having a dialogue or debate, not only with Government Members but with each other, that opportunity has not presented itself too often over the past year or so.

I would like to start by saying that I, like other Members of my Party, indeed all Members of the House of Commons, support the legislation we are dealing with this afternoon concerning the Farm Credit Corporation. I think one thing which can be said is that the FCC, because of the tremendous volumes of money which agriculture needs now, is starting to move in the right direction by looking for outside sources of money; in other words, money which is not necessarily coming from the Canadian taxpayer. The Corporation has done that, of course, by looking to the United States bond market to raise funds.

From time to time, Mr. Speaker, Members of Parliament from all sides have suggested to the Minister of Finance (Mr. Lalonde) other ways of raising money. Some of them were possibly far-fetched, but nevertheless all were based on the fact that agriculture has grown to the extent that it is probably one of the largest users of capital of any industry in the country. It is quite common now across this country to find farms valued in excess of $1 million with gross product sales of $500,000 to upwards of $1 million. If we are seeing that in the early part of the 1980s, Mr. Speaker, I predict that those Members of Parliament who stand here and debate agriculture in the latter part of the 1980s will see a totally different industry from the one we are looking at right now. This will be because of a whole series of changes, such as a drop in the average age of farmers, but mainly perhaps because of the computerized world we are moving into which will have possibly its greatest impact on the agricultural sector because of that sector's tremendous need for information.

It would be great, Mr. Speaker, if we could look into a crystal ball and into the future, but as politicians we have to look to the present, and agriculture is currently suffering probably one of the tightest cost-price squeezes it has ever experienced. This has been brought on primarily for two reasons. One, obviously, is from overproduction, basically in North America and principally because of overproduction of commodities in the U.S., commodities such as grain and oil seeds of which Canada is a major exporter.

Production has over time increased substantially in the United States, but it all started back at the time when President Carter decided to impose a grain embargo on Russia because of its invasion of Afghanistan. At the time it seemed that everyone, including farm organizations in Canada and the U.S., supported the President's move. However, since that time everyone in the agricultural sector, from Versatile Manufacturing, International Harvester and Massey-Ferguson right down to the smallest farmer and storekeeper, has lived to regret the decision to try and use food as a political weapon. This is because what really happened, Mr. Speaker, is that Russia decided not to buy directly from the United States but to buy from other countries such as Argentina and the European Common Market, and it would buy established quantities from Canada. In effect, what Russia did was to leave this huge quantity of American grain production sitting on the international market, hence depressing the price. They have done this very effectively and in effect created a reverse embargo situation an where they are now embargoing the American farmers and thereby keeping down the price of grain exported by all other countries.

At the present time there are only two countries which really export grain, Canada and the United States. The Europeans export some, the Australians are not exporting this year because of a drought, and Argentina, traditionally an exporter of grain, has had its production pretty well taken up both last

year and this year, probably into next year, by direct purchases from the Soviet Union. So we have a unique situation which has developed where you really have two countries acting as the main suppliers of grain in the world.

At the same time many countries around the world are starting to find themselves short of grain, but with the price of grain very close to what it was in the 1930s in real terms. In southern Manitoba, for example, corn is now selling in the neighbourhood of $2.25 a bushel. It increased over the weekend by eight or nine cents a bushel because of a U.S. Government move to shore up their free stocks of grain. But the price of $2.25 a bushel is approximately 35 cents to 40 cents below the cost of production. This does not include a multitude of fixed costs. So you can see the kind of cost-price squeeze in just one commodity which is reflective of the situation generally throughout the agricultural sector. The same situation has developed for barley, wheat, rapeseed and soybean, in fact, most other exportable grain or oil seed crops.

All of this has been caused by a series of events, the reaction to which was thought to be in the best interests of freedom, but which in fact has turned out to be a literal disaster for agriculture. The problem, of course, is that I do not believe we are going to learn from past mistakes. It is very tempting for any government to use food as a political weapon, particularly so when we in North America can produce food better than anyone else in the world. From time to time we will probably be tempted to use food as a political weapon, and ultimately to our detriment but nevertheless in my opinion it will be used. That is unfortunate from the point of view of the farmer, the country affected and all the infrastructure that surrounds the producer. Unfortunately, I think we are going to see more of this reaction and food will be used as a weapon in settling politically motivated global disputes. I do not like to think of that but it may become the reality.

• (1550)

One of the problems that the farmer is facing is low grain prices—indeed, low agricultural prices generally, with the possible exception of the livestock sector although it is not in a healthy state at the present time. He certainly faces low grain and oil seed prices.

The other aspect of this gloomy scenario is one that we have developed ourselves, to some extent. Nothing could have insulated us from the effects of the world recession, but most observers of the political scene agree that we have made matters worse through a series of bumbling and stumbling government measures. These have contributed to disastrously high interest rates which have had a direct and immediate impact on agriculture. In most cases, the farmer cannot pass high interest rate costs on to anyone else and has to absorb them.

The cost price squeeze is the result of various inputs that have been built into Canadian society. Agriculture probably uses more energy than any other industrial sector in the country. The price of fertilizer has increased and so has the price of the propane used for drying grain and in some cases, for running tractors. Two years ago it cost five cents to dry a bushel of corn; now it costs 20 cents. That price increase works it way through the system, into such things as the plastic used in the manufacture or grain drills, parts for tractors and so on. The farmer is being whipsawed at the present time and agriculture does not look like an attractive occupation in the foreseeable future.

We must begin making plans to provide Canadian agriculture with a more positive future. As legislators, we must point the direction in which we would like to see the industry move. One area we should examine is the use of agriculture as one of the mainstays of an industrial strategy. We have better agriculturalists than any other country in the world, with the possible exception of the United States. We can produce food better and more cheaply than most countries and we should be using the agri-food sector as one of the mainstays of our society, with energy as another possible support.

I say that because when you are good at something you should try to maximize that skill. The Government should help agriculture if and when it needs it by providing research and development toward that end. It should maximize the use of our transportation system and it should also allow the marketplace to determine which agricultural products should be grown. As a country, we should be deciding to go ahead with a few winners. Agriculture is probably the largest employer in the country with about 25 per cent of the total work force being engaged in processing, shipping, packing, storing, labelling, or trades in some way connected with agriculture. When we are good at something that provides a lot of employment, such a agriculture, we should focus our attention on becoming a superpower in that area.

I do not think there is any doubt that in the eighties and nineties agriculture will be as important as oil was in the seventies and probably more so because we must have food. There are more people to eat it now.

The Government should formulate broad-range policies and guidelines for the direction it wants agriculture to take. I do not think we should have any more marketing boards than there are at the present time and certainly none in the livestock industry. Since his election, it has been a pet project of the Minister of Agriculture (Mr. Whelan) to move this country toward more supply management, a more tightly controlled agricultural industry. I do not think that fits into the scenario that I see for Canada as an agricultural superpower in the eighties.

Over the next two or three years we should put the best academic and political brains together with the farming and industrial sector in an effort to work toward the goal of becoming a superpower. Even though the United States is at present having trouble selling its grain and some other agricultural products to the Soviet Union, it is using its knowledge and expertise in agriculture to help with its balance of payments problem. Canada has the same opportunity. If we could ensure the flow of our products to our ports and that our infrastructure was geared to meet the challenges of the future, we would have no fear in terms of balancing our books,

employing people, giving direction to a large and ever-growing segment of the population or providing opportunities in the entire agricultural sector.

• (1600)

I believe very sincerely that eventually this will come about, whether or not we as politicians pursue the issue. We should not as a country be faced with a situation where most products can be produced elsewhere in the world more cheaply than in Canada, particularly when our industry is an outstanding example. In my opinion, the industry has to come to the fore. I think we should help it along and give it Canadian attention. Our goal should be to become a superpower by the latter part of this decade, a superpower unquestioned in the world as far as producing, shipping, processing, packing and supplying to an ever-growing population are concerned. Agriculture is probably the most important product aside from water which our planet has to offer.

We will not accomplish this objective if we put our heads in the sand, as has the Minister of Agriculture. We cannot move in that direction with the idea that somehow everything must be controlled or that we have a market for a product and we produce only for that market, nothing else. We cannot move toward superpower status in terms of agriculture by building a Canagrex. Incidentally, we do not hear many people talking about Canada being a superpower in anything any longer. As I was saying, we cannot become a superpower in agriculture by building a Canagrex, a Government marketing system in which the Government participates with the private sector from time to time as it deems necessary, especially when we consider the various problems with such a marketing approach.

At the present time we should be moving in almost the opposite direction, but we are taking the wrong approach primarily because the Minister of Agriculture is not innovative. Certainly his thinking is not dynamic, and I think I am charitable when I say that. He no longer has the credibility which a Minister of Agriculture should have. It could be, if it is not, our single largest export earner, employing approximately a quarter of our population. The Minister does not have the stature or the clout in terms of political will which must be generated to move in this direction. We have inherent structural problems, but I hope the Minister will sit down with his officials and take a hard look at the direction in which they are pushing or prodding the agricultural community. If they do so, they will discover that they are headed down the wrong track and hopefully will make some changes.

In terms of the agricultural superpower strategy which I have outlined this afternoon, there is some light at the end of the tunnel. The light is that hopefully within one and a half to two years we will be into an election campaign. The political parties of the country have the chance between now and the upcoming election campaign to work toward an agri-food strategy or an industrial strategy which includes agriculture as it has never been included before. I can foresee such a strategy coming out of my particular Party. I think it is necessary, logical and, above all, correct, so it will not be very difficult to implement or sell to Canadians.

While Canadian agriculture is in a very serious situation at present, it will survive. But it needs hope and direction. It is not obtaining hope or direction from the Minister of Agriculture, who frankly likes to navel gaze. He likes to look, if not at his navel, at his feet in terms of the direction in which he wants the agricultural community to move. The direction is so clear in terms of where we should be going that farmers or primary producers would certainly be willing to move toward it. The 25 per cent of the population employed in agriculture would be ready to move in that direction because they would find security in jobs and expanded job opportunities. The country would benefit because of the volume of products shipped to various parts of the world. The Canadian infrastructure would benefit because we would use it more consistently in terms of moving agricultural products, not only around the country but offshore as well. The people of the world would benefit because we would be supplying more agricultural products, at presumably the best prices we could afford, to other lands.

It is a dynamic policy, a dynamic idea. It is something we could look back on in the future and say that for once as a country we made the correct decision in making agri-food the centre of a very dynamic, fast-growing and far-reaching industrial strategy which provided tremendous prosperity.

Hon. Alvin Hamilton (Qu'Appelle-Moose Mountain): Mr. Speaker, the subject we are discussing, the Farm Credit Corporation, has very much been in the minds of Hon. Members of Parliament for the last two years. I do not think it is any secret that in the spring of 1981 half a dozen Members on this side of the House made several proposals on how we could reduce interest rates for farmers under this legislation. They were put before the Government and seemingly obtained the support of the Minister who nodded approval. Here we are two years later and nothing has been forthcoming except this mouse of a bill which is currently before us.

I re-emphasize what the Hon. Member for Lisgar (Mr. Murta) has just said very quietly. He was trying to say that one of the big opportunities for Canada to get back into forward growth is the use of the tremendous potential of the agricultural industry. The Minister has said this repeatedly, but where he is being condemned is that he does not follow through with positive and simple ideas to get it moving forward.

• (1610)

I do not believe I have heard the figures but I will give them anyway. The capital structure in the farm industry across Canada is $130 billion. Most of that investment in the industry has come about during the last two decades. Part of that investment was realized because of the Farm Credit Corporation. I acknowledge that the banks and the machinery companies have participated in that capital infusion, but the Farm Credit Corporation Act of 1959 is one of the best examples that Parliament can offer of constructive legislation which has not cost the taxpayer anything in the last three or four

decades. It has enabled the industry to grow and not only make money for itself but to start the entire country on an upward spiral.

While I have said this before, I repeat that when this country was in a recession in 1961—not nearly as desperate as today's recession—it was the farmers of western Canada who started the country moving forward again. This fact was admitted publicly by the Governor of the Bank of Canada in 1964 and by the then Minister of Finance, the Hon. Walter Gordon. The recovery started because the farmer immediately spent the money he received from selling his goods abroad on farm machinery, trucks and the expansion of his operations. That marked the beginning of the upward spiral which we have been looking back on for the last 21 years.

This legislation which we are so slightly amending was the main reason for our recovery at that time. I suggest that today's recession will be resolved in the same manner. When I consider the growth in the export of various commodities such as grains, sulphur, the tremendous potential for potash and fibres in the forest industry in the next 20 years, I believe that we will not have too many rivals in Canada to the rate of growth in the agricultural industry. Therefore, the objective is for Governments in all Provinces to reinforce this positive aspect of our current situation.

This particular legislation is merely a type of small subsidy for a few hundred farmers. It will achieve very little in solving what I and the Hon. Member for Lisgar are discussing. The entire industry from one end of Canada to the other has great potential if it receives the proper attention and particularly if it does not cost the Minister of Finance (Mr. Lalonde) and his minions any money. Since this legislation is a charge on the Minister of Finance, one cannot expect him to contribute very much money to it. It is a handout in the form of a subsidy of 4 per cent for a few hundred farmers who are in dire straits.

I would like to discuss the ideas which originated from this side of the House two years ago but were supported by Members from all Parties in the debates which have taken place since then. I will not repeat all the speeches which I delivered on this subject but I will refer the House, if it is interested, to the short speech which I made on February 1, 1982 dealing with the Farm Credit Corporation. I invite Members to reread that speech, which dealt with the philosophies behind the Farm Credit Corporation.

On March 18, 1982 I spoke on an NDP motion about interest rates. I would highly recommend reading that speech with particular regard to this Bill which we are now debating. I suggest that interest rates are the key to implementing this forward motion of the investment of money into those things which produce more wealth for which there is a market. Finally, on March 29, 1982 I applied the same philosophy to housing in Canada, using the same principle for those who want to own their own homes as we are using for farmers.

I refer those speeches to Members who are interested in order to illustrate that there are ways of positively assisting this cutting edge industry of agriculture, which can not only make more money for itself and a million and a half people directly employed in that industry, but assist the 25 per cent of the economy which is affected by agriculture. This growth can begin right away without waiting three or four years for a projection on Canada's future.

This has been possible for approximately the last year, particularly with the amendments that all Parties recommended to the Farm Credit Corporation this spring. As a result of those amendments, the Minister was able to insert a Clause which allowed the Farm Credit Corporation to borrow money "by any means". Those words "by any means" are the open door to any manner of obtaining money for the Farm Credit Corporation without having to go to the Department. I hoped and prayed that the Minister would seize that opportunity to march through the open door, parade through it if he wished, and say: "Look, what I am doing".

When I had finished my speech on March 29, 1982 I think it is quite clear that the Minister had supported me. I will let Hon. Members be the judge of that. I will quote his words. I had just finished speaking when the Minister of Agriculture (Mr. Whelan) replied:

> Mr. Speaker, later on I will touch on the presentation made by the Hon. Member concerning this bill. As Minister of Agriculture, I must admit that I agree with much of what he says.

He went on to say:

> I also have the legal advisers which we talked about, and Ministers who are not lawyers, but have to make decisions, still have to depend on them to some extent. I will touch on that point later.

I would take that as rather direct evidence that at the moment I finished speaking—I hope for Members on all sides—he realized that what I was proposing was not only beneficial for agriculture and all of Canada but would not cost the treasury anything. It was simply a question of getting around one or two small legal points which I had been trying to explain how to accomplish.

That was six months ago. I was naturally hoping that when this Bill came forward, the Minister of Agriculture would have seized on this all-Party support to introduce the necessary legal requirements to make my proposals the will of Parliament and therefore the will of the Government of Canada. This Bill will not accomplish that. Instead, it has the opposite effect of continuing the practice during the last number of years of giving hand-outs to farmers. If I have learned one thing from my fairly lengthy association with farmers, it is that the great majority of them do not want hand-outs. They just want the Government to get off their backs. They want a chance to have a fair grasp at the apple. They want the right to make their decisions, and if they make mistakes they will be glad to pay for them.

I look back with great enthusiasm to that period in 1958 and 1959 when, out of 256,000 who had permit books to sell grain in western Canada, 209,000 signed a petition calling for a hand-out. I did not blame one of them. The farm leader said that the answer to one's problem, when one cannot sell one's grain, is the handout.

• (1620)

As a Minister, I took the occasion to oppose that proposal. I was backed up by one of the other Ministers even before it got to Cabinet. A great uproar took place in the House and other places about the position I had taken. I believe there was only one person in the whole Conservative caucus of 250 in those days, Senators and Members together, who supported me. Yet a few years later, almost all the farmers who had asked for it supported that position. In the answer I gave to them as Minister of Agriculture, I said that I did not like subsidies for farmers when there was a hungry world abroad. However, I would go out and help to sell their bread and the price would come up by market forces. If I said 50 cents, and it came up 60 cents. So the income rose in a very short period by about three times. The farmers were glad that they had not taken a handout. They were glad that someone had stood up, had expressed their view and then done something about it.

The Minister is in the same position today. He must know, the same as I know, that the great majority of farmers would like to do it on their own, yet he comes along with another handout. It would only affect a few hundred farmers when more than that could use help. However, it misses the philosophy of the Farm Credit Corporation Act. The Act was designed to help all farmers, rich and poor. As long as they had an idea as to how they could expand and make more money, it was to the advantage of the Government to give them money at a reasonable rate, because who would collect all the revenue from all the money generated from that activity? The federal Government would be a big gainer.

We put a guarantee into the original Farm Credit Corporation Act that interest rates would never rise above 5 per cent. We honoured that guarantee for about six or seven years, but then the Department of Finance stepped in and changed it and we got a rate slightly below prime rate. When the interest rates rose, not only were farmers destroyed, but all segments of the economy were destroyed at the same time. I think that if the Minister were to take advantage of the fact that the great majority of farmers do not want handouts or policies that push one section of farmers down at the expense of lifting up another group, there would be a tremendous amount of enthusiasm among farmers to go out and take their chances on borrowed money to expand their operations and get involved in all the ways they know to make more money.

I thought the Minister of Energy, Mines and Resources (Mr. Chrétien) was in the House, but I see that he has left. I suggest that one of the techniques by which farmers could make more money would be to cut their costs. One of the big costs is energy. It was hardly noticed in the House, but under the Crosbie budget of 1979, for the first time in 60 years it became legal to have a still for making alcohol. There is hardly a farm in Canada which does not have enough waste to produce alcohol sufficient not only to run the farm but also to sell surplus to the city fellow who does not have access to a still or the waste to make the alcohol. This would cut costs tremendously. A large enterprise cannot compete with the farmer who is producing alcohol, and the reason is simple. The farmer takes his waste straw, or any other waste material, and uses it as his heat source. Not only does he distil the waste material, such as grain or vegetables, into alcohol, but he passes the heat into his house to heat it and then takes the great bulk of the stuff left over, the mash, which is worth $150 to $200 a tonne, and produces alcohol for 25 cents a gallon. Big business can only produce it for about $2 a gallon. There is a limited commercial market for alcohol, but it is big enough to take a great percentage of waste off the farm, which not only gives the farmer lower costs, but also gives him more income out of his waste. At the same time as a farmer does this, he takes the pressure off the oil industry to provide all the oil we need.

This proposal was brought in under the Crosbie budget and again under the succeeding budget, but so many restrictions were placed around it that no person went into it. This idea of producing alcohol out of waste was not only a Conservative idea. A farmer in western Ontario did exactly what I have just described. He used his waste material to make alcohol, took the heat that was still useful and heated his house and took the mash and sold it to the livestock industry. He was the man who quoted the figure of 25 cents for a gallon of alcohol.

This man was so enthused over his idea that he told his neighbours about it. The Mounted Police moved in, arrested him and charged him with having a still. He came before the judge, who had read the newspapers and had discovered that it would be legal under the Crosbie budget to have a still. He told the farmer, "I will not send you to jail for having broken the law. You are a free man and I will not put a man in prison for a law which will be changed". This man became even more excited. He ran as the Liberal candidate in the provincial election and almost beat a Tory in Ontario. He became so excited that he ran for the Liberal leadership and became the outstanding spokesman for the Liberal convention in Ontario. He found it was possible to become a leader with ideas. He was well applauded, I am sure, but the Liberals must come a long way before they start applauding a man for his ideas. They only look to see his potential on television and his potential for handling patronage. That is a grim judgment. That man still lives and he can bear out all the things I have said about him.

I think the Minister of Agriculture, as part of his policy of helping farmers under the Farm Credit Act, should persuade the new Minister of Finance, who has been slightly exposed to the need for energy in this country, to put this Crosbie clause back again and improve on it. It would not cause any great loss of face to the Government. It has requested ideas. We have tried to give it ideas, but the Government must learn to accept them. Just because ideas come from this side does not necessarily mean that they are bad. I know this is only a small thing in the great total of needs for energy in this country, but let us go on from that. We now have sufficient technical and economic information to know that in the future farmers will produce the bulk of all energy requirements in Canada. We can now produce energy in the form of natural gas and in the form of oil which is clear of sulphur and other pollutants, and

we can do all this more cheaply than we can by taking oil from a well.

In Pittsburgh, people from the Department of Mines did large-scale research on this subject over 15 years ago. They could not hold hearings down in the United States, so they came to Winnipeg to tell the world about what they had done. Three different items were used to make natural gas and oil. They could make oil for less than a dollar a barrel and natural gas for 37 cents per thousand. We are now paying over $3 per Mcf for natural gas.

The University of Saskatchewan experimented with poplar trees and has proven that hydrocarbons comprised 50 per cent of their waste. It now has a grant from the federal Government to go ahead and demonstrate on a commercial scale what it can be produced for. Much better than the poplar tree is the jack pine tree. Ninety per cent of its weight is in hydrocarbons. That is the type of thing on which the department of mines of the U.S.A. worked.

• (1630)

I am sure everyone will laugh when I say you can do the same thing with cattle manure or with garbage from humans, but the fact is it is being done all over the world. Why not let the Farm Credit Corporation lend money to farmers for doing things that reduce costs? As for legal technicalities, all the Government has to do is to reintroduce the Crosbie budget proposal on renewable resource taxation. We should get away from this theory that a person who produces alcohol is doing something nasty. People are not going to drink this type of alcohol because it is not potable. Let us get away from these fears that go back to the 1920s and the days of the scandals over Beauharnois.

I could go on and talk at length about this whole concept of biomass. The University of Manitoba and the University of Kitchener have done tremendous work in this field. All we have to do is to let the individual, through the tax system, get access to this information, and with the money to go ahead he will get enough money to pay back his loan, reduce his costs and invest in other things to keep the thing rolling.

That is only one field. I would like to suggest that it is not only for biomass energy objectives that we can use the Farm Credit Act, but we can use agriculture as the cutting edge for getting into whole task of producing energy on a renewable basis without using any of our good land. We can use what we call waste land. We can open up all the boreal forests to multiple uses, not just cutting pulp. We should be using all of the waste trees that are now called weed trees. We can introduce a whole new industry now.

This idea is not new. At one time I was asked to prepare a plan on this for the Quebec Government. That Province knows what the plan is and in due course I imagine it will be brought to light.

I would like to see farmers in areas close to forests get access to the forests and farm the trees as they should be farmed, not by the wasteful method that nature has called silviculture. Europeans have farmed trees for 200 years, and if the Europeans can do it, we can do it here. Utilization of forest wealth in Canada will be made possible for many purposes instead of just pulpwood, paper and lumber. Most important will be the production of energy. At the same time, we will improve the quality of the forests because forest management will be in the hands of people who will benefit from their use. I am referring, of course, to the farmers. This cannot be done by mass operations in forest areas.

These ideas are not tossed out for the sake of hearing the sound of my voice. I have talked about this for a long time, but now that the country is on its back, now that the country is worried about how it can be so wealthy in potential, there are things we can do. We can do so much to restore the place of Parliament in the hearts of people if we do something positive and let this "baboon game" of politics go. We should not be showing our bare red behinds to each other. Let us get out and do practical things.

We are lucky that we have agencies like the Farm Credit Corporation, the Canada Mortgage and Housing Corporation, the Export Agency, the Small Business Development Bank and so on. We have the agencies in place. The key is to utilize those agencies by not taking money from the treasury, of which we do not have too much, but taking the money from the people who are willing to invest. We have more money in Canada than we know what to do with. The Economic Council has been worrying about this for years.

We put barriers against individuals who invest in risk enterprises because we would rather have things done by the Government. I suggest that we should set individuals free in this country to make money. All one has to do is to get rid of the bottlenecks, such as the legalities preventing people from producing alcohol. These fears should be removed. If a man makes a profit, tax him on that profit. That is legitimate. All I am saying is, let the individuals have a chance to make a profit.

With regard to the over-all market opportunities, the Hon. Member for Lisgar handled that quite adequately. Despite what economists have said for 20 years, the job of feeding this world will take all our efforts in every country for the next 20 years even to get close to meeting demands. Why Americans and Canadians should be battling each other on such things as cattle, fruit and now even the grain industry, I just cannot understand. All we have to do is to tell the farmers of the United States to unite with Canadian farmers. By doing that we can find new markets. We can find ways for people to sell their goods so as to get enough money to pay for ours. We do not want help from the Government in the form of handouts. What we want from Government is the machinery to see if we can collect money from individuals in Canada who will take risks through the Farm Credit Corporation. What we have to do is to get interest rates down to half what they are today. That can be done by using the principle of the Small Businessman Development Bond. The Minister keeps calling it an agribond, but that is what he means.

The precedent was set for this in the First World War. It exists in other cases in Canada. The precedents in the United

States are legion. If you spend and invest your money in risk enterprises for good social purposes, you do not have to pay taxes to the Government. Therefore, you can give the individual money at half rate. That is not a new idea; it is a repetition of what we have been saying for several years.

We hope that the Minister will respond to this in the Bill we are now discussing by saying that he is quite willing to take the new Minister of Finance to the mat and ask him whether or not he believes in individuals risking money to make money. We have the agencies in place. We need to get the Department of Finance off the backs of the people of Canada. This particular Bill gives us a chance to go forward, to get the agricultural industry going full out in all of its sections.

With regard to all of its sections, I must say for the record, that as a westerner I am very pleased to know that the farmers of Quebec have rallied to the support of the western farmers on the Crow rate issue. That matter, we know, will be resolved in the caucus of the Liberal Party. But once the Government becomes aware of the extent to which the farmers of Quebec, a few even in Ontario and the Maritimes, are behind the fundamental principle that when you push one section of farmers down you never, in the final analysis, help any other section, the sooner we can get on with the job of developing the potential of the whole industry in all parts of Canada. It will come as a result of the fact that all farmers are in the same union. They simply want to get going. The Farm Credit Act will be very helpful.

In conclusion, this particular amendment of a handout is accepted by everybody as not meaning very much. We will support this amendment because even handouts indicate that the Minister has his eyes in the right direction. If he had gone forward with what he seemed to be in favour of six months ago and we had money out now at 6 per cent to the farmers across this country, all sorts of things would be happening that would push our transportation people to the limit to get exports out of the country. I am not talking just about grain. I would like to go on and discuss other subjects, but I think I have said enough.

• (1640)

If the Minister is not confident that he can get this by the Minister of Finance, there are two alternatives. One is to go to the cheap money markets of Europe. Eurodollars and petrodollars are available now at 6 per cent. You could pay the premium to protect against the ups and downs of the exchange rate. This can be done through a consortium of Swiss banks.

Money can be brought into this country at 6 per cent with no risk of a change in value in the exchange rate on the dollar, either on our side or the other side. We could then get reasonably priced money into the hands of the 320,000 farmers still in business. They will get this country moving forward very fast. The wealth that they earn will go immediately into the trucking industry, the machinery industry, the manufacturing industry and then to the mines and forests.

The farmers got this country going in 1961 and the other industries all followed. We can repeat that situation. We do not have to wait three years for an economic study of our prospects; our prospects are good and we know it.

PROCEEDINGS ON ADJOURNMENT MOTION

[*Translation*]

SUBJECT MATTER OF QUESTIONS TO BE DEBATED

The Acting Speaker (Mr. Corbin): Order, please.

It is my duty, pursuant to Standing Order 40, to inform the House that the questions to be raised tonight at the time of adjournment are as follows: the Hon. Member for Fraser Valley West (Mr. Wenman)—Finance—Small business access to credit; the Hon. Member for Central Nova (Mr. MacKay)—Public Works—(a) Construction of Montreal postal terminal. (b) Query respecting difficulties during construction; the Hon. Member for Winnipeg-Birds Hill (Mr. Blaikie)—Canadian National Railways—Transfer of repair work from Winnipeg to Montreal.

GOVERNMENT ORDERS

[*English*]

FARM LOANS INTEREST REBATE ACT (NO. 2)

MEASURE TO REDUCE INTEREST RATE

The House resumed consideration of the motion of Mr. Whelan that Bill C-134, respecting rates of interest on farm loans under the Farm Credit Act, be read the second time and referred to the Standing Committee on Agriculture.

Mr. Terry Sargeant (Selkirk-Interlake): Mr. Speaker, I am happy to have this opportunity to speak this afternoon on Bill C-134. I am happy too that the result of this bill will be to reduce some interest rates on farm loans by 4 per cent over the next two-year period. As a short-term solution, I am sure it will be welcome news to farmers struggling to keep their family farm who are aided by this program.

Last February when I spoke to amendments to the Farm Credit Corporation Act, I said there was a crisis in farm financing. There still is. Even though a reduction in interest rates on the fixed interest loans provided by the Farm Credit Corporation is to be lauded, the bottom line is that it is only a band-aid solution to a much larger problem in Canadian agriculture.

In 1979 there were 82 farm bankruptcies in Canada. One year later that figure had doubled to 164. A year later it had gone to 191. This year it is far worse. So far we only know how

many farm bankruptcies have been reported in the first nine months of this year. Already 316 family farms have gone into bankruptcy. In nine months, 316 Canadian farmers could not make ends meet any longer and had to shut down their operations. That is outrageous.

In my province of Manitoba so far this year there are five times more farm bankruptcies than there were in all of 1981. There are a lot of people who think Canadian farmers have it made, that they all have new cars, take winter vacations and are getting rich off their operations. Well, they are very wrong. The average net farm income in Manitoba last year was only $1,809. That does not buy very much. This year things are going to be even worse for farmers. Manitoba farm income will drop by 34 per cent this year. Will their costs of production decrease with their income? You can bet that won't happen.

One of my constituents wrote me a note recently in which he summed it up very nicely. He said:

> Please speak on behalf of our grain—"wheat," et cetera. We need $8 to $12 a bushel and not $3.50. A combine costs $135,000.

Total farm incomes have change little from the 1974 level of $3.5 billion. In fact, this year total farm income will be less than the 1974 level. When we take inflation into account, it is fair to say incomes are only about half what they were in 1974.

The real problem with farm credit is not simply inadequate credit. It is a problem of a net income too low to pay the bills. To pay bills and upgrade their operation in order to maintain a viable farm, farmers have borrowed at an increasing rate. In 1970 accumulated farm debt in Canada was $4.2 billion. Last year it had risen to $16 billion. In Manitoba, farmers last year paid out $201 million in loan payments, an increase of 359 per cent since 1975.

Those are the facts and figures. For the people who deal in facts and figures, the statisticians, those figures do not lie. Farmers may not understand the over-all picture. They may not have all the numbers, charts and graphs handy which show that agriculture in Canada is in serious trouble, but in their hearts they know very well that agriculture in this country is in trouble.

Let me give an example which I think illustrates the way high interest rates are crippling our agricultural sector. I know of a farmer whose land near the southwest corner of my constituency has been tilled and seeded and harvested by two generations of the same family. Earlier this year this farmer negotiated an $80,000 loan with a local bank. The loan was an operating loan, something that was required to keep the farm going. Interest on this loan in the first year will amount to $17,000; $17,000 just in interest.

Now, this farmer is a hard worker. He takes his farm seriously. It is not just a hobby or an expensive pastime. With the current state of agriculture in this country the "gentleman farmer" has practically gone the way of the rumble seat and jitter-bugging. Farming is far too costly to be something one can dabble in.

This farmer in my riding, by working hard day after day, week after week, year after year, has managed to support his wife and family over the years. However, that farm has never given this farmer $17,000 a year. It is not likely to do so this year or next year. How does someone who is trying to keep his head above water in a family farm operation do that when the odds are so overhelmingly stacked against him?

The agricultural policies of this Government are at the root of the increasing number of bankruptcies in this country. Up until the late sixties, most of the long-term credit needed by Canadian farmers was supplied by the Farm Credit Corporation as well as much of the short-term and intermediate-term financing needs of those farmers. Then the Government began restraining the amount of credit the Farm Credit Corporation could provide. Banks were invited into the farm credit market.

In 1975, 72 per cent of all long-term credit taken out by farmers came from the Farm Credit Corporation. By 1979 only 35 per cent of farmers were able to meet their long-term credit needs with the fixed interest loans provided by the FCC. The Government, with its tight purse strings, has hamstrung the Farm Credit Corporation. It has prevented it from keeping up with the increasing demand for farm credit. In effect, it offered the banks with their floating interest rates a bigger piece of the farm credit action on a silver platter.

• (1650)

At the same time as it was knocking the props out from under the FCC, the Government introduced drastic changes in its grain policy. Prior to the so-called open market, most feed grains had been marketed outside the Prairies under the auspices of the Canadian Wheat Board. Prices were relatively stable and the competitive capabilities of different regions of the country were more or less equal. But the Government's decision to move to the open market and allow large grain merchants and feed mills back into the grain market on a nationwide basis upset the apple cart. The result was the transfer of some sectors of agriculture activity to different regions of the country. To aid that transfer, some provincial Governments got into the act with subsidized credit or even out-and-out subsidies. By the end of the decade much of the hog production had moved out of the Prairies into Ontario, Quebec and to a lesser extent the Maritimes. To a greater extent, cattle which originated in the Prairies were being fed in Eastern feedlots where the price of feed grains gave them the competitive advantage.

This must have looked very appealing to Government economists, because with all the activity, it looked as though agriculture was booming. But what was really happening was that production was shifting from one region of the country to the other, financed largely with borrowed money. It was fortunate that while this was happening there was a surge in grain prices which carried most farmers through to the end of the decade. But with accumulated farm debt of around $16 billion and farm income now falling, the results of the shift the Government's "agri-food" policy are becoming evident. Large investments were made in some parts of the country and

abandoned in others. Farmers were borrowing in greater amounts just when interest rates were increasing at an unprecedented rate and banks were pulling in record profits, $1.7 billion last year. In the early seventies credit costs ranked about eighth or tenth in the farmer's cost of production, but now the cost of credit is the highest cost facing farmers in Canada. And while farmers were borrowing in greater amounts, the Farm Credit Corporation was prevented from keeping up with the demand for farm credit. Long-term credit at fixed rates was becoming less and less available.

Agriculture in Canada is in desperate straits. With the Government's record of destabilizing policy changes, the reduction of farm credit interest rates by 4 per cent is a feeble attempt indeed to deal with a very grave problem. In fact, the Government's plans to change the Crow rate promises to throw another left-handed monkey wrench into the works. The repercussions of this latest policy change will be drastic.

It is no secret to western farmers that agriculture and transportation are intrinsically meshed into the fabric of life in rural Prairie communities. Farmers have known for years that the two are interdependent. It is only Liberal Government bureaucrats here in Ottawa who would like to pretend that the two, agriculture and transportation, can somehow be pulled apart, dissected and analysed. These enlightened people then advise their political mouthpieces to close this branch line or that branch line to increase transportation efficiency, and the farmer who has to get his grain to market foots the bill for trucking to an elevator a lot more distant than the one he used to reach on a branch line.

The closing of various branch lines on our railway system in the Prairies and the erosion of the transportation system caused by these closings have dealt a death blow to many farmers whose operations were already teetering precariously on the verge of bankruptcy before their branch line died. If statutory grain rates—the Crow rates—come to an end, so will the life of many smaller communities. The closing of branch lines is the first threat to the prosperity of many small towns in my riding.

Here in Ottawa, when the policy makers at Transport Canada look at a map and see a branch line leading to a small community like Broad Valley or Fisher Branch in Manitoba, they feel no pangs if a decision is made to cut rail service to these communities. For them, it is an unemotional, supposedly pragmatic decision. But let me tell you, Mr. Speaker, it is not an unemotional issue for the farmers in those small communities. Just a few weeks ago, I attended a Canadian Transport Commission hearing at Fisher Branch in my riding. The hearing was to take evidence about the future of a branch line operated by the CNR. Fisher Branch and Broad Valley, the two communities most concerned about the possible loss of the rail line, have barely more than a couple of thousand people living in their areas. Still, well over 100 people crowded into a community hall to voice their opposition to this closing.

Perhaps the most moving submission was from a group of high school students who urged the three CTC commissioners to consider their future. It was interesting, Mr. Speaker, to see the cross-section of people who came to this meeting, farmers and their wives, along with their sons and daughters. Many farmers know their children will not follow them in their lives on the farms and they lament that development, as do their children. This was something that became clear to me as I listened to the high school representatives' plea for the continuation of service on the Inwood rail line.

To officials in Ottawa, there may not be much knowledge or concern about the way policies made here affect individuals out west, where there is nary a Liberal to be found after one leaves Winnipeg to travel north, south or farther west. Is it too callous to think that the Government does not care about westerners because westerners do not elect them? I would hope this Government is above such pettiness.

In the west, Mr. Speaker, things are done in traditional ways and people have come to depend on institutions that provide security for those traditions, like the Crow rate and more recently the Farm Credit Corporation. The Farm Credit Corporation is the only agency which offers long-term, fixed interest loans to farmers. FCC loans can now be obtained at 15.75 per cent interest. The floating rate available from banks or credit unions is for the time being somewhat lower than that. Unless the formula now used to set FCC interest rates is changed, permitting the Corporation to lend at less than 15.75 per cent, if funds can be had at a lower rate, much of the FCC fixed interest credit may go unused this year as farmers cash in on the temporary reduction in interest rates from commercial lending institutions. Already the Provinces are being pressured to move into the subsidization of farm credit. We could soon see a patchwork of subsidization programs which again stimulate production shifts from one region of the country to another.

The Canadian Federation of Agriculture has recommended time and again the introduction of an agri-bond program similar to the small business bond. Under this proposal, the Government would give the FCC authority to borrow short term, three to five years, by the issues of financial instruments on which the interest is tax free. This money would then be loaned to farmers requiring money at lower interest rates, not only for debt consolidation but also for essential investment and working capital. This is a proposal which could and should be introduced quickly. It is, I would submit, a more rational and long-term solution to the farm credit crisis than the 4 per cent interest reduction which will be granted to not more than a few hundred Canadian farmers.

If we are going to have any stability in Canadian agriculture, the Farm Credit Corporation must be expanded to provide enough long-term credit to service the bulk of farm credit needs across the country. It needs to be expanded too to provide short and also medium-term credit in special cases. I am thinking here of cases where FCC credit could help a new farmer get started.

But expanding the Farm Credit Corporation is not enough to bring stability back to Canadian agriculture and stimulate increased production. If stabilization programs are provided on a federal basis, and if marketing systems are in place which

provide some equity across the country, then farmers will be more confident that they will be able to cover their cost of production plus get a decent living standard off their farms.

Bill C-134 will provide only a short-term solution to the problem. It will help, perhaps, a few hundred farmers now in grave financial difficulty and crying out for relief from high interest rates. This proposal, Mr. Speaker, barely scratches the surface of the farm credit crisis in Canada.

• (1700)

Mr. Blaine A. Thacker (Lethbridge-Foothills): Mr. Speaker, Bill C-134 is a totally inadequate response to the very serious situation existing in the Canadian agricultural sector. As a result of broad Government policies in several areas we are losing hundreds of men and women who want to devote their careers and talents to producing food for the world. But because of Government policies, often in areas not directly associated with agriculture, farmers are losing their farms and being forced to go on welfare, as are so many other millions of Canadian citizens.

In offering this subsidized interest rate which will reduce payments for approximately 2,000 farmers, the Government is offering peanuts to an agricultural sector of some 320,000 people, all of whom are suffering because of the policies the Government has followed over many years. Sir, it is a truism that the chickens ultimately come home to roost. We as a people are now paying for 15 years of Government policies which simply have not been in the best interests of ordinary Canadians. I will show you how the Government has been able to get away with it, but, sir, the chickens do come home to roost.

I was interested to hear the Minister point out in his speech that the planners have indicated to him that this program will "help" farmers across this country. Well, sir, that is a typical response of this Government along with a bureaucracy which no longer responds. It is like those great lies which are heard across the country. One is: "I am sorry, sir, the cheque is in the mail". Well, we all know it is not in the mail at all. The second one is: "I am here from Ottawa and I am really here to 'help' you". Is that not what we hear so often when the bureaucracy moves in? "We are hear to help you". We have a Government program which is going to "help". That is what was said, sir. The real problem in this country is Government policies, and indeed Government itself.

How did this problem in agriculture arise? Indeed, how did we get into this problem in manufacturing as well? It is the result of the Government deficit. You simply cannot get around the fact that the $140 billion national debt, with the annual deficit going up by over $20 billion, is the direct cause of our having to pass this bill to try and help a few farmers over a crisis. There is support in other areas, such as these silly little job creation programs to try and keep young people employed, to try and make them feel important when they know that some of the jobs created are just nonsense. They do not get a sense of value or creativity, or feel they are contributing to the country at all. If the Government thinks it is fooling people with these short-term, make-work projects, it has another think coming.

The interest on the national debt alone, Mr. Speaker, is taking over 30 per cent of the tax revenues which people are pouring in to this central government today. If we did not owe that money, we would not have $18 billion going to service the debt.

As I have said to you before, Mr. Speaker, you know better than anyone else that the interest on the debt is being concentrated in the hands of people who already have wealth. If you had $1 million last year, you certainly would not put it into a productive enterprise, you would lend it to your socialist Liberal Government for a 19.5 per cent return. If you put it into industry, you are bound to lose it. But if you lend it to your own Government you can get 19.5 per cent. Then, because that gives you such an enormous cash flow, you can take advantage of all the tax loopholes and incentives to reduce taxes. So what we are doing in this country by paying interest on the national debt is to create an incredibly wealthy upper class, with the result that we are also destroying our middle class. When a nation destroys its middle class, that great buffer against extremism in ideas and intolerance, then that nation will have much more intolerance, as we have in this society, and indeed I am sure we will have violence.

We need only think back to 1968 when we basically had balanced budgets in this country, Mr. Speaker. We had an extremely small national debt and we had all of the social programs. We had a tremendous health insurance program and a tremendous Canada Pension Plan. We had post-secondary education and Medicare because we had designed those Programs to redistribute wealth which we had first produced. We could have gone on under that system and continued to be the number one country in the entire world. Indeed, by now we should be calling the shots in the world, since we are less than one half of 1 per cent of the world's population yet are sitting on the resources of half a continent. We should not be out in the world capital markets on our knees borrowing money in competition with the Third World countries who need that capital. We are driving up interest rates by doing that. In fact, we are injuring Third World countries. We as a people should not be out in the world market competing for oil, because if we were not, it would mean more oil is available for the poor Third World countries and the price would drop. We should be self-sufficient, yet we are out there competing with them just like some sort of third rate under-developed country.

Well, Mr. Speaker, how did these deficits come about? An example is the area of agriculture where a Government decided by conscious and deliberate policy to have cheap food. I will speak more about that later, but this meant in effect that we were telling our people to buy food from other countries rather than go out and produce it ourselves. We have 24 million acres of land along the northern band of our presently cultivated acreage which could be developed. Surely that is the solution.

Approximately seven million Canadians were born between the years 1951 and 1966. That was the real baby boom. We have known for a long time that they have been coming, and

surely the role of Government is to have policies in place where they can move in and lend their energy to the benefit of the nation as a whole rather than be on welfare as they are now.

That 24 million acres compares with the days of Sir John A. Macdonald and Sir Wilfrid Laurier when we opened up the west. Indeed, the Government virtually gave a quarter section of land to a couple to get them to go out and develop it. We could give a section or two sections of land today to young families who could go out and develop that land. They would have moved into the land and we would have roads, schools, houses, along with the multiplier effect on the economy. It would have been like a brand-new west.

I just want to say, Mr. Speaker, that Canadians should beware of their government when it offers something for nothing. As farm people know, I suppose better than most of us who were born in and essentially live our lives in the city, that you really cannot do things as a nation that you cannot do as an individual. The farmer knows that when you spend more money than you make, even though you may fool your neighbour for a year, two years or even five years, ultimately you are going down the tube. The nation is no different from the individual in that respect, Mr. Speaker.

• (1710)

That is how the Liberal Party got us into such trouble. It offered something for nothing. For years, as a result of rising inflation and deficit financing it was able to offer all sorts of attractive programs to Canadians. Of course, we all liked that. While we were getting those programs, we were able to keep the low capitalist tax. We had tremendous programs with low taxes. The trick was that the Government borrowed the difference. That was no problem in the first year; it only increased the national debt by about $1 billion. The interest to service that debt was around 5 per cent of tax revenue but it became 10 per cent, 15 per cent and even 20 per cent. Now it is over 30 per cent even the Liberal Government recognizes that it has to cut back.

While we had the programs and the low taxes, the Government borrowed the difference. People paid far too much for land and for businesses. They took on homes with huge mortgages. Now they cannot do that any more and taxes are increasing to match the programs. People are dropping like flies because they do not have the cash flow to handle their debts. This all goes back to a Government decision, Mr. Speaker, not to individual decisions, because Canadians responded to an economic climate set by the Government.

What was the second bad policy the Government used, Mr. Speaker? It was the energy policy, an incredibly important commodity to agriculture. As a result of the decisions made regarding energy in the 1970s, the Liberal Government destroyed the automotive industry in this country. It is now in the process of destroying the energy industry and, to a substantial degree, the agricultural industry. In the 50 years prior to 1970 the western industrial nations kept the price of oil at approximately $2.35 per barrel coming into Montreal. That was the result of a conspiracy between the western industrialized nations and the "seven sisters" in the oil industry who acted as our agents.

Any time a producing oil country anywhere in the world tried to get value for the oil—because they knew that a barrel of oil should be sold for more than $2.35—they were ruthlessly cut off by the western oil conspiracy. That went on for 50 years. During that period we converted from the horse and buggy to high energy consuming tractors, combines, cars and trucks. Trains switched from coal to diesel and the whole system became dependent on cheap fuel.

In the early seventies the OPEC nations got their act together and drove the price of energy up to its true worth in comparison to manufactured goods and other commodities. What did the Governments of the United States and Canada do? They were not going to be blackmailed by a bunch of Arabs; That is what they said. They said they would keep the price of oil down. They did, but what was the effect of that? It sent signals to the automotive industry to produce big cars and to individual Canadians to buy big cars. Meanwhile, Japan and Germany, which had to go immediately to the world price, turned their intellectual creativity to the production of cheaper cars that used less energy. Now, some eight years later, the Japanese, German, and other manufacturers are beating the Canadian manufacturers hands down. Tens of thousands of people are unemployed in the automotive industry as a result of a Liberal Government decision, consciously and deliberately taken in the early 70s when it was trying to help people.

In fact, other people were injured by that decision. When an automotive worker does not work, a steelworker does not work. When an employee in the oil industry in western Canada does not work, that means that someone in the automotive industry does not work either, because people in western Canada buy cars manufactured in central Canada. The pipe used in the oil industry is manufactured in Hamilton and the rail cars used in western Canada are made in Hamilton and in Nova Scotia. We are interdependent, Mr. Speaker, so we need to watch governments very carefully.

The Government said it would not go to world price for oil but would hold down the cost of energy. Canadians believed the Liberal campaign machine but things turned out to be the exact opposite of what it claimed. The Conservative Party told Canadians that we need to pay more for energy in this country because that would result in the production of cheaper and more efficient cars. It would also provide the money for new oil sands plants so that synthetic crude could come into production and money so that oil could be brought in by producers in the Arctic and off the east coast.

The Liberal Party did not want to leave the initiative with private industry but rather but with Government. Now we pay almost world price for oil, but most of the increase goes to the Government by way of taxes. For every gallon of gasoline used on the farm, some 60 cents goes to the Government as tax. The Government then decides how that money is to be spent.

In the oil industry in this country things are not as they were in the old days, when someone got hold of the seismic data and drilled where they thought there might be oil. Now they have

to drill where the Government bureaucracy wants them to. Because it wants drilling to take place in the Arctic and off the east coast, it is prepared to offer rebates of 90 per cent plus. The decision is not based on where the oil is likely to be, but where the maximum grant is paid. That builds inefficiency into the system and results in less oil being found.

We should have a synthetic tar sands plant coming on stream every year in this country to offset the reduction in the light, conventional crude produced in western Canada. We started with 16 billion barrels of light, conventional crude along the Mackenzie Valley and through Alberta. We have been using that supply up and are down to less than four billion barrels. The rate of production of that light, sweet Alberta crude is going down to 100,000 barrels per year. Next year, 100,000 barrels less will be produced per day than is produced this year. The year after that, the reduction will be exactly the same. With a synthetic tar sands plant producing 100,000 barrels per day, we would need one more plant every year just to keep even. We are heading for deep trouble, Mr. Speaker.

The Government will soon release documents to show that less oil is being imported, and to an extent that is true. The reduction is caused solely by the recession, however. We would not need to import any oil at all if we were driven to bankruptcy, and indeed that may happen in another three or four years under this Government.

The third bad policy that affects farmers is the capital gains tax. For years and years in this country we permitted farmers to build a farm and to consolidate it into an efficient, economic operation. It could be passed on to the next generation with a minimum of Government interference. That is not the case now. Under the November, 1981 budget—and the capital gains tax provisions of that budget have not been changed—farmers cannot transfer a farm to the next generation by an agreement for sale and spread the capital gains tax over many, many years. It is now restricted to ten years if the farm is going to the immediate family. Farmers have lost the ability to sell, take the cash and put it into IAACs. They cannot do that any longer, so the taxes are payable on the sale.

• (1720)

Then there is a system of forward averaging where farmers can obtain a tax credit in future years. Immediately we see that if farmers become aged, want to sell and die within a couple of years after the sale, the Government keeps all the tax; there is no rebate then. The Government is taking an incredibly unfair advantage of senior farmers who sell. The effect is that almost invariably parts of the farms end up being sold off to pay taxes. This makes farms smaller and smaller, which makes farmers more inefficient. Therefore, we get less food from them and the national interest is injured. It is similar to the difference between land tenure in the United Kingdom and France. Periodically in France there is a great consolidation because farms have become so small that they cannot continue to be efficient.

The capital gains tax is not raising all that much money for our central coffers. Most of the gain is not in fact a real gain at all. It is simply an inflationary gain, which goes back to what I was talking about earlier—the deficit. Whenever there is inflation with too many dollars chasing too few goods, the inflationary value settles on things.

We are still a young nation. Most people came to Canada to get land; this is why people went west. They came from situations in Europe, whether it was the United Kingdom, Germany, Hungary or Poland, because they were locked into a class situation from which they could not escape and an economic situation where they could not obtain access to land. They were prepared to sell their meagre assets in those countries, get on a boat and go off to a strange country speaking strange languages, and to go to the great western plains where it did not matter from where they came. Racial intolerances did not matter when they were sitting out there during the cold winters. All differences disappeared because they were small human beings. This sort of explains the incredible multicultural nature of western Canada. It did not matter whether one was a Scotsman, a Pole or a Ukranian; each helped one another when faced with the incredible climatic problems of western Canada. As a result, three generations later western Canadian agriculture is strong and efficient, and the western Canadian people have a nationality which is much more cohesive than I think even they realize.

To give a few dollars of interest subsidy to a few farmers in western Canada and across the rest of the country is not really what they need. They really need relief from capital gains so that they can plan to pass their farms on to the next generation and still do justice and equity to children who are not on the farms. This is what needs to be done.

Clearly the solution is in the agricultural sector. There are 320,000 people committed to the land. One has to understand farmers and almost has to have lived on a farm to understand them truly. These people are efficient. There are 24 million hectares of land which could be brought onstream. We still have young people. Basically the progeny of the baby boom about which I talked are now between the ages of 18 and 33. If the Government came out with agricultural policies to turn them loose into that line, we could handle our unemployment problem. Think of all the tractors, trucks, and machinery which would be needed. Think of electrical wires and the whole business of settling people in a new part of the country. It would be fabulous. They are available. They are keen, well-educated and individualistic. They want to prove themselves in their own way. It would free up people from the continuing growth of government.

Another irony to which I cannot get accustomed is the fact that years ago when our parents and grandparents did not have the benefit of the education which we think we have had, they did not need government laws to control them. Now people have more and more education, intelligence and presumably tolerance, and we have more and more laws controlling them. When we bring people out of university and hire them in the Public Service, for example, they are put into small niches and

are given so little discretion, responsibility and accountability that they are incredibly unhappy. Then the morale of the service goes down, down and down. Years ago we would give persons jobs, hold them accountable, and they were happy to take on responsibilities. Why is it that the more educated we are, the more government we need? I am sure the Government will not answer that one, but I would like to hear its Members talk about it.

I will vote for this bill, but I want farmers across the country to understand clearly that, in my judgment, it is not adequate. It is using a band-aid for a huge cut; it is the wrong perspective. We need to look at other policies rather than subsidies to farmers. Our farmers can compete against any farmer in any country in the entire world. They have been operating at the world cutting edge for years. They are used to it, they can handle it. When we start putting subsidies on them, it means that there will be a degree of inefficiency equal to the subsidy. As manufacturers have now learned, when a government gives a tariff protection or a subsidy of 15 per cent it becomes an inefficiency factor of exactly the same equivalent. Meanwhile producers of other countries which do not offer subsidies will be able to undercut us and whip us in the marketplace. Subsidies should not be considered other than in the very shortest of terms and only in order to permit an industry or a sector to adjust to the world market. Because we are a trading nation our starting point should always be: What is our international competition doing? Let us meet that so our producers can adjust.

Mr. Girve Fretz (Erie): Mr. Speaker, I speak today as a representative of an agricultural constituency in order to discuss some of the ramifications of Bill C-134. Over the last few years there have been many changes in the farming community and in the technology of agriculture in Canada. As a result the needs of the agricultural industry have changed from what they were in the past. The main difference, as in many other industries but especially agriculture, is that a great deal of capital is required.

Approximately 100 years ago our ancestors were jumping on the railway to head out to the untouched lands of Saskatchewan and Manitoba where, perhaps without a dime to their names, they could forge a life for themselves from the land. For the young people on the farms today there is plenty of ambition, but unfortunately that alone is not enough. Today one must have in the order of at least $200,000 or $300,000, whether this capital is borrowed or inherited, just to begin a career in agriculture.

The critics on the sidelines can very easily say that the farmer can rent his property just as the businessman in the city rents his store and perhaps gets along very well without owning the building. However, it is evident to anyone who has lived any length of time in an agricultural community that there is pride when land is owned. When there is pride of ownership, the buildings are maintained and the land is not allowed to lose its fertility or be covered with weeds. The point I am trying to make is that in order for a farmer to obtain ownership of land, he must have access to large sums of money and at reasonable interest rates. This is not the case today.

The interest rates available for the young farmer starting out today are such that any profits which he obtains through hard work and sacrifice are eaten up in interest payments to some bank head office in a skyscraper on Bay Street. However good the intention of the Bill is, it is simply inadequate for reasons which I will outline presently. Bill C-134 is definitely a step in the right direction, but it is certainly not a giant leap for mankind. Unfortunately, the amount of money which has been set aside for this Bill is insufficient. At first, this was a $216 million program. Now we are told that $116 million of this amount is coming from the Farm Credit Corporation itself. This would be fine if all of this money came from outside lending institutions. However, that $116 million is coming directly from the Farm Credit Corporation itself. This sounds like a classic case of robbing Peter to pay Paul, or perhaps robbing Marc to pay Gene. The Farm Credit Corporation is an established body which is designed to finance the agricultural industry. When $116 million is taken out of this fund, obviously it leaves less in there to fulfill the job which it was intended to do. There we have the first flaw in Bill C-134.

• (1730)

There is not enough money in the fund, and it is coming from the wrong source. Therefore, my colleagues and I encourage this Government to put at least another $300 million into the Farm Credit Corporation budget to take care of this new interest rebate program.

My statistics tell me that 20,000 Canadian farmers desperately need the assistance of this program. Do you know how many people are going to be assisted by this program, Mr. Speaker? With the funding currently available, it would appear that approximately 500 farmers will be assisted by this program. Now, to me, that is a little less than the proverbial drop in the bucket.

I would like to address another problem which is affecting the farming community, which, if solved, would certainly result in fewer farmers requiring the assistance provided by such programs as set out in this Bill. The problem lies in the fact that every time one generation turns the land over to the next generation, a considerable amount of capital gain is involved. Once again, if a young farmer wishes to buy the land from his father or his neighbour, the cost of the capital gain will certainly be included in the price of the land to the purchaser. Obviously, this elevates prices unnecessarily, and following the domino effect, as the land moves from generation to generation, all the accumulated costs are passed on to the younger farmers who can afford it the very least. I feel that this kind of taxation is unwarranted and creates hardship among the workers in Canada's most important industry.

The current need for help with interest rates, then, is only the tip of the iceberg. Bill C-134 is rather like a bandage which covers the wound but does not heal the disorder. Just as you do not need bandages when you are not bleeding, we would not need Bill C-134 if overtaxation did not bleed the farming

community to the bone. The Members of the Government will, no doubt, offer the argument that, like any other businessman, the farmer experiences periods of growth and periods of recession, periods of prosperity and periods of stagnation. He must weather the storms of financial distress, just like any other business person.

However, this is not just any industry. This is the food supply of our country. For this very reason I feel that the farmer should not have to face this kind of interest burden. I emphasize that these benefits should apply only to the career farmer. I am not talking about the speculator who is out to make a quick dollar, or the gentleman farmer who grazes a few race horses for his amusement. I am talking about the hardworking family farmer who has worked hard to maintain the equity in his farm and has done his best to run an efficient operation.

Another important difference between farming operations and other businesses is this: the farmer must maintain, in order to be efficient during the rush periods of the year, a fleet of equipment, which is often worth hundreds of thousands of dollars. This equipment often lays idle for ten months of the year, but if it is not there during the critical period, the owner stands to lose a great deal of money. In order to purchase and maintain such a fleet of equipment, the farmer must have a great deal of capital.

On Saturday night I attended a dinner in West Lincoln, in my riding of Erie. I sat beside a farmer who told me the story of a farmer who lives right next to him. He put in a crop of soybeans. He depends upon a custom harvester to harvest his crop. It was a wet fall, and when there was a couple of days of dry weather, the harvester was not available because it was working on other farms. The farmer lost that entire soybean crop. Unlike the manufacturer who can use his machinery 24 hours a day and seven days a week if he wishes, the farmer only uses his machinery profitably a very small percentage of the time. Therefore, a comparison between farming and industry in terms of eligibility for financial assistance is like comparing apples and oranges.

The last point I should like to make is that many Canadians are reaching retirement age. In the next ten to 15 years, many of these people will move into their little apartments in town. What will happen to the land which they are working now? Which would you rather see, a generation of young, ambitious farmers willing to toil to develop efficient and profitable enterprises, living in small, close-knit communities that are economically self-sustaining, or giant corporations complete with efficiency experts and an army of accountants promoting cost-saving policies at the expense of aesthetic and sociological considerations? Unless this Government recognizes the value of the family farm and plans its assistance programs accordingly, farm communities as we know them will disappear, and we will have acres and acres of fenceless, levelled land which can be efficiently farmed with huge machinery owned only by giant corporations. Instead of living on the land, workers will come from afar to drive equipment at an hourly wage. I am sure that the Members of this House would like to see the tradition of the family farm continued. Like home ownership, however, this dream is rapidly disappearing. The family farm cannot continue to exist without effective financial assistance being given to the young farmers.

To some degree I applaud Bill C-134 for its attempt to focus upon this genuine problem. However, as I have already stated, the program does not go far enough and does not help enough people. Perhaps the intentions are good, but we have to enlarge the scope of this Bill. Certainly, by doing this, we can help to ensure the continuation of a healthy, people-centered agricultural industry in this country in the years to come.

Mrs. Jennifer Cossitt (Leeds-Grenville): Mr. Speaker, it is with great pride and a deep sense of honour that I stand here today in the House of Commons as the newly elected representative for Leeds-Grenville to speak out on matters that are of great concern not only to my riding but also to Canada.

Hon. Members from all sides of the House are already familiar with the riding of Leeds-Grenville because of its close proximity to Ottawa. It is one of the most beautiful and picturesque ridings in this part of the country. The Rideau Canal system, of which we are all very proud, celebrated its one hundred and fiftieth anniversary this year, and all along its banks it provides many peaceful rest havens for retirees and weekend hideaways for many of the Ottawa area and local residents.

Brockville, the only city in my riding, borders on the St. Lawrence River and also celebrated its sesquicentennial this year, attracting many distinguished visitors. Leeds-Grenville is very much at home amid the lovely Thousand Islands, and Gananoque, a small town nestled in the southwest end of the riding, is in the midst of this scenic wonder. It is not very difficult to realize that there is tremendous tourism potential in that area that should be expanded to its fullest to promote much needed employment and bring in additional revenues through which the economy can grow and develop.

• (1740)

All along the St. Lawrence River there is a great industrial base, which unfortunately has been dealt some stiff blows in recent years because of the faltering economy with which the Government has not come to grips. Every week I am made aware of the fact that somewhere in the riding 20 or 30 people have been let go from their jobs, and while this may not sound too significant in itself, these numbers added together over months and months become increasingly significant, and we begin referring to hundreds of people who have lost their jobs.

Brockville alone has suffered major lay-offs in the last few months, and unemployment has increased 35 per cent since last year. Prescott, a small town east of Brockville, has been the hardest hit by unemployment and must resort to work-sharing programs to keep its people employed. Here, unemployment has increased more than 50 per cent over the same period last year. Gananoque, its major industry being tourism, suffers appreciably during the winter months and has also had

to bear the brunt of unemployment increasing by 50 per cent over the same period.

I am speaking about a devastating attack on the economy of Leeds-Grenville. I have yet to hear anything from the other side of the House which will even come close to relieving the pressures created by the Government's irresponsibility. I am speaking about Canadians who have lost all sense of security and no longer trust their Government, and I am referring to hundreds of families who must now rely on unemployment insurance benefits with nothing to look forward to but the welfare lines for their bread and butter. It is very hard for the people of my riding to live on depreciating incomes when they have children to feed and clothe, but the people of Leeds-Grenville are determined to survive the worst recession they have had to face since the great depression. They survived then and they will survive now, and I am here to make sure they get all the help they need. I am here to make sure this Government hears about their concerns and hears about their problems. They elected me to tell the Government how tough it has become to meet their mortgage payments, how tough it has become to put good, wholesome food on the table, and how tough it has become to make sure their children have the warm clothing they need for the long, hard winter the Prime Minister (Mr. Trudeau) promised us earlier this fall.

Leeds-Grenville has a rich agricultural community, strong in dairy and meat producers. Over 1,800 farmers are scattered throughout both of the counties and, as I visited many of them during my recent campaign travels, I was told countless times, "This farm is inoperative". I ask this House, when will we make these farms operative again?

Forty per cent of Canada's economy is made up of the agrifood industry, and we cannot afford to ignore such a large sector of this great country's potential. If we do, we will also be ignoring the merchant who will no longer have enough products to sell, and we will be ignoring the factory worker who will no longer have a job when his firm stops producing farm machinery because there is no longer a market for these items. The importance of stabilizing this industry cannot be emphasized enough when it affects so many people connected directly or indirectly with the production of life's essential commodity, food.

Because the agricultural industry is so important to my riding and to each and every person in this country, I was very pleased to see some positive action taken by this Government through Bill C-134, but I cannot say that I, or any of the farmers in Leeds-Grenville, believe that the Bill will provide them with the relief they so desperately need to survive at a time when their costs far exceed their incomes.

Farm bankruptcies are now 65 per cent higher than last year, and the numbers are still climbing, with farmers in Ontario being hardest hit. In the last 12 months, 261 farmers went bankrupt and were forced to watch helplessly as their livestock, their barns and their machinery were sold off at rock bottom prices because creditors could no longer wait to have their long outstanding debts paid. This Bill will be retroactive to June 28, but how many farmers have already lost everything for which they worked all their lives, farms that have been passed down from one generation to another, because that assistance was not there when they needed it? I ask this Government to explain what will happen now to those farmers.

Our farming community is made up of hardworking, proud people, battling against the toughest elements nature could hurl at them, and surviving. They are not looking for handouts. They are looking for a little assistance that will help them continue the fight against the onslaught of escalating costs of production, the constantly rising price of energy, fuel, herbicides, fertilizers and machinery.

Every aspect of the farming operation has faced increased costs. However, a farmer's net income is expected to be 17 per cent lower this year than last year. Just how does this Government expect our farmers to continue to operate when they are faced with such devastating losses? Our farmers need assistance now to buy new machinery to replace worn out harvesters and milking machines. They need assistance now to expand their operations so that they can keep up with the market demands of the future, not the market demands of the past. And they need the support of the Federal Government now, not six months or 12 months from now. All the Government is doing is to introduce a Bill from which, the Canadian Federation of Agriculture estimates, only 500 farmers will actually benefit. That is only 2.5 per cent of the 20,000 farmers who need assistance today. The generosity of the Government is overwhelming.

It is long past the time that this Government realized that Canada needs a stable, thriving agricultural industry and a stable, thriving economy. It is time the Government took the necessary steps to stop us from plummeting down the road to economic disaster, to stop the rising and unbearable level of unemployment, to stop the extravagant and wasteful overspending of the past 14 years.

We have lands, resources and the potential to be one of the leading producers in the worlds' agrifood industry supporting the growing population of the future, but if the present Government persists in ignoring the requirements of an industry that needs to be developed and expanded, we will eventually become a country totally dependent on the rest of the world for its food. The Government must immediately begin a recovery program which will not only benefit our farmers but will benefit all Canadians, and will restore economic growth and productivity.

Revitalizing the agrifood industry must be one of the Government's top priorities, and I suggest that the Minister of Agriculture (Mr. Whelan) starts today—not tomorrow, not next week or next year, as he has so often stated in the past—to introduce legislation that will give farmers the assistance they so desperately need.

The concerns of the farming community are shared by the average Canadian. They are concerned about a spiralling rate of unemployment that is at an all time high since the great Depression. This figure does not even take into account those persons who have given up hope of finding employment, those who have succumbed to the pressures, stresses and frustrations

of being rejected and having no hope of getting back into the work force. The Government seems to be immune to their cries for action and their pleas for help at a time when it has become abundantly clear it is so desperately needed.

The unemployment situation is creating a wave of fear and terror among Canadians, creating more and more stress within the family unit, resulting in increased separations. Wife and child battering are becoming more acute, and every day more and more children are being abandoned to the Children's Aid Society, a devastating social reaction brought about by the hard times plaguing this nation.

The people of Leeds-Grenville elected me to speak out on their behalf. They want me to speak not only for the farmers but also for each and every one of the 80,000 people living in my constituency. They want me to send their message to the Prime Minister and to Hon. Members sitting on the other side of the House. They elected me to tell this Government that they are fed up and disgusted with the way this country is being run. They are disgusted with a bureaucracy that wastes $16 million of their hard-earned tax dollars through sheer mismanagement and extravagance. They are disgusted with a Government that has overspent so much in times of prosperity that it now cannot help those who need it in times of despair.

• (1750)

Canada is a country with a wealth of natural resources available to her. Therefore, how can she be motivated to utilize her vast resources to increase productivity which, in turn, would lead to greater wealth for our country? We were once looked upon by the rest of the world as a nation that was really going somewhere, a nation with vast potential, the Promised Land. But look at us today. Under the economic mismanagement of the present Government, our reputation as to our ability to produce wealth has sunk to its lowest ebb.

In closing I should like to say that I believe we have one of the greatest resources available to us, that is, human beings. Yet this Government is stifling the natural incentives and initiatives of individuals who want to be productive and responsible Canadians with a future to look forward to.

Canada needs direction, she needs leadership and she needs a goal. Under our present Government, Mr. Speaker, we have none of these.

Mr. Baker (Nepean-Carleton): That was a first-class maiden speech.

Some Hon. Members: Hear, hear!

Mr. Derek Blackburn (Brant): Mr. Speaker, before I begin my address on Bill C-134, on behalf of my party I would like to extend congratulations to the Hon. Member for Leeds-Grenville (Mrs. Cossitt) for her very fine victory last month in the byelection and for her very fine maiden speech in this House of Commons.

Some Hon. Members: Hear, hear!

Mr. Blackburn: I know that I speak for all Members on both sides of the House when I say that we look forward to hearing from her on many occasions between now and the next election. However, beyond the next election I will not go at this moment.

Bill C-134 is a very crucial bill in some respects. In other respects, unfortunately, it falls far short of what I think is the main problem of the Canadian farm community today. On the one hand, this Bill will free more funds to help some farmers who presently find themselves in dire straits. To a limited degree, that is commendable. But when one considers that, at the most, this added funding through Bill C-134, at an average loan of $50,000, will assist perhaps a total of 500 farmers, and when in fact the Canadian Federation of Agriculture very accurately estimates that 10 per cent of our farming community is in dire straits, this means that 20,000 farmers, need immediate financial aid or assistance just to keep their heads above water, to say nothing of expanding or modernizing their already existing facilities.

Members on this side of the House, and some Members on the Liberal side, have for the past two years called for added financial assistance to the farming community. I am not a farmer myself, though my constituency comprises some of the finest farms and farmland in southwestern Ontario. I have spoken on many occasions on behalf of the farmers in my riding. While the cynics might say the reason I do this now and then is simply to try to get some votes in a rural area, I would like to think that the only reason I speak on farm problems is that agriculture, whether in Brant, in Saskatchewan, in eastern Ontario, in the Maritimes or in British Columbia, is fundamentally our most important industry. Perhaps we can say that forestry and farming are the two most important basic industries in the country.

If the farm community and the farm industry are in trouble anywhere in our country, and at the present time they are in trouble all over the country, then the entire economy is adversely affected and people from coast to coast are adversely affected. That is why bills such as Bill C-134 are very important. Bill C-134 does not go far enough, and for many hundreds of farmers it comes too late.

Let me quote from a letter which the Canadian Federation of Agriculture sent to the NDP farm critic just last week. It is dated October 26, and reads, in part:

> —the grains, oilseeds and beef industries are in deep distress, and hog producers, while currently receiving improved prices are struggling to survive the effects of depressed prices of the recent past and apprehensive about prices looking to 1983. There is little light on the horizon for these farm sectors.

Coming as it does from the Canadian Federation of Agriculture, one can draw only one conclusion from that letter. There is no rhetoric in it; it is stating facts. If anyone in this country should know the facts, it is the Canadian Federation of Agriculture because the real nub of the problem is right there in that short extract.

Farmers, like many other businessmen in this country, are caught in the cost-price squeeze. I can remember making speeches similar to this one using that expression ten years

ago. I came here 12 years ago. The situation on the farm front, as far as the cost-price squeeze is concerned, has not changed very much except that it has grown worse. The reason is that traditionally operating costs were increasing at a higher or a faster rate than commodity prices. Added to the traditional operating costs, such as fuel, energy, fertilizers and feeds, we have seen in the last year and a half to two years a phenomenal increase in energy and fuel costs and a phenomenal increase in the rate of interest charged against loans. Farmers must have loans. If there is any traditional business group in our community that relies almost entirely upon seasonal or short-term loans, it is the farming community. Faced with interest rates of 18 per cent, 19 per cent and 20 per cent during the latter part of 1981 and into the first half of 1982 and faced with fuel and energy costs on an annual basis escalating at the rate of 17 per cent to 22 per cent and fertilizer and feed costs rising at the rate of between 12 per cent and 15 per cent, it is not very difficult for anyone to conclude that the cost-price squeeze as it affects the farm community in this country has become critical. It has reached the point where farm after farm after farm is going out of operation.

As I sat here and listened today to speeches made by other Hon. Members, I heard them talk about the tragedy of the disappearance of the family farm. Since its beginning my Party, the NDP, has supported the family farm. One of the main reasons why our predecessor, the CCF, became a political national party in the 1930s was the rural protest, not so much the urban, in the west in 1932, 1933 and 1934.

• (1800)

Perhaps one might blame our party for being too idealistic in the tough times of the thirties when it came into power in Saskatchewan, primarily for supporting rural Saskatchewan, the farming community. We in the New Democratic Party have a long tradition of supporting good farm policies and good legislation. Let there be no mistake about that. The Liberals and Conservatives do not have exclusive priority when it comes to supporting the rural community in Canada.

There are two other reasons. I alluded to high interest rates, which I will get back to in a moment. The other major cause of the problem, apart from general inflation not only in Canada but throughout the western world, is the drop in commodity prices. I quoted the Canadian Federation of Agriculture as saying that grain, oilseed and beef producers are in very deep trouble. Commodity prices are falling drastically all over.

I talked recently with a farmer who told me that in 1979 he was getting $4.60 a bushel for corn. The best price he could get as of two or three weeks ago when I talked with him was $3.90 a bushel. When you put together the drop in commodity prices and the rise in operating costs, energy fuel and interest rates on borrowing, you can see why the farm community is in trouble.

Another problem is that in the seventies the federal and provincial Governments and various farm organizations were encouraging young farmers to expand, modernize and purchase the latest world class technology, state of the art combines such as the axial flow rotary combine which was engineered, designed and produced in my riding by White Farm Equipment, Massey-Ferguson combine and so on.

As prices were going up, farmers needed more and more operating money to purchase this expensive machinery. In 1975, 1976 and 1977 the banks were throwing money at these farmers. Bank managers were not doing proper appraisals or intensively looking at the books. There was a lot of money and a tremendous demand for farm loans. I repeat, the banks were throwing money at the farmers. All of a sudden we hit a recession. The banks started getting scared. The banks were not gouging quite as successful as they have done historically in this country. Their profit began to decline slightly, so they became scared. They started to call in some of these short-term loans. Of course, this created fear throughout the entire farming community. We therefore have several combinations; an increase in operating costs, a phenomenal increase in interest rates, a decline in farm prices, particularly commodity prices, and the cost-price squeeze.

What does Bill C-134 promise to do? I am afraid not very much. In 1982 the Farm Credit Corporation will have an additional $200 million to assist farmers, and is promised an additional $100 million for 1983. I do not know what these amounts are based on because if you average the loans made by the FCC, you find that $50,000 will help about 500 farmers. I said at the outset of my speech that there are some 20,000 farmers who are financially strapped and in dire straits.

The average loan needed today by farmers who are in dire straits is not $50,000. That certainly would help, but would not solve the problems of those 20,000 farmers. We are talking more in terms of $100,000 loans. At 18 or 20 per cent on the open market, that is an additional carrying charge of $20,000 a year.

It is true that through Bill C-134 there will be a differential in favour of the farmer who is lucky enough to get a loan through FCC of four percentage points. If the rate on the date on which the loan deal is closed is 18 per cent, the farmer will get this loan at 14 per cent. There is one problem. We in the NDP think that this should be a floating rate so that the percentage rate would be adjusted downward from time to time. The borrower would not be hooked into the higher interest rate for six months or several years. It would float according to market forces.

I said at the outset that this bill is not only too little but it has come too late for many farmers in Canada. Let us look at some of the statistics, the amount of money that borrowers are in arrears to the Farm Credit Corporation. In 1982, they were in arrears to the Farm Credit Corporation, in other words not paid up, $71.9 million or 12.4 per cent of accounts. In 1981 it was $44.9 million or 9.9 per cent of accounts. The percentage increase in dollar arrears is 60 per cent.

These are alarming figures. Historically and traditionally they have been extremely good at paying their debts. Farmers had one of the highest credit ratings of any business group in

the community at large, but here we have millions of dollars outstanding in arrears over the last two years. That is a good indicator of how serious the financial situation is today on the farm front.

Let us look at the number of bankruptcies. I know this topic has been dealt with by other speakers and the media in the past year, but I would be irresponsible in not including these figures in my address this afternoon, if only to remind Hon. Members that the situation has not improved over this past summer and fall. It has continued to deteriorate.

In the first six months of 1982, there were 316 recorded bankruptcies. That does not include forced sales or those who have given up and sold at bargain basement prices, if they could get anything at all for their machinery, cattle or buildings. We are talking about recorded bankruptcies in the first six months of 1982, Canada-wide, which totalled 316. That contrasts with 191 for all of 1981, an increase in 1982 over 1981 of 65 per cent.

In 1980 there were 164 bankruptcies recorded across Canada and 82 in 1979. The percentage increase in 1982 over 1979, three years, of bankruptcies in Canada in the farming community was a whopping 285 per cent. In Ontario alone in 1982 there were 132 bankruptcies as compared with 112 in 1981. I have been using figures and statistics here, but it goes beyond that. We are talking about human beings, families, a way of life. We are talking about rural Canada's hopes and dreams going down the tube, disillusionment and despair, shattered dreams and aspirations. I am not exaggerating. I am talking in terms of hundreds of farms, not a couple of dozen. The Canadian Federation of Agriculture estimates, and I emphasize again, that 20,000 farmers are in dire straits. So in addition to the bankruptcies, we are talking of at least another 20,000 farmers who are finding it difficult to sleep at night and to keep their emotions stable. These farmers are not planning expansion or extensions or modernization. They are not planning to borrow because their line of credit has run out, or their credit rating has virtually disappeared. They are just planning day by day, hoping and praying they can keep their farms, their livestock, their land; just to stay in business, just to remain farmers. That is a lot of people.

• (1810)

Third World countries and developing nations look at Canadians and think we are so well off, so rich, and indeed we are, comparatively speaking. No one would argue that point. But they cannot understand why we are not producing more food, why we have farm bankruptcies, and why thousands of farmers go to bed at night worring whether next month or in six months' time they are still going to have deed to their land. In a world of hunger they cannot understand why our farmers cannot or will not produce more food. We know they can. We have some of the best farmers in the world in our country, if not the best. All they want is a fair return on their investment and hard work. But for some reason our Government, and other governments in the western world, cannot seem to get their act together. They cannot seem to rationalize agriculture productivity to the point where we could specialize to an even greater degree so as to produce at a unit cost that would be competitive in world markets. This would bring us a reasonable return on the invested dollar and the invested work in the Canadian farm community. That is another major concern of my Party as well as the concern of farmers across Canada.

When I talk about the farm community, I am not limiting my perspective just to farmers. I represent the federal electoral district of Brant, which is in Southwestern Ontario. Its largest community is the city of Brantford where we have Massey-Ferguson's North American combine operation and White Farm Equipment, both of which are recipients of Government aid at this time and neither of which is operating. They are flat out. They do not even have half a shift. No one goes into work except a few maintenance people. When farm times are good, my city is booming. I do not want to sound selfish; it is true as well in other communities across Canada. But this city, with a population, of 75,000, with a work force of 48,000, now has 13,700 persons drawing unemployment insurance, nearly 5,000 of whom, two years ago, were working either for Massey-Ferguson or for White Farm Equipment.

Chatham is another city which is very badly hit, along with Hamilton. When you have 25 per cent unemployment, and almost half of that is from the farm implement sector, in one community of 75,000, then it is little wonder that the depression, the pall that hangs over my home town of Brantford, can almost be felt and tasted when I visit there on weekends. The two shopping malls are almost deserted. The main street is deserted at high noon on a Saturday. People who have money are not spending it, and the vast majority of those unemployed in my city have no money to spend, and I fear this winter a third of them will see their unemployment insurance run out and from there they will go to welfare.

An Hon. Member: Did you say a third?

Mr. Blackburn: Down about a third. I cannot get the figures. I tried to get them from the local unemployment insurance office, the regional office, and here in Ottawa, but no one will give me an estimate of how many will be running out of unemployment insurance benefits this winter. The estimate, at City Hall in Brantford, is approximately a third. So we are talking about 4,000 people who may indeed end up on welfare.

If Massey-Ferguson or White Farm were operating at full speed, which they would if the farm community were in a healthy, buoyant financial position, this would not be happening. The inter-relationship between rural Canada and urban Canada is graphically brought home to all of us when we visit a city such as Brantford. That is why, when I take a look at Bill C-134, Mr. Speaker, I wonder just what ripple or trickle down effect the $200 million will have on the 500 farmers coast to coast out of the 20,000 who need financial assistance. I wonder what effect that will have on communities such as Brantford, Chatham or Hamilton. It could be any of your prairie towns that are dependent on farm incomes, not necessarily towns that manufacture farm implements, except

perhaps for Winnipeg and Regina, but the grocery stores, restaurants, clothing stores, dry goods shops, and so on, in the small communities.

I have driven through Western Canada, and I want my friends from the west to know there is one Ontarian who has a very deep and abiding love and appreciation for Western Canada and our prairies, for its tremendously rich history and for the people who developed that part of our great country. The only thing that keeps us from being great again is that bunch over there. Perhaps I should not say that it is the only thing. It is true there are 30 million unemployed workers in the western industrial world, but I do not know why the Liberal Government here in Ottawa has to blame the economic situation constantly on Germany, France, and Italy, for example, and it is not as bad there as it is here right now in terms of employment and inflation.

Why do they say things are bad all over and then do nothing about it? We had what I can describe as sermonettes a couple of weeks ago, and we had the tremendous, flowery rhetoric of the local Liberal pow-wow at the Chateau over the weekend, and a host of promises about a tremendous economic turnaround. Well, a chap by the name of Herbert Hoover preached that for a couple of years in the early 1930s, and he was very quickly replaced by a man called Roosevelt. Nothing comes of rhetoric or promises; what we need is action, and today we are talking about action on the farm front, and the tremendous positive financial effect it will have in certain areas of the manufacturing and food processing sectors. We are not just talking about farms and farmers, we are talking about a major portion of the Canadian economy when we talk about Bill C-134 and its tremendous shortcomings.

• (1820)

The Canadian Federation of Agriculture, Mr. Speaker, at a meeting I attended early last spring, presented a brief on a proposal which I think merits tremendous consideration on the part of all Members of this House. It has already been mentioned by both my Conservative friends and other speakers from the NDP, that is the agribond. I do not profess to be an expert on the agribond and all the inner workings of that kind of approach, but it strikes me, as a lay person, as being an excellent idea. Retiring farmers would, let us say, sell their farm for $250,000 or $300,000, if they can get that much for it today. On the one hand they do not really need all that righta-way, and they do not need to pay the capital gains tax in one fell swoop either. Let us say they take two-thirds and put it into this general pool known as the agribond fund. While they may not get 12 per cent, 13 per cent or 14 per cent return on their investment, I think they would be prepared to take 7 per cent or 8 per cent if they knew that the money was going exclusively and specifically to farmers in need or to young farmers who want to buy their first farm or to other farmers who want to expand their operations or modernize, provided, of course, their farms are viable and potentially good.

It is a good investment, a safe investment and a helpful kind of investment because it is, in a way, self help. The retiring farmer is helping the young farmer either to get started or to expand. Money could then be lent within the farming community at much lower rates than the current market would demand. I do not know, it could be 10 per cent or even less, depending on how the agirbond was set up. So I highly commend, along, I think, with every other speaker today on ths side of the House anyway, the concept and application of the agribond. I commend the Canadian Federation of Agriculture and any others who are directly responsible for coming up with this idea.

Mr. Baker (Nepean-Carleton): First-class idea.

Mr. Blackburn: First-class idea, very true. I would like to hear somebody on the Liberal side challenge us on this side on the agribond. Maybe it is not the best way, though I have not heard from anyone over there all afternoon. Secondly, if there is a Liberal over there who is interested in farmers and their problems, I invite him or her to stand up this evening and challenge this side of the House on the matter of the agribond. Tell us what is wrong with it. Tell us where or how it will not work. Give us a reasonable argument and maybe we will oppose it. But we have not hear a thing from the Liberals on this very vital issue.

While we on this side of the House are often blamed for being negative, Mr. Speaker, I might say my speech has not been entirely negative. I have put forward some constructive suggestions concerning this Bill, such as lower interest rates to farmers who borrow money, and that the agribond should not only be considered but should be implemented just as quickly as possible. I have also mentioned how this, in turn, would have a positive effect on the agriculture implement industry, the parts industry, indeed, the economy as a whole. However, as I said, we on this side are often accused of being totally negative. Well, I am going to quote from the *Globe and Mail* of November 4, 1982. The article refers only to prairie farmers, but the picture is the same in Ontario, Quebec and the Maritimes. In fact, in some parts of Ontario it is even worse. It says:

> Prairie farm income in 1982 will drop to its lowest level in 10 years, farmers attending a conference sponsored by United Grain Growers Ltd. of Winnipeg in Banff, Alta., were told.
>
> UGG directors said in a year-end forecast that farm income will drop 28 per cent from 1981 mainly because of sliding grain prices and higher costs borne by farmers.

I mentioned those costs earlier in my speech. High interest rates, high energy costs, fertilizer costs and so on. The article goes on:

> Only good yields and high deliveries of grain will prevent an even steeper drop in income, the UGG report said.
>
> After an increase in costs, farmers' profits will drop $708-million from 1981, the report said. "Comparing the purchasing power of today's dollar to the deflated dollar, what a farmer could buy for 37 cents in 1971 cost him $1 in 1982."
>
> Farmers' incomes will drop 36 per cent in Saskatchewan and 34 per cent in Manitoba.

I have enough faith, Mr. Speaker, in rural Canada and our farming community to know that the majority of our farmers will hang in and weather this very severe financial crisis in

which many of them find themselves. But I do not know how much longer we as Parliamentarians and legislators can expect the majority of farmers to continue to encourage their sons and daughters to go into farming if this is the kind of mess that we are leaving to them as a legacy. Something has to be done, not to guarantee them wealth and riches, not to talk constantly about handouts and aid, but something has to be done, and very soon, to put farming on a much more secure financial footing so that at least young farmers going onstream, while they will not be guaranteed great wealth, will be assured of a reasonable income for their investment and hard work and that some time half way through their lives they are not going to lose everything they have worked for. Hundreds of farmers in the last two years have lost everything they worked for, and unless this Bill is expanded, even though my Party is going to support it, I fear that several hundred more are going to be forced into bankruptcy and several thousand are going to be forced to sell.

Mr. Doug Neil (Moose Jaw): Mr. Speaker, I, too, would like to join the other Members of the House in congratulating the Hon. Member for Leeds-Grenville (Mrs. Cossitt), who, a short time ago, delivered her maiden speech in this House. I am sure that she will be a credit not only to her constituents but an asset to this House of Commons.

I listened to the Minister of Agriculture (Mr. Whelan) last Thursday, Mr. Speaker, when he opened debate on this Bill.

• (1830)

At Page 20400 of *Hansard* the Minister said:

Madam Speaker, Bill C-134 is an Act respecting rebate of interest on farm loans made under the Farm Credit Act and is a piece of legislation which is extremely important to the farm community and to all Canadians.

A little later, as reported on the same page, he said:

This measure will help to assure the survival of many Canadian farmers who are presently facing serious financial difficulties.

Like the Hon. Member for Brant (Mr. Blackburn) who spoke before me, I, too, read the report in the November 4, 1982, issue of the *Globe and Mail*. The effect was rather shocking, Mr. Speaker, and I should like to put a portion of that report on the record. It refers to a conference called by the United Grain Growers in Banff. The conclusion the conference reached was this:

Only good yields and high deliveries of grain will prevent an even steeper drop in income—

The article went on to say:

Farmers' incomes will drop 36 per cent in Saskatchewan and 34 per cent in Manitoba. In Alberta, improved livestock prices will cushion the blow and income will drop 15 per cent.

In the country as a whole, they are predicting that there will be a drop in farm income of 28 per cent over 1981.

Farmers in Canada are facing more than serious financial difficulties, Mr. Speaker; many are facing bankruptcy. The bankruptcy rate in the farming population is up by some 65 per cent. If the trend continues, the result will be a tragic one for the whole farming community. Grain and livestock prices have fallen. If one examines the statistics, one finds that the total farm debt is between $18 billion and $20 billion. The interest that farmers pay on that debt is in the neighbourhood of $3 billion. We should put that $3 billion in perspective, Mr. Speaker.

If we go back to the estimates we will see that in 1968-69, the total budget for the whole of the Dominion of Canada—that is, the money it took to operate the Government of Canada—was $10.8 billion. This year, the farmers of Canada will spend almost one-third of that amount on interest payments to service their debt.

To put that in even better perspective, if we examine the records of Canada, we will find that the cost of servicing the country's debt in 1968 was $1.5 billion. That was for the entire debt of Canada in 1968. Today, farmers pay double that amount to service their debt. That is a catastrophe created by the Liberal Government opposite, Mr. Speaker.

The Minister of Agriculture—who, incidentally, is not in the House, Mr. Speaker—will undoubtedly recall that he was in Moose Jaw earlier this year to attend a meeting called by a group of livestock producers who found themselves in terrible financial difficulty. The market was low and interest rates high, and they were facing bankruptcy. The Minister arrived late, but I was there for eight hours. I listened to the livestock producers and to many grain producers who spoke at that meeting. They pointed out the disastrous effects the high interest rates were having on their industry. I am sure that farmers in other parts of the country have told the Minister the same thing.

In response, the Minister introduced this Bill, which the Canadian Federation of Agriculture says will only help 500 farmers. There are 320,000 farmers in Canada but this Bill will only help 500 of them. Yet the Minister of Agriculture pats himself on the back for that.

The Minister has allowed the Farm Credit Corporation to go to the American market to borrow $100 million in bonds. It is interesting to read the analysis of this borrowing which was given by the Hon. Member for Cariboo-Chilcotin (Mr. Greenaway) when he spoke in the House on November 4. He used 12 per cent as a basic rate on this $100 million borrowed on the American market. This appears to be a fair rate. He pointed out that the Canadian dollar stands at 82.5 cents compared to the U.S. dollar, which would add another 2 per cent to the interest rate. Of course, because of the fluctuation in the foreign exchange market, the Farm Credit Corporation will have to hedge against changes in the currency market. He estimated this at another 2 per cent. Another 1 per cent must be added for the administrative charges incurred by the Farm Credit Corporation in making the loans. I do not complain about that 1 per cent, because I think the Farm Credit Corporation is to be commended for keeping the cost of servicing loans to the farmers down to 1 per cent.

When we add the 12 per cent, the 2 per cent because of the Canadian dollar being at 82.5 cents, the 2 per cent for hedging and the 1 per cent for administration, then the Farm Credit Corporation will have to charge an effective interest rate of 17

per cent. It would appear, then that when the farmer borrows this money he will be tied in for ten years to an interest rate of 17 per cent. That is a disgrace, Mr. Speaker.

On March 30, 1982 this House passed Bill C-88 which made changes in the Farm Credit Corporation. We were very pleased about that on this side. In Clause 8 of the Bill, Section 13 of the Farm Credit Act was changed, the new Section 13.(1) reads as follows:

The Corporation may, with the approval of the Minister of Finance, borrow money by any means,—

I emphasize that phrase "by any means", Mr. Speaker.

—including issuing and selling bonds, debentures, notes and other evidences of indebtedness of the Corporation.

• (1840)

We were pleased because it said, "Borrow money by any means". For quite a long time we on this side of the House were making proposals such as the agribond, a scheme to assit farmers who were called upon to pay large capital gains tax. We felt that the change brought in by the Bill back in March would allow the Government to bring in the innovative ideas which we had suggested. As I said, we had made these suggestions for some considerable time.

I read the Minister's speech of last Thursday, the Minister never gives credit where credit is due. As reported on page 20400 of *Hansard*, he said:

—using the agribond principle that was not originally thought up by those opposite, Mr. Speaker, but was brought up and talked about by people for many years—

If the principle has been around for many years, why has the Minister or the Governent not made use of it? Is it because the Minister of Agriculture (Mr. Whelan) has no clout with his Cabinet colleagues? Can he not sell them on a good idea? Does he prefer to borrow money on the international market? Does he not really give a damn for the failing agricultural economy? Is he perhaps afraid of financial institutions? What kind of a Minister of Agriculture is he?

When I spoke in the House in February on the FCC Bill, the one which allowed the Corporation to borrow money by any means, I talked about borrowing money from the Farm Credit Corporation at the then rate of 16.75 per cent. I used the example of farm land selling at $1,000 an acre. It is not uncommon in western Canada to have farm land sell at $1,000 per acre and up. Generally speaking, farmers use a two-year crop rotation. They summer fallow one year and they crop the next; half and half. In other words, a farmer crops half his acreage each year. If we take $1,000 per acre land, with a two-year crop rotation and $6 wheat, the farmer has to produce 50 bushels per acre to pay the interest alone. On top of that, of course, he has to add his seed, municipal taxes, fertilizer, the price of gas and oil, his repairs and depreciation. He just cannot survive.

With the scheme at which the FCC is looking, as approved by the Minister, it will cost the borrower of American money 17 per cent. If we use the same figures of $1,000 an acre and a two-year crop rotation, with grain at $4.75 per bushel compared with $6—and the Minister in charge of the Canadian Wheat Board says that farmers this year will get the initial payment of only $4.75 per bushel—with interest at 17 per cent, it will require 71 bushels per acre to pay the interest alone. If one were fortunate enough to buy land at $500 per acre, it would require 36 bushels an acre to pay the interest. Farmers, grain producers and livestock producers just cannot survive. That is what the Government has been doing and what it is doing in borrowing $100 million from the United States. It will put farmers further and further in debt and possibly into bankruptcy.

For many years farmers in western Canada have been concerned about the capital gains tax. It is a substantial tax. Many farmers are afraid to retire because of the enormous amount of tax they would have to pay. People might say that since they are selling their land for substantial amounts they should be able to pay capital gains tax, but generally speaking the only money farmers have on which to retire is the proceeds from the sale of their farms.

In the last two or three elections Members of the Liberal Party in their campaign in western canada said that they would do something about capital gains tax. They did not say they would eliminate it, but I recall the Liberal candidate in Assiniboia saying at a press conference in Regina that if they were elected they would update valuation day. Hollow promises; nothing was ever done. There was no change in the capital gains tax. In fact, what did they do? In the June budget of about a year ago they eliminated the income averaging annuity, one means by which a retiring farmer was able to alleviate the burden of capital gains tax. This is what the Government thinks of farmers.

When I spoke in the House in February of this year on the amendments to the Farm Credit Corporation Act, I talked about a method of helping farmers with capital gains tax, helping the FCC with cheaper money and helping the borrowers with lower interest rates. It was not the first time I had spoken about it; I had spoken about it in public meetings before. I suggested that we should allow a farmer who was retiring or selling out and was faced with a substantial capital gains tax to invest the capital gains in the FCC and also allow him to invest the proceeds on the sale of his inventory. There is a heavy tax burden when a farmer sells out and has an inventory of grain. There is also a substantial tax burden when he sells his equipment because of capital gains.

I suggested that we could allow the retiring farmer to invest the money from these three sources in the FCC on the condition that, if he invested the money for a period of five years, the capital gains tax would be waived. The money that he invested would draw interest at 8 per cent, as I suggested in February. It may or may not be taxable because the farmer would be using this as his retirement income in the five-year period. I suggest that the 8 per cent that he receives for that five years should not be taxable. However, if it were to be taxed, it would be to the extent that the 8 per cent exceeded the average bank rate.

• (1850)

I am sure that if such a program was introduced coupled with the agribond concept, there would be a great deal of money available to the Farm Credit Corporation for lending purposes. If the Farm Credit Corporation could obtain that money at 8 per cent and take into account its administration charges of 1 per cent, it could lend the money to the borrower at 9 per cent instead of the 17 per cent it will have to charge for money that it will have borrowed on the American market. A program such as I have suggested would allow the young farmer to begin farming. It would allow the struggling farmer to survive and would prevent the appreciation in value of farm lands.

There is no question that the capital gains tax has effectively increased the value of farm lands because on many occasions farmers who are selling their farms have come into my constituency office inquiring what their capital gains tax will be. I have asked them, since they do have accountants, why they would want to know other than for income tax purposes. They have told me quite frankly that they will add the cost of the capital gains tax on to the sale price of the land. In effect, capital gains tax has caused an appreciation in farm land which makes it difficult for the young farmer, or any farmer, to purchase land.

If the Minister of Agriculture were to adopt a scheme such as I have suggested, he could be very popular. Apparently he is more interested in helping the foreign market and the large financial institutions than he is in helping agriculture. I believe the banks have proven that they are capable of looking after their own affairs. I believe the insurance and investment companies have proven that they can look after themselves. The Minister has indicated that the credit unions were concerned about the agribonds or the scheme which I have suggested to alleviate capital gains. I suggest that the effect of Canada Savings Bonds sales at high interest rates has a greater effect on credit unions than a proposal such as ours.

As said by the Hon. Member for Brant (Mr. Blackburn), this would be a self-help program because the farmers would be helping each other to survive. This is an important point, because if the agricultural sector does not prosper, the other sectors of our economy cannot prosper.

In closing, I urge the Minister to consider seriously our proposals. If he believes in the agricultural industry he will attempt to sell those suggestions to the cabinet.

Mr. Stan Schellenberger (Wetaskiwin): Mr. Speaker, I would first like to join other Hon. Members in congratulating the Hon. Member for Leeds-Grenville (Mrs. Cossitt) on making her first speech in the House. I know that we do not often speak to many Members in this institution when we rise, but there is something about the institution, as there should be, which makes that first speech a major undertaking. The Hon. Member did a masterful job and I look forward to hearing more speeches of that quality from her in this institution.

The Hon. Member for Moose Jaw (Mr. Neil) spoke eloquently about some proposals that should certainly be considered by the Minister of Agriculture (Mr. Whelan). We have a more depressing outlook for agriculture today than we have had for many decades. I would like to discuss world trade and what it means to the income of the agricultural producers. Before doing so, I would also point out that many farmers in Canada today are looking at the future of agriculture with some reservation.

I have represented the riding of Wetaskiwin for ten years. In that time I cannot remember any farmer coming to me and wondering about their future. They have always indicated that while their year was not as productive as anticipated, the future was bright. However, they are now coming to me to ask whether they should continue to incur further debts to stay in agriculture or if they ought to sell. However, the prospect of selling their farm does not look very bright either because the price of land has decreased in value. The state of our economy has affected the price of land all across Canada. When farmers look to auction sales for removal of their equipment, they are finding that that picture does not look very bright either because the price of tractors, combines and cultivation equipment has also decreased greatly because farmers cannot afford to buy that inventory. If you have money at this time, particularly in western Canada, there are many bargains to be found at auction sales.

If the banks call their loans and farmers are forced to sell their land or equipment, they are then faced with capital gains tax. They cannot even take the revenue from that land and equipment to pay off their debts because they have to pay the Government a capital gains tax.

It is no wonder that we have heard many eloquent speeches during the last few days on this subject of credit. Credit is a very important instrument to the agricultural industry. We cannot exist today without it. When my father took the farm over from my grandfather, he lost his crops to nature three years in a row. He was able to survive, however, because the debts that he had incurred were not large. At that time fertilizer and chemical sprays were not necessary because the land was sufficiently productive. I know a very few farms today in my constituency that can survive one crop loss. Farmers today obtain loans simply to sow their crops. Farmers do not have enough money in their savings just to put their crops in the ground, and that is true of the farm I am running as well. Until about five years ago we had sufficient funds to put our crops in each year from what we were able to earn from our sales. However, this year, last year and the year before that, we had to borrow money to put the crop in. This year, myself and many other farmers in my constituency are wondering if we need to finance the operation alone, because we are not receiving enough return from revenue to pay that debt off. The future does not look too bright.

• (1900)

The Bill will help about 500 farmers. The budget offered a $50 million program involving special financial farm assistance loans, which helped 382 farmers. Our experts are telling us that 20,000 farmers in this country are in distress today. These

two Bills are helping 880 of those. That is good, but what about the others?

Day after day we are told of the increasing numbers of bankruptcies. There has been a 65 per cent increase this year over last year. Unless we get the incomes of the farmers up or their costs down, it is sad to say but we will be facing more bankruptcies.

The current level of interest rates is one of the largest factors, but another is the cost of production which is also undergoing a dramatic increase. As we know, people who produce machinery, fertilizer and so forth must pay higher labour costs. They must pay higher input costs for the production of that equipment which they pass on to the farmer and he, in turn, must pay more. Costs of production are rising year after year. This year, we on the Prairies found that the price of grain decreased. The price of a bushel of barley delivered to the elevator is 31 cents less than last year. The price of wheat, as was just enunciated by the Hon. Member for Moose Jaw, has gone from $6 a bushel down to $4.75 a bushel. We are asking that our farmers be able to continue to operate as their incomes drop and their costs rise. I do not know how we expect them to go on for very long. Statistics show that they cannot go on for very long.

We have a desperate problem involving one industry in this nation which must be addressed. Excellent ideas have been put forward as to how we can address the problem. This Bill will help only a few. Our party is supporting it, but we must have policies to address the longer term problem. How can we do that? We must do more than bring Bills to the House, as the Minister constantly does. We debated one in February this year, we are debating one now and certain Bills have been brought forward from the budget, all dealing with credit and how we can give farmers more loans or rebates of interest on loans. There have been no initiatives which would assist farmers to bring down their costs or, conversely, to raise the price of their commodities. There are ways of doing that, even in these hard times.

I listened to the Hon. Member for Qu'Appelle-Moose Mountain (Mr. Hamilton) refer to the area of energy. I join with him because I also feel there is an ability to lower costs, in the energy field. One of the most important ways, one which we could adopt tomorrow, would be to lower the tax taken on gasoline and diesel fuel by the federal Government, some 40 cents per gallon on diesel and 60 cents a gallon on gasoline. The Province of Alberta has led the way by removing its provincial sales tax on gasoline. We applaud that action because it has assisted farmers in my Province a great deal. We are big users of energy. Farmers are large users of energy. When tax is removed, it has an immediate beneficial effect on their bank account and on their ability to pay interest rates and input costs. The Government should follow that example. The removal of the tax would have immediate effects. It should not only be removed from a gallon or a litre of diesel fuel or gasoline, but it should also be extended, until we rise out of this difficult period of time, to those products derived from natural gas and oil, such as sprays and fertilizers, which constitute input costs.

I have some statistics. For every dollar per barrel increase in the Canadian price of oil, the price of nitrogen fertilizer increases by $5.88 per tonne. Hydrous ammonia increased by $10.54 per tonne and ammonium phosphate increased by $4.75 a tonne. All these are essential in the production of crops today. The price of pesticides and weed sprays per gallon is 87 cents. In the year to which I have been referring, the price of commodities has dropped, but the price of oil has risen by $2.75 a barrel and the federal take in tax on that oil is some 40 cents to 60 cents. Therefore, there would be some immediate effect in cutting farmers' costs if we lowered the federal tax on gasoline and diesel fuel and lowered input costs, such as those I have mentioned.

The other way would be to promote the use of renewable energy. The Government could do that if it put its mind to it. I will not repeat the speech of the Hon. Member for Qu'Appelle-Moose Mountain, but he referred to the use of alcohol. Farms have the capacity to produce alcohol from stills in a very efficient manner and the Government ought to be sending out information on how farmers can build such stills which would make it very simple to produce one's own fuel.

People in Nova Scotia, I believe, have invented an excellent straw-burning grain dryer which we have read about in our papers and magazines. Why should we not buy the patent and send it out to farmers across the nation so that they can cut their costs of drying grain by building or having this type of furnace built? These are the kind of ideas the federal Government could use. In my brother's house we have installed the first heat pump in Canada which uses the ground as its source of heat. It has been working excellently in the last two months, heating the house from the heat that is down in the ground, at a cost much less than natural gas or diesel fuel. We also have wind energy and biomass. Any livestock producer has the capacity to produce fuel from his livestock's own waste material. All these are available, but we are not getting the information out to the farmers who are hungry for it.

Another way of increasing the price of commodities is through the Canadian Wheat Board. Most of us were astonished when we heard that this crop year the Government and the Canadian Wheat Board would allow the initial price to the farmers to drop, given what I have just said about the rise in input costs. It is within the realm of the Canadian Wheat Board to keep the initial price at the level it was last year. It has the ability to borrow money from the federal Government to foot the bill. To my way of thinking, it would be much better for us to put public funds through that mechanism to keep the price at the level it should be, rather than to bring it in through the back door in the way this Bill is attempting, so that all farmers could have the benefit. The price should be kept the same. We should not allow it to drop and cause the loss of decades of work as farmers go bankrupt. No one can understand that unless he has experienced it or watches as his constituents come in and bare their souls as they look toward

losing their farms this week, next week or a month from now, with no chance to stop it from happening.

I see some Hon. Members opposite, some Hon. Members in the NDP and some Hon. Members in the Conservative Party. In the last four years they have been talking with their American counterparts because farmers in the United States are having the same difficulties as farmers in Canada in so far as meeting their balance of payments is concerned. We asked them why we compete so well with one another that we actually sell our grain below the cost of production. What a ridiculous situation. The United States is the only country with a major surplus of food in the world today. That is the principal reason why the price of grain is as low as it is. Another reason is that many countries in the world simply cannot afford to pay for food. However, there are many other countries to whom we deliver grain that can afford to pay and should be paying more. Both U.S. and Canadian representatives agree that we should not be selling grain below the cost of production since we sell 75 per cent of the surplus grain in the world. We also agree that our costs of production are very similar. It would be simple to work out a formula.

• (1910)

Canadian Members of Parliament together with Senators and Congressmen in the United States can and must take a hold of this problem because our Ministers and officials are not. We must work out solutions and the formulae so that we will not compete with one another at a cost below that of production. Once world prices rise above the cost production, there is no problem; we should compete and we should compete well with one another. However, as it is now we are simply hurting our own farmers by doing what we are.

The last report was delivered to the Minister eight or nine months ago. It was well received by him. He said it contained good ideas. Departmental officials have been meeting for a number of years. Perhaps they are caught up in simple language in some kind of international agreement, but while they agree on the principle, they have been unable to put anything together that could be brought forward to our respective institutions.

A few months ago farmers in western Canada met with farmers from the United States. They agreed that the principle was sound and asked why it could not proceed. Yet nothing has yet been put together. I think it is time now for that to be done. We will be seeking from the Minister of Transport (Mr. Pepin) and the Minister in charge of the Canadian Wheat Board a meeting with Senators and Congressmen so they can iron out these problems. We should put as much pressure as we can on the Minister here and the Secretary in the United States to get together and agree not to sell grain and oilseeds below the cost of production.

Countries like Japan, the Soviet Union, those in the European Community, China and many of the Arab countries who buy grain from us can afford to pay the cost of production, and they should be paying it. In fact, some of these countries add on so many dollars per bushel so as not to compete with their own farmers. In some countries the amount is as high as $6 a bushel. This is added on in the form of a tariff. This is money which our farmers could desperately use at the moment. If the income were ever to get so large that farmers were making an extraordinary profit it could perhaps be put into an account to assist those countries who cannot afford to pay and whose people are starving. In this way we could get their cost down. This is an excellent program. It has been talked about and legislators in both countries agree that it is time for action.

Let me point out that there are other ways of lowering costs. Canada has one of the best agricultural research capacities in the world. Excellent material is being produced month after month. Surely within that material there are ways that farmers can cut their costs. We should ask our very capable scientists to put these ways together. This material should be distributed to our farmers so they can use whatever part of it is pertinent. We should not do what was done in February when the Department issued a report. In it we found such things as "How can you get by in distressed times?" Some of the suggestions were absolutely unbelievable. They could only emanate from a Department. Other suggestions included: "Sell off some unproductive land". Most farmers are using every acre they have in the most productive way possible. How can they choose which corner to sell off? We also find these words: "You can always work off the farm". There are some farmers who have the time to do that. Most of them are working for every hour possible that they have off the farm. But that does not work all that well because the Government only allows $2,500 of income to be earned off the farm before it is taxed at the rate of 40 per cent or 50 per cent. Again, that solution is not a total solution, but it was not a bad suggestion.

Another suggestion was to raise livestock—hogs or cattle—in unused buildings. That was done years ago when provincial Governments encouraged farmers to get into the livestock business. They were even given loans. Most farmers were in bankruptcy the following year because they got into another area of production that did not raise the kinds of funds necessary to meet expenses, particularly when farmers were taking up loans to buy breeding stock and to fix up old buildings. Those kinds of suggestions are not adequate. We have to ask our experts, which we have in abundance, to search their records and come up with suggestions. The Department of Agriculture should then get the suggestions out to farmers so they can decide whether or not they fit into their operations.

Then there is the suggestion of improving our lending institutions and capabilities. The Hon. Member for Moose Jaw talked about that. His was an excellent suggestion on capital gains. I will not repeat it because he did such a good job of explanation.

What about the Small Business Development Bond? That concept was brought forward by us when we were in Government. This program is now being snowed under with red tape and a bureaucratic maze which results in its being of hardly any use to the farmer in need. In most cases the bank will not accept the individual as a credit risk. If the individual is

accepted, he has to go through so many procedures that he is almost bankrupt before he can get the bond. Such questions as: "Can you sell off any land? Do you have any relatives from whom you can borrow money? Is there some other way by which you can rearrange your finances?" are asked. As my colleague says, they should buy a Loto Canada ticket. These questions are asked before one is accepted as an applicant for a Small Business Development Bond.

However, that is a concept on which you can build. It is an excellent concept. It has helped some farmers in Canada. We should eliminate many of the roadblocks that are put in the way of the Small Business Development Bond.

We have the agribond concept, about which much has been spoken in this debate. We have heard of examples in other countries. Members have talked particularly about those that are offered in the United States. We can get ideas from the Federal Land Bank Association, the Production Credit Association, the Farmers Home Administration and the Commodity Credit Association. All of these ideas could fit into the Canadian realm of agriculture and would be better than some of the situations that farmers face now.

Finally, there is transportation and shipping. We are making moves in that area. We are making sales. The Minister of Agriculture could be helping this country. We have had the Canagrex Bill before us for quite some time. The Minister is too bull-headed to recognize that if he removed the sections that are distasteful to farmers and left in the sections which promote and facilitate exports, that Bill could be passed and we could be using it to help farmers get more sales in livestock, grains and horticultural products. But no, he persists. As a result, the Bill is held up.

• (1920)

There is a need to facilitate the sale of agricultural commodities throughout the world. We have embassies and institutions around the world, but they have only limited expertise in agriculture. We should send people there who know how to sell our agricultural commodities. This would assist our farmers.

We have had, put many statistics on the record today and last Thursday that I am sure the farmers do not like to hear. I am not going to repeat very many of them. However, some of the statistics are astonishing to me and I am sure to people across this country, such as the amount of debt. In the United States, and the situation is not much different in Canada, net farm income in 1982 is estimated at $18 billion. Total farm debt is approximately $200 billion. At 10 per cent interest, that is $20 billion being paid in interest. That is right off the net farm income. That statistic is readily available.

I tried to find the comparable statistics for Canada. It is surprising how close they are. Total Canadian farm debt is $18 billion. Net farm income is $4.9 billion and the gross is $18 billion. One can see that the debt is equal to the amount of money we are capable of generating through agricultural production. How long can that be allowed to continue? As has been stated, we must get the prices of our commodities up to a reasonable level or the costs down.

The Farm Credit Corporation has been a major lending institution in Canada for the farmers. At one time it loaned about 70 per cent of the long-term capital in Canada. Any farmer will tell you it is not the long-term debt that will kill him but the short-term debt. In the last few years, many farmers have been incurring a lot of short-term debt in order to replace machinery. They must invest between $50,00 and $100,000 for a new combine and tractor. That is generally short-term debt. At today's interest rates, that debt is too cumbersome for them to handle. We need institutions that will provide farmers with the opportunity to turn their short-term debt into long-term debt at lower interest rates.

Today Farm Credit Corporation loans account for far less than the 70 per cent they once did. These are now down to 25 per cent. We should be looking to the Farm Credit Corporation for other ways to quickly provide long-term debt to farmers at lower interest rates to help them through these desperate times. That is not being done with this Bill. It has not been done through any of the bills which came before us in the last couple of years. We are not assisting in solving very difficult problem.

There is another problem being faced by the Farm Credit Corporation. The amount of capital available and the demand for capital is so great that not all the loans for which the farmers are asking can be made. Therefore, loans are being made to fewer and fewer farmers. In fact, during the first two and a half months of this year they distributed money to 16 per cent fewer farmers than last year, with a larger budget. That is one of the problems this institution is facing.

While this Bill is providing extra money, half of that money is really coming from a reorganization within the Department. As a result, fewer farmers are being helped than was anticipated. It is a bit of a deception and it is not helping the very desperate needs of farmers.

Farmers are facing input costs of unbelievable magnitude. Interest expenses are up by 39 per cent this year over last year, machinery repairs are up by 24 per cent and feed is up by 11 per cent. There is not one area in agriculture not facing these difficulties.

The subject of farm credit has been well covered in the last two days of debate on this Bill. We can only hope that some of the suggestions will be considered. We have asked why the farm fuel tax cannot be removed. We have asked about the agribond and the capital gains concept. Many other suggestions have been made. We want to hear the answers. We have also covered statistics which farmers do not like to hear. We have no other choice than to support this Bill as it has been brought forward. I am glad we have had this debate; it is long overdue. We ought to have many more like it. Perhaps we can get some positive answers, with some changes to the legislation so that we can help the farmers of this country.

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

Some Hon. Members: Question.

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

Some Hon. Members: Agreed.

The Acting Speaker (Mr. Corbin): Accordingly, the Bill stands referred to the Standing Committee on Agriculture.

Motion agreed to, bill read the second time and referred to the Standing Committee on Agriculture.

* * *

SMALL BUSINESS INVESTMENT GRANTS ACT

MEASURE TO PROVIDE FOR REDUCTION OF INTEREST RATES

Hon. William Rompkey (Minister of State (Small Businesses and Tourism)) moved that Bill C-136, Small Business Investment Grants Act, be read the second time and referred to the Standing Committee on Finance, Trade and Economic Affairs.

He said: Mr. Speaker, I would like to take a few moments to inform the House about the Small Business Investment Grants Program, to explain its provisions and the way it is being applied.

I want to begin by saying that the Government of Canada is very much aware of the concerns of the small business community and has sought to promote good relations with this very important sector of Canadian society, and to develop practical solutions to the problems that small businessmen face. That is why we formed a task force to look into the financing of small business in Canada and published the report of that task force in May. The report, which does not contain policy recommendations as such, will nevertheless serve as input for discussion of future options for Government action.

We have also recently formed the Small Business Advisory Committee, which is made up of members of the small business community, lending institutions and academics. This committee will advise the Government on matters concerning small business and suggest policy options. One of the items they will be tackling is the report of the small business financial review.

I also want to inform Members of the House of the fact that in our discussions with the small business community, we have met with a very enthusiastic response to the Government's six and five per cent restraint guidelines. As Members are well aware, one of the problems facing Canada's many small businesses has been high interest rates, which have reduced the entrepreneur's ability to finance capital investment and research and development. Thus the small business community, which the federal Government recognizes is extremely important to the over-all Canadian economy, has been hampered in its ability to generate economic activity and create jobs in this crucial time of worldwide economic recession.

The federal Government has listened to the representations of the small business community, and has recognized this problem. That is why in the June 28 budget of the former Minister of Finance a program was announced which was designed specifically to alleviate the financing problems of small businesses in today's economy. That program is the Small Business Investments Grants Program. Under the provisions of the program an interest subsidy of up to four percentage points per year is granted to eligible small business borrowers to finance acquisition of new depreciable assets, or to finance research and development. An amount of $400 million was set aside in that budget to be devoted to this program. The interest subsidy will be paid for two years from the date of the loan.

• (1930)

One of the attractive features of the Small Business Investment Grants Program is its simplicity. It has been made available through the lending institutions. In other words, application for a grant is made to the lending institution as part of negotiating a loan in the regular manner. It is the lending institution which processes the application with the Government.

Loans qualifying under the program can be obtained from chartered banks, trust companies, insurance companies, credit unions, Caisses Populaires, the Federal Business Development Bank, the Farm Credit Corporation, any lending agency of the Government of Canada or of a Canadian Province or Territory, as well as any investment company as defined under the Investment Companies Act. This ensures that ready access to the benefits of the program is available to small business anywhere in Canada.

As far as the eligibility of the borrower is concerned, I want to explain that for the purposes of this program small businesses that qualify include corporations that are eligible for the low corporate tax rate for small business, partnerships whose members are all individuals, and proprietorships—and here I want to emphasize that this includes farmers and fishermen. Businesses engaged in a profession, however, do not qualify.

Loans from $10,000 to $500,000 can be subsidized by a small business investment grant. A small business may obtain more than one loan under the program, provided the total borrowings do not exceed the $500,000 upper limit. The interest rate subsidy under the program is up to four percentage points: with the effective interest floor being 12 per cent, so that the 4 per cent grant will be reduced when the grant and any other assistance available would lower the interest rate to less than 12 per cent.

The program was designed as a temporary measure to assist small businesses during this difficult economic period. It therefore applies to loans made between June 29, 1982 and March 31, 1983. And here I should emphasize one point that may possibly have been misunderstood by the business community. Since for obvious reasons it took sometime after the June 28 announcement before the necessary forms and information could be distributed to all the lending institutions, some business people did not become aware of the program until some weeks after June 29. They may have assumed that only future loans would qualify under the program. The fact is,

however, that any loan on or after June 29 qualifies, if the criteria I have mentioned are otherwise met. In other words, a business person who arranged a loan in, say, July this year, and only afterwards learned of the Small Business Investment Grants Program, may still apply to his banker for the interest rate subsidy.

In order to ensure effective delivery of this program through the lending institutions, officials have worked very closely with associations such as the Canadian Bankers' Association. I must say that I am grateful to the financial community for the co-operation we have received. Hundreds of thousands of brochures on the program have been taken up by lenders for distribution to borrowers through their local branches, and several major lenders have been promoting the program quite enthusiastically.

In addition, I would like to thank the Hon. Members on both sides of the House for their efforts to promote the program to their constituents. More than 16,000 forms have been distributed so far. Applications are coming in at a rate of 30 or 40 per day. There is every reason to expect that with implementation of our own advertising campaign, along with continuing promotion of the program by the lending institutions, the rate of applications will increase over the coming weeks.

I will conclude, Mr. Speaker, by repeating that the Small Business Investment Grants Program is a temporary measure, designed to meet a specific need at a specific time. We do not pretend that in itself it meets all the needs of the small business community, and we are continuing to examine ways and means to assist small businesses which constitute such an important part of the Canadian economic scene.

Mr. Chris Speyer (Cambridge): Mr. Speaker, before commencing my remarks, may I take this opportunity to formally convey my best wishes to the Minister on his new portfolio, and to tell him that in anything he does to further the small business community, certainly this Party and this particular critic, will assist.

With respect to the legislation that is before the House, may I say, as I did on June 30, two days after the former Minister of Finance brought down his budget, that this Party, and myself, as the critic for small business, will support anything which we believe is productive for the small business community, and we include this piece of legislation. There will be no obstruction whatsoever. This matter should go through. Unfortunately, though, I believe it is too little, too late, and I intend to expand on that in a few moments.

Let me say at the outset, that statistics in normal prosperous times for the small business person are really abominable. One out of every two businesses which have been in business two years fail. Four out of five business in business for five years fail. That is in normal times and with normal risks. Persons far more intelligent than myself who have done studies say the reason is under-capitalization, mismanagement, or a combination of both. But, in the last two years with interest rates, the magnitude of which I can only call sometimes extortionary, we have seen economic carnage among the small business community that words cannot properly emphasize.

Just to give some dimension to the problem, in the first nine months of this year, bankruptcies were up in the business community—and I am talking about businesses as opposed to personal bankruptcies—by 43 per cent over last year, and 66 per cent over two years ago. The frightening aspect of that, Mr. Speaker, is that the number of bankruptcies does not provide the true statistics.

What we are trying to analyze is how many people are going broke. We know since the mid-60s that the vehicle used by people who go broke is no longer bankruptcy. People declare bankruptcy in order to avoid always having to pay a creditor. In other words, they want to extinguish their debt. Bankruptcy legislation is good legislation because it is controlled through the courts of this country and we have the statistics. What people do not recognize, though, is that the normal person goes broke by way of receivership. What happens is that the bank, when it calls its note, moves in on the business under its floating charge debenture. And we do not have any statistics on that except that the insolvency Association of Canada says there are ten businesses that go insolvent for every one that goes bankrupt.

• (1940)

By using our eyes, our ears and all our senses we know the plight of small business in this country. This results not only because of mismanagement or undercapitalization, but because of the harsh reality of interest rates which, when I was going to law school, would have been unconscionable transactions.

These comments come from a riding in southwestern Ontario, the heartland of Canadian manufacturing, or at least we thought it was such. In my community we have gone to an unemployment level of over 20 per cent. A year ago it was approximately 7 per cent. There was one sure thing about Cambridge; people knew that you could always get a job in Cambridge as there were lots of textile mills and shoe factories. But the harsh reality of the last year, the fact that we have 22 per cent unemployment, has caused the citizens of my community to literally go through a nervous breakdown. It is not like ridings in Cape Breton which traditionally have had high unemployment. It is not like ridings in the province from which the Minister comes, which have had to endure unfortunately high unemployment over a period of time. This is something new and it is happening in the heartland of southwestern Ontario. You can believe me, Mr. Speaker, that the emotions in my community over the state of the economy are very difficult to exaggerate by words.

I would like to talk about the personal effect on small business people because I just received by today's mail a letter from a small-businessman who was making running shoes. He was holding back certain Canada Pension and Unemployment Insurance moneys in connection with his workers, and the Department of National Revenue effectively closed him down. The amount of his indebtedness for payroll deductions was

$13,270, and he wanted to make a deal. He could not. Third party notices of garnishee were distributed. In order to do the man justice, I am going to read a letter he sent to the department. He said this:

> Our company has been going through some difficult times and it has not been our intention to withhold the payments, but we have not been able to generate enough funds to do more than meet the payroll monies due to our employees. We have survived on a month to month basis hoping that the footwear quotas would be reintroduced. We have fought "tooth and nail" to survive the depression and now that the quotas have been reintroduced the signs are positive as to our recovery. However, it appears the government, through its Kitchener collection office, has determined that their pound of flesh should come before our recovery and before the jobs of our employees.
>
> When the auditor left our business he informed me that we would be contacted by the persons incharged of collections in Kitchener so that an arrangement could be made to try to settle the outstanding amounts. We did not hear from the persons in Kitchener, but received in the mail demands on Third Parties sent to all our customers. I immediately phoned a Mr. Schnurr at Collections in Kitchener and asked him "Why he had not contacted us first?" and informed him that his actions would likely put us out of business.

The bottom line, Mr. Speaker, is that as a result, this company has just recently had to lay off 20 people because of the $13,000. They will be going on Unemployment Insurance. What this small-businessman asked for was time to settle the account. That time was not granted and we have another company that has gone under.

One more very vivid experience, came to my attention within the last few days when I was back in Cambridge. The bank loan of a small business had been called. The person involved is a very solid citizen, one who tried to endure, but could not because of the high interest rates which have affected all western economies, not just Canada's. I certainly acknowledge that. The bank in question called the guarantee of this man's mother and father. I will not mention his name because I know he would not want me to cause them embarrassment. His parents are 65 years of age and all they have is a house. His father has a very small pension and a veteran's allowance. Those people are going to have their house taken away.

I know all Members from all sides of the House are hearing similar stories. One almost breaks into tears when the reality of these situations comes across the desk; when you see the person who has to bear this kind of a burden.

High interest rates have really hurt the small-businessman. Unfortunately, the budget policies of the predecessor to the current Minister of Finance (Mr. Lalonde) caused untold hardships in our country. I believe there is a crisis of faith and of trust in Government. I say that if this Government were to introduce the finest economic policies it could muster, I am not sure the business community would trust it.

When are the rules going to be changed? I hark back to the November budget. I give some credit to the current Minister of Finance because in his recent economic statement I think he clearly undid some of the harm his predecessor did. I think he should be given credit for that. But there are some matters which affect the small business community that have not been changed. I invoke the assistance of the Minister sitting in his place in the House tonight because the most important thing to assist the small business community is the capital cost allowance. I will refer to Liberal policy in 1972.

In May of 1972 the Hon. John Turner, the then Minister of Finance, brought down a budget. The issue before the country at that time was jobs. There are 33 forms of depreciable property, ranging all the way from 5 per cent to 100 per cent. Because one out of five people are employed in the manufacturing sector, it was determined at that time, that in order to create jobs a speedy write-off would be given under Class 28 of depreciable property. That would mean, for example, that if a businessman, when he had money in his coffers, wanted to purchase some equipment he could write it off in two years. That was an incentive for him to do so.

What has happened so far? Well, the budget of November, 1981 has not been amended. In the first year the businessman will only get one half the capital cost allowance. Over the next three years they are going to lose $3 billion. It will come from the private sector to the public sector. I asked the Minister of Finance a question on June 30, 1982, after the measures which are formally being introduced into legislation this evening were announced. My question to the Minister of Finance was:

> We on this side of the House welcome any measure that will assist small businesses in terms of development. But I point out to the Minister that on November 12 last year he brought in a provision with respect to capital cost allowance which has done more to prevent retooling and has dried up cash flow.

I asked the Minister of Finance whether or not he would adjust that. He said at that time:

> If accepted, that would be a further large addition to the deficit which Hon. Members opposite have been complaining about—

I say to the Minister that if the private sector really is the engine of the economy, these traditional write-offs, these things which we have never ever thought of as loopholes, have to be given back.

Let us talk about the measure which the Minister has brought in. Where is the target? The Canadian Federation of Independent Business did a survey just recently and asked its more than 60,000 members this question. What do you anticipate doing with respect to your business? Are you going to lay people off as the result of the recession? Do you anticipate that you are going to stand pat and lay nobody off, or on the other hand are you going to expand? Seven per cent of the people who answered that survey said, "We are going to expand; we are going to create jobs; we are going to try". The target of this $400 million is the 7 per cent of the small business population which answered this survey in that way. The fact is that in this very deep recession, when people are squirreling their money away and are afraid to invest it, no one is expanding. There is no market demand; people are not making purchases.

• (1950)

When we ask when this $400 million offer will expire, the Minister tells us, in his comments, that it will expire by March 31 next year. The difficulty is that what that means is that we will be going through this recession until then, and when

recovery comes, as we hope it will, these moneys will not be available.

The people I am talking about in the small business community do not believe that the $400 million is going to be delivered for the purpose of expansion. I look forward to asking the Minister in Committee if everyone who meets the qualifications is going to be given the money. Will any discretion be exercised, or will anyone who meets the qualifications be given that money? I understand that certain offices within the portfolio of Industry, Trade and Commerce want a slice of that $400 million, so I should like to be assured that everyone who applies and who is qualified will receive the money.

I agree with the Minister that the small business community, which invests in the economy, should be given the money rather than it being given to consumers at a preferred rate. The 4 per cent rate is agreeable to me, but I want to make sure that the small business community gets the money.

There are a number of questions I should like to pose to the Minister with respect to this matter, but I gave him my word, Mr. Speaker, that we would not hold up the Bill. I shall comment again later in the proceedings, but I want this Bill to pass second reading this evening, so I restrict my comments to the foregoing.

Mr. David Orlikow (Winnipeg North): Mr. Speaker, I have to assume that the Bill before us is the Government's response to the two years and $2 million spent on the small business financing review. From this long and expensive study, undertaken at a time when thousands small-businessmen have been going bankrupt, we get a three page Bill, at an estimated cost of $700,000 per page. The Minister proposes to spend less money to help small business than his Government gives almost every day of the week to large corporations in the country.

Small business is suffering a major illness akin to pneumonia, which today is treated with antibiotics. The Minister proposes to treat the major illness of small business with a mustard plaster, a kind of treatment which was used 50 years ago.

I should like to look at what is happening to small business today. Since the fall of 1979, when interest rates began to rise, the increase in business bankruptcies has been phenomenal. They increased by 16.8 per cent in 1980, 22 per cent in 1981 and to date, in 1982, they have increased 40 per cent over last year. Businesses have been failing at the rate of about 200 each week. That is only the tip of the iceberg, Mr. Speaker. Some estimates show that as many as three to ten times as many businesses go into receivership, are liquidated by secured creditors or close their doors, as go into bankruptcy. The August figures for bankrupt businesses were 66 per cent higher than for August last year, with debtor liabilities reaching $133 million. The yearly total for debtor liabilities in 1982 is almost $1.5 billion, or more than all last year.

There are approximately 900,000 small business enterprises in Canada. This sector is vital to the Canadian economy because it employs four out of every ten Canadians and contributes 30 per cent of the total business gross national product. It is almost 100 per cent Canadian owned and pays a higher effective rate of tax than does large business; it pays a 33 per cent tax rate compared to 29 per cent for large business.

When the Government brought forward this Mickey Mouse proposal, this supposed solution to the problems of the small-businessman, it almost completely ignored the real facts of life. The Canadian Federation of Independent Business conducted a survey at the beginning of this year which showed that close to one-third of small businesses in the country would be forced to close down, sell part of their enterprise or be forced into bankruptcy if interest rates did not drop dramatically. At the time of that survey, interest rates had dropped about six points from the peak of August 1981. As the President of the CFIB, John Bulloch, pointed out, "It is precious little comfort to know that you are dying a little slower than you did last month". Yet this is how the Minister proposes to deal with this problem.

In the survey, the CFIB found, among other things, that 56 per cent of firms had cancelled expansion plans, due to high interest rates; 77 per cent saw profits shrink; over 10 per cent were already in the red, and 32 per cent had laid off workers in the last year. That was before the massive job losses we have seen this year.

Why is small business in such trouble? It is mainly due to two things, Mr. Speaker. First of all, it is because of the tremendous rate of unemployment; 12.7 per cent of the work force of this country, or almost 1,400,000 people, are unemployed. That is not counting the 250,000 to 400,000 people who have given up looking for work.

People who are unemployed have to cut back on the purchases they might have made if working. They do not take trips, which means the travel agent is in trouble; they cut back on buying clothes, which means the clothing store is in trouble; they buy cheaper grades of meat, which means the people in the food industry are in trouble, and I could go on and on, Mr. Speaker.

Many Canadians who have never been unemployed are cutting back because they do not know how long their present jobs will last. There is not a city in this country in which there are not some workers, ages 45 and under who have never been unemployed, but who are now unemployed, who see their friends and co-workers with less seniority than they, becoming unemployed. Even these people who are still working are holding on to their money because they are worried about what might happen to them next week or next month.

The 1,400,000 unemployed people drawing unemployment insurance benefits have enough to keep them alive, but substantially less than they were earning when they worked. Tens of thousands of the people drawing unemployment insurance benefits will be on welfare before they get back to work. It has been estimated that there are 800,000 people in this country receiving welfare, and that the number is increasing by about 10,000 each month. We are likely to have 14 per cent unemployment this winter, with the rate at which we are going and

with the failure of the Government to do anything meaningful to deal with the problem. It is not surprising that small businesses are in trouble. Their former customers are simply not in the position to purchase goods and services as they did when they were working. That is the first reason small business is in trouble.

• (2000)

The second reason is the insane high interest rate policy which the Government has been following on the bad advice, as we on this side of the House have pointed out many times, of the Governor of the Bank of Canada. As a representative of the Canadian Federation of Independent Business pointed out to the House of Commons Finance Committee when it looked into the question of bank profits, nothing is more inhibiting to the health of small business or more destructive to the continued viability and existence of small business than the high interest rate policies with which we have lived for the last three or four years.

These policies are continuing. If we have interest rates at present which are lower than they were a few years ago, it is not because of conscious decisions by the Government or by the Governor of the Bank of Canada. Interest rates have come down because American interest rates have come down. They have come down there not because President Reagan realizes the importance of lower interest rates, but because the American economy is dead. No one wants to borrow money these days, even when interest rates are lower as they are in the United States.

This Bill proves what we already know, that Canadian small business is being strangled by the irresponsibility of the Government's high interest rate policies. As I have pointed out, the rate of bankruptcy has increased dramatically in the last couple of years. Bankruptcies are only a small illustration of what is happening in the country. Small business will not be bailed out by the federal Government, and this Bill demonstrates that small business is not very frequently aided at times of economic crisis, such as the current one.

The Government is cynical in offering this program in its present form to small business because it is limited in its reach and funding. At the same time as we debate this Bill, which will provide possibly $400 million to small business, the Government is imposing a $1.6 billion unemployment insurance premium increase on Canadians. This means that the very people who should be helping small business by increasing their purchases are having $1.6 billion taken out of their pockets.

The Bill will only aid small business after provincial programs with the same objectives have been utilized. Several Canadian provinces already have interest reduction grants; Alberta, Saskatchewan and Manitoba have such programs. The Federal Government's exposure is therefore not very great, with all its hyperbole about a major boost for small-businessmen.

Also a representative of the Canadian Federation of Independent Business stated to the review team, which as I pointed out earlier spent two years and $2 million looking into the problems of small business, that "about 20 per cent of the small business community out there is solvent and capable of expanding." Where does that leave the other 80 per cent who are looking for working capital and refinancing? Obviously the chartered banks have neither the expertise to deal with small businesses financing problems nor the desire. A most important point raised by the small business review team concerned the discrimination small businesses experience when dealing with chartered banks and major financial institutions.

These banking institutions are tied to the major corporations. Major corporations have had no difficulty in obtaining assistance from the banks, yet small business has had real trouble in obtaining financial assistance, sound advice and understanding from them. Indeed, in recent months cases were brought to our attention by organizations such as the Canadian Federation of Independent Business where banks have been increasing the collateral required from small businesses for loans to 300, 400 or 500 per cent of the amount of the loan they were prepared to lend. We know the banks have been more than ready to lend hundreds of millions of dollars to the large corporations of the country. Much of that money was used in what turned out to be a very irresponsible manner. It was used to purchase and take over other companies, which added nothing to employment.

The *Financial Times* of October 18 reported that the amount of money owing to the big five banks in the country, most of which was borrowed for takeovers, amounted to $8.4 billion. This amount was in what were called non-productive loans, loans on which the companies were not meeting their payments on principal, the money which they borrowed, but in most cases, if not all, were not even meeting the interest payments. This is not the kind of treatment which banks are giving small business. Small businesses are being forced into bankruptcy, into receivership, to sell out or to close up.

We all know about the $1 billion loan payments which Dome Petroleum could not meet and the assistance which it received from the banks and the Government of Canada. Chrysler Canada received $200 million in federal loan guarantees from the Federal Government and $33 million from the Province of Ontario. Massey-Ferguson received $125 million in federal loan guarantees and $75 million from Ontario. These loans were made under the condition that these companies would continue to employ Canadian workers. These conditions have not been met; workers were laid off. Consolidated Computer Inc. received $125 million from the Federal Government before the Federal Government gave up and sold the firm; de Havilland Aircraft received $580 million; and Canadair received $1.3 billion. I could go on, but these are a few examples of the type of thing which has gone on continuously in the country recently. It is not surprising that these companies receive assistance and support from the Canadian Government and the banks, because the heads of the corporations which obtained the loans and the bail-outs were also directors of the banks, and the directors of the banks were also directors of the large corporations.

• (2010)

Let me read a few examples which I took from that book. Argus Corporation, which owned Massey-Ferguson at one time and Dominion Stores among others, had as its directors Conrad Black, who is director of Canadian Imperial Bank of Commerce, and Montague Black who is a director of the Toronto Dominion Bank. It is not surprising that Massey-Ferguson was able to obtain large loans from the banks.

The former head of CP Limited was Ian Sinclair, who is a director of the Royal Bank. The present President of CP is Fred Burbridge, who is a director of the Bank of Montreal.

The Hudson Bay Company, which is now owned by the Thompson interests, took over a number of companies and corporations, including FP Publications and Zellers. Kenneth Thompson is a director of the Toronto-Dominion Bank. George Richardson, who is the head of Hudson Bay, is a director of the Canadian Imperial Bank.

Walter Light is a director of Inco, a company which is in such great financial difficulty and which invested hundreds of millions of dollars in attempting to establish nickel mines which would compete, if successful, with Canadian mines where thousands of Canadians are now unemployed. It is a company which bought a battery firm and then wrote it off to the extent of $250 million. Walter Light is a director of the Royal Bank of Canada, and G. Arnold Hart is a director and executive officer of the Bank of Montreal.

Massey-Ferguson has one of its directors Alexander Runciman, who is a director of the Royal Bank, and A. A. Thornbrough, who is a director of the Canadian Imperial Bank of Commerce.

I cited those examples for the record because they demonstrate very clearly what we have said so many times in this Party, that the large corporations in this country receive entirely different and much more sympathetic treatment than the small business people in this country.

The Minister tells us that under the provisions of this Bill the Government will be prepared to lend up to $400 million at financially attractive interest rates. First, it is unlikely that that money will be used because interest rates have come down since this Bill was prepared and many of those who would have qualified when the interest rates were higher will probably no longer qualify.

If one compares the $400 million to be made available to all of the small businesses in this country with the kind of treatment given to corporations such as Dome, Massey-Ferguson, Turbo and others, one can see where the interest, the support and the heart of this Liberal Government lies. It is not with the small business people who live and work in cities like Halifax, Montreal, Toronto, Winnipeg, Calgary and Vancouver. The Government's interests lie with the big business corporations which have always had the preference and attention which they believe they need.

As I indicated previously, this Bill will not come close to giving the small business community the help it needs. I would like to take a moment to explain our reason for this belief, aside from the fact that there is simply not enough money. If we understand this Bill correctly, it promises $400 million in assistance to small business. The program will provide an interest rate reduction of up to 4 per cent for loans between $10,000 and $500,000 taken out for the purchase of new capital equipment and buildings. The subsidy would be available for two years. Given the state of our economy and the fact that there are close to a million and a half unemployed, and given the fact that there are 400,000 less Canadians working in October of 1982 than were working in October of 1981, we must ask the Minister and the Government how many businessmen can or will invest in new capital equipment during these current economic conditions. For that reason we think that this Bill is insufficient. We believe that business must be aided in a serious manner, one which will give real thought to the problems of small business.

I would like to offer a few concrete proposals which we think should be undertaken. First, as we have said for a number of years now, a made-in-Canada interest rate policy must be established. We have been calling for an interest rate at one per cent above the rate of inflation. This change alone could assist many businesses now facing closure, to keep debt repayments current and stimulate consumer demand. Not only is small business suffering because of the high interest rates which we have had for the last couple of years, it has suffered inordinately because of the roller-coaster effect of those interest rates. No small-businessman can plan the operation of his business if he does not know whether the interest rates will be 14 per cent or 20 per cent, both of which he has seen in the last year.

We believe that the Bank Act must be revised. It should be changed to provide a proportion of bank lending to small business. This would prevent the situation which has plagued small businesses in the past number of years where, as I have already indicated, large corporate borrowers have tended to crowd out small businesses.

We believe that the Federal Business Development Bank needs to be restructured in order to provide real risk and venture capital to small firms and act as a clearing house for all Government programs for small business. The CASE program, counselling assistance for small enterprises, could also be strengthened and better integrated with the Federal Business Development Bank's granting of loans.

We need to provide assistance for small business in marketing. We believe that a more aggressive "buy Canadian" policy in both private and public sectors could assist small businesses to prosper. Promoting that message would be much more beneficial to Canadian business than the Government's current approach, which has been to sponsor an independent study with the banks showing that small-businessmen are not really being discriminated against by the banks, and then using the study in large scale advertisements in the major daily newspapers to tell small-businessmen that the banks are on their side.

You cannot kid the troops all the time, Mr. Speaker. The small-businessman who must deal with the banks' restrictive policies toward him knows that the bank is not his friend.

We believe that the Government should restore the small business bond. Small businesses in financial difficulty are the only ones eligible for these bonds now. These bonds will terminate on December 31 of this year. Small-businessmen need access to lower rate funds for both new investment and to finance inventory costs. We would continue to offer this vehicle to small-businessmen for development purposes and operating loans.

We do not intend to hold this Bill up. As I indicated earlier, we believe that it is a very small step toward helping the small business community in this country.

Having said that it is a very small step, we do not intend to prolong the debate unnecessarily. I want to say to the Minister that small business will not be very thankful to the Government when it sees the results of this Bill. They will not get much help from the Bill, not the kind of help they need and deserve if this country is to prosper.

• (2020)

Mr. Jack Masters (Thunder Bay-Nipigon): Mr. Speaker, for many reasons I am very pleased to have an opportunity to make a brief intervention on the Bill, particularly when the small business investment grant seems to be condemned before it has even had a chance to go anywhere. That is what I seem to be hearing in the House, although I must confess that the business community of northwestern Ontario, with which I have many dealings now, as I have had in the past, seems to look with favour on this particular Bill and anxiously awaits its passage.

I suppose the problem with an item which only amounts to $400 million is that the critics of the Government will immediately say that it is not enough to put one and a half million people suddenly back to work. I think that the Minister tried to make it very clear in his opening remarks that the intent of the Bill was not to put everyone back to work all at once because, Lord knows, we all wish we had that magic button, some miraculous item which would do all those things instantaneously. But the message, both in and out of the Government, is that it will take many things working in harmony to make things happen, to get people back to work, to restore confidence, and so on.

I believe that we are now beginning to see many signs across the country and around the world that we will stay within Canada, because Hon. Members opposite say, "Quit blaming it on the rest of the world". We somehow live in the little world of our own, and the rest of it does not count, so we will stay within our boundaries for the purpose of the exercise.

I would say that I am happy with the Bill because it is another sign which states that small business generates jobs and activity within Canada and makes work within Canada available to other Canadians. That is a very commendable idea. While Hon. Members opposite want to put down the small amount invested in this particular program, I know they are as anxious, as we are, to see it implemented as quickly as possible, to give small business, which has the ability to expand through research, development and generally to allow their business to grow, to do just that with some modicum of help.

Basically, the business community operates best on its own and sometimes only needs a little bit of encouragement to get going. The small business investment grant will give many an opportunity, through spending some money on research and providing money for new capital equipment, to begin to expand. That begs the question: are there businesses around which have the ability to invest and to expand? Daily we listen to a litany of statistics which spell out doom and gloom.

An Hon. Member: Reality.

Mr. Masters: The statistics and the reality are there, except that they stand alone. I think that if one has a problem or a series of problems, one must try to identify them. The trouble with these statistics, as true as they are, is that they leave the impression that all is wrong everywhere. We know that we have many sad problems in Sudbury. We know why. We know we have many sad problems in the automotive industry. Those of us who drive Canadian-made vehicles say, "Well, at least I did not contribute to that problem". Maybe those of us who have elected, for whatever good reason, to buy foreign-made vehicles might want to consider our action. However, the free enterprise system is such that we buy what we want, and so on.

I find that in the doom and gloom which is being spread, we are not getting a handle on matters as they are, because there are contradictions out there. Excuse me for going beyond our borders, but right now, primarily because of the American market situation, pulp and paper products and lumber products from northwestern Ontario are basically sold south of the border. Therefore, we have a decline. Yet for some strange reason, a gentleman who sells power chain saws only to the commercial sector, to the professional cutter, tells me that he is having the best year ever. I asked him, "Well, why is that?" He said, "It is because they are really thinking of the future. They are working hard, and I must tell you something. I am working harder than I have worked in the last 25 years, but I find that when I work harder the results are there". I also find that in my community, even with the doom and gloom, many businessmen are saying, "I am looking forward to the passage of Bill C-136 because my small business is capable of investment."

I know a jeweller. One does not have to buy watches, rings and china to know a jeweller. He said to me, "Mr. Masters, I have had to hire more staff." I asked, "How could you do that in these difficult times when there is no money around? How can you expand your business?" He said, "It is because I was running scared. I stayed home and I worked. I sat down with my staff and asked them how we could meet competition and make sure that we did well". That man is doing well. I know people in other sectors of the economy who are in fact expanding now. They are hardy souls, and I think most businessmen in Canada are hardy souls, and they are working at it.

Therefore, I say that the small business investment grant will help not only those in northwestern Ontario but all those across Canada who look for a silver lining as well, those who

look forward to making their businesses better and more competitive and are anxious to take advantage of the help which is inherent in this sum of $400 million which will be put at their disposal. They are anxious to put it to work. I say, "Thank goodness for the small-businessman because he is our hope now and in the future". The amount small-businessmen spend of this money in order to add some modest extension to their businesses or to do some meaningful research to help them grow will have a tremendous spin-off effect. This is because one small-businessman who does something leads to another small-businessman having to do something else. It is just another small cog in the wheel which is starting to turn toward progress, but we will not make progress if we steadfastly cling to the idea that there is no hope. What I think, conclusively, is that there is hope. Bill C-136 offers more hope at least to one small segment of the business community which will take advantage of it. This, combined with many other initiatives is in fact what will turn things on more and more.

However, there is one other aspect upon which I would like to comment briefly before I sit down. This particular Bill is part of the ongoing consultative process between business and Government.

An Hon. Member: It is a band-aid.

Mr. Masters: Well, it may be a band-aid, but it may also be another brick in the construction of a new and better Canada as we go on to a better economy, and I do believe we are going that way. I would simply like to tell all Hon. Members in the House and to people across the country what is the difficulty with the consultative practice, because I sat down some time ago with eight businessmen. I might say that none of them were particularly of my political persuasion, so they were not friendly guys or nice guys. They said, "The trouble is that no one listens." So I listened to them and they suddenly began, in this consultative process, to say to me, "We now see the difficulty. We cannot agree among ourselves, but we have come to this common denominator or thought, and that is, we had better at least try harder to come to a consensus among ourselves and we had better try to work better, not only with government but with each other as well".

I think that is a message for the whole country, and the message is simple. We must begin to accentuate the positive. We must remember that the country will make progress if we work together, if we think together, if we become more conscious of one another as Canadians. I think the Government has the message well in mind when it introduces legislation such as the small business investment grant, which will indeed help small businesses across the country carry out meaningful research and expand. To me, it is another item of encouragement to the country. I think I will now sit down because I know all Hon. Members want to see the Bill put through the committee stage as quickly as possible.

Some Hon. Members: Hear, hear!

Motion agreed to, Bill read the second time and referred to the Standing Committee on Finance, Trade and Economic Affairs.

* * *

• (2030)

NATIONAL HOUSING ACT (NO. 2)

MEASURE TO AMEND

Hon. André Ouellet (for the Minister of Public Works) moved that Bill C-135, to amend the National Housing Act (No. 2) be read the second time and referred to the Standing Committee on National Resources and Public Works.

Mr. Nielsen: Mr. Speaker, surely we are going to ear from the Minister responsible for this legislation. Surely he will explain it.

[*Translation*]

Mr. Ouellet: Mr. Speaker, I would like to inform the Hon. Member that thanks to the exceptional level of co-operation shown by the parties in the House this evening, the bill just approved by the House was put through faster than we expected. We have been in touch with the office of the minister who is on his way to the House to speak on this bill. If the opposition has any members who wish to speak on the bill, they can start right away, and as soon as the minister arrives, he will of course take part in the debate.

[*English*]

Mr. Nielsen: Mr. Speaker, I am sure the Government would like us to bail it out again. But here we are confronted, astoundingly, with a situation where a Government has been calling for co-operation, calling for that kind of atmosphere in the House of Commons which will assist the Government to get its program through, and we have been delivering that co-operation. Yet here we have a Government in such disarray that its own Minister responsible for the Government's own legislation is not here to introduce it. Surely there must be some responsible minister of the Crown who has been in communication with the Minister Responsible for Housing who can explain this Bill. If not, I would suggest that perhaps the Government might consider the House rising until such time as the Minister responsible for Housing gets here to explain the Bill, which he is supposed to do himself.

[*Translation*]

Mr. Ouellet: Mr. Speaker, the Hon. Member is taking advantage of a situation that has developed very quickly. The advantages of this bill are well known on both sides of the House, and we believe that this legislation can be considered without necessarily having speakers taking part in the debate in order to describe the advantages of the bill. If the Hon. Member wishes to take part in the debate and consider the substance of the bill, he is entirely free to do so. We shall listen to him, and as soon as the minister arrives, he will rise in the

House to take part in the debate. Otherwise, if everyone is agreeable to passing the second reading stage of the bill, all we need is a vote, followed by referral of the bill to committee for consideration.

[*English*]

Mr. Nielsen: Mr. Speaker, I have never heard of such an outlandish suggestion from any Minister of the Crown. The normal practice in this House, when legislation is introduced, is to have the Minister who is responsible for it introduce it. Indeed, ordinarily the motion putting it before the House is in his name. The Minister who has just resumed his seat had to stand in for that process.

Our critics on every piece of legislation that has gone through tonight have been here and ready to speak. Our critic, the Hon. Member for St. John's East (Mr. McGrath), is here tonight ready to respond to the Government whose spokesperson should be the Minister responsible.

Mr. Chrétien: No.

Mr. Nielsen: The Minister of Energy said no. He is quite wrong. He would certainly have his Parliamentary Secretary here at least to introduce legislation. We do not even have that. If the Government is not prepared to proceed with the business that it laid upon us last Thursday, given the co-operation from this side of the House, then the Government should consider the House rising until such time as the Government can get the appropriate Minister here.

[*Translation*]

Mr. René Cousineau (Parliamentary Secretary to Minister of State (Small Businesses and Tourism)): Mr. Speaker, perhaps I could usefully add a few words at this stage. In preparing for the debate on Bill C-136, I negotiated with the opposition critics. I spoke to the member for Winnipeg North (Mr. Orlikow), and he mentioned that he and another member of the New Democratic Party would be speaking on the bill. I also met the hon. member for Cambridge (Mr. Speyer), and the conclusion was that five or six members of the Progressive Conservative Party would be speaking. We are indeed thankful for their co-operation, but in fact, it worked too well, and as a result, the Minister responsible for Public Works (Mr. LeBlanc) is not here in the House. If the leader of the opposition has another solution, I should be thankful to hear it, but the fact remains the minister is not here. I have tried to find out, and unfortunately I see there is no other speaker from the Progressive Conservative Party.

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

Mr. Deputy Speaker: The Minister of Supply and Services (Mr. Blais), on a point of order.

Mr. Blais: Bill C-135 is one of the bills on the Order Paper, as indicated just now by the parliamentary secretary. There has been a high level of co-operation, and the parties are aware of that, but as a result, the business of the House has progressed at a faster rate, and a bill has now been called that, for the time being, cannot be given second reading by the minister responsible. However, there are other items on the Order Paper which could be considered by the House and which are not directly related to Bill C-135. In fact, Mr. Speaker, one item is of particular interest to me, and I could give you some advice there. I am thinking of the Canagrex bill, which I feel is of vital importance, and if the opposition members were interested in proceeding with this bill, it is a piece of legislation on which there has already been some debate. We could therefore continue where we left off when debate on the bill was adjourned. Personally, I think this is extremely important legislation, because as you know, Mr. Speaker, and still on the same point of order, we were particularly keen on this bill and in fact, we were a little concerned that it might not get to third reading and be passed, when we adjourned for the summer, because—

[*English*]

Mr. Nielsen: Mr. Speaker, I rise on a point of order. It is obvious that the Minister, much to his discredit, is simply trying to waste time in the hope that the Minister will show up.

Mr. Blais: I know you do not like Canagrex.

Mr. Nielsen: The Minister said that we do not like Canagrex. We are waiting for it. We were told last Thursday that the business of the House would be as we have been dealing with it this evening. The Minister has not been ready. We have been ready. Parliamentary Secretaries get paid a handsome allowance to be here on behalf of their Ministers if their Ministers are absent. That Parliamentary Secretary is not even here. Either we get on with the business which the House Leader laid down, or the Government has one option, that is, to rise until the Minister responsible is here. We can then carry on with getting the business of the country dealt with.

• (2040)

Mr. Taylor: Mr. Speaker, our time is just as valuable as their time. We are here listening to a lot of idle chatter while a bunch of Liberals are chasing around like a bunch of lost sheep. Why don't you declare the House adjourned for half an hour?

[*Translation*]

Mr. Ouellet: Mr. Speaker, you called Bill C-135. I informed the opposition that we were ready to proceed. We have no speaker. If the opposition does not have any speakers either, I suggest that we proceed immediately with a vote and that after the vote, we refer this legislation to committee. We have other bills that we can call and discuss afterwards.

[*English*]

Mr. Deputy Speaker: The Hon. Member for Mission-Port Moody (Mr. Rose) rises on a point of order. I note, however,

that the Parliamentary Secretary is in his place and is apparently seeking to be recognized.

Mr. Rose: Mr. Speaker, the Minister was talking about co-operation and all the rest of those things like trust and tradition that we have heard over and over for the past three, four or five days. I would like to say that the Minister responsible for Housing is not present. Through the good offices of the House, we have given second reading to Bill C-134 and Bill C-136. The Minister of Supply and Services (Mr. Blais) was up doing an excellent job of ragging the puck waiting for the Parliamentary Secretary to the Minister of Public Works (Mr. Malépart) to appear. My suggestion is that since the Minister responsible for Housing is not present, the presenter of the Bill is in no position, since he is not here, to present the Bill—

Mr. Deputy Speaker: With all due respect to the Hon. Member, the Parliamentary Secretary to the Minister responsible is in his place and seeks to be recognized. The Parliamentary Secretary to the Minister of Public Works.

[*Translation*]

Mr. Jean-Claude Malépart (Parliamentary Secretary to Minister of Public Works): Mr. Speaker, on behalf of the minister, it is with great pleasure that I invite all members of this House to expedite Bill C-135, whose purpose is to improve the Mortgage Renewal Plan. Mr. Speaker, more than 10,000 Canadians have applied under this program, upon renewing their mortgages, and the purpose of Bill C-135 is to provide two amendments that will improve the mortgage renewal process for thousands of Canadians, who are hoping that this legislation will be passed as soon as possible and that at last they will be able to take advantage of what this legislation has to offer.

You may recall that under the former program, the rule was that for people to be eligible for the special mortgage rate, their mortgage payments had to exceed one third of their gross income. The new amendment, in addition to extending the program for one year, will make these people eligible for a grant, even if interest rates have gone down, while the rule of spending more than 30 per cent of their income on mortgage payments is maintained.

Mr. Speaker, considering the importance of this bill, and the fact that thousands of Canadians are hoping to receive their cheques, I would urge all the members of this House to pass this legislation as quickly as possible. Members should also recall that in addition to its job creation programs, the Canadian government also has a number of other programs including the Canada Rental Supply Plan, the First-Time Buyer's Plan and also the Home Renovation Plan, which provides funds of up to $3,000 for people who wish to renovate their homes.

Mr. Speaker, I shall stop here, since this bill is so important that it should be passed as quickly as possible for the benefit of thousands of Canadians. According to the figures of the CMHC, over 10,000 Canadians have applied under the program, and I therefore invite hon. members to pass this legislation, which will be beneficial for all Canadians.

[*English*]

Mr. McGrath: Mr. Speaker, certainly the Parliamentary Secretary to the Minister of Public Works (Mr. Malépart) has just earned his salary for the year. That was a valiant attempt at explaining a bill. With all due respect, the Parliamentary Secretary obviously was not briefed. However, since the Minister is now in the Chamber, I am prepared to defer to him. Before doing so, I want him to know that I was fully prepared to on his behalf and explain the Bill to the House, which obviously the Parliamentary Secretary could not do.

Hon. Roméo LeBlanc (Minister of Public Works): Mr. Speaker, I really apologize to the House. It is nobody's fault. Our telephone systems are being changed to reflect the move from place to place, and that is what happened.

Mr. Nielsen: Mr. Speaker, I rise on a point of order. My colleague, the Hon. Member for St. John's East (Mr. McGrath), has been gracious enough to defer to the Minister. It is only fitting and proper. However, it should be clearly understood that he will be entitled to respond after the Minister has concluded.

Mr. LeBlanc: Mr. Speaker, I hope to abbreviate my remarks. I am very pleased to have the opportunity of explaining this legislation to the House. The proposed legislation makes some modifications to the Canada Mortgage Renewal Plan which was first introduced in the budget of November 12, 1981. It might be useful if I took a few moments to explain the details.

Hon. Members will remember that when it was first introduced, it offered assistance to home owners who are having difficulty renewing their mortgages at high rates of interest. The assistance was available to those people whose mortgage payments on renewal would amount to more than 30 per cent of their income. That is very much the principle involved here. It is of assistance to those having to pay more than 30 per cent of their income. At that time it was felt that for people who had substantial equity in their home, the original plan would offer a guarantee of up to $3,000 if the lenders would agree to defer interest payments. In the case of people who had no substantial equity and were paying out more than 30 per cent of their income in mortgage payments, there was an outright grant of up to $3,000.

In the intervening months if became evident that in the uncertain economic climate of the time, many Canadians felt that deferring interest payments on their mortgage was perhaps not the best solution to their personal financial problems. The demand for interest deferral guarantees was not as great as expected, even taking into account that interest rates had already begun to decline.

This feeling was particularly strong in parts of the country where house prices have begun to drop and the home owners' equity was being reduced.

Responding to the changing circumstances, the former minister of Finance, in his budget statement of June 29, announced that the interest deferral aspect of the plan would be eliminated. In future, all those borrowers who qualified for assistance under the plan would receive an outright grant, regardless of how much equity they might have in their home. All those who until that time had qualified for an interest deferral guarantee would receive the grant instead. The Bill now before us gives effect to the changes that I have described.

• (2050)

The principle of this legislation has been debated at some length and approved by the House on previous occasions, that is, the idea of providing assistance to people who may be in danger of losing their homes, giving them some breathing space in which they can make some adjustment in their financial arrangements. There are no new principles involved in this Bill. The intention is the same, and I hope that members on all sides of the House will agree to deal with it expeditiously.

There is, in fact, some urgency to put this legislation into effect. Since June 29, CMHC has approved $3,000 grants for more than 6,000 families, but cheques cannot be sent to them until this amendment to the National Housing Act has been approved by Parliament and proclaimed. This number includes not only people who have applied for assistance since June 29, but some 2,000 persons who were qualified before that date for interest-deferral guarantees and are now to receive the grants instead.

I would like, at this stage, to express a word of appreciation to the financial institutions which are very much involved in the administration of this plan. Borrowers who wish to take part in it are asked to approach their mortgage lenders who will discuss their particular problem in detail and assist them in completing the application forms and forwarding them to CMHC. I am assured by my predecessor and the officials at CMHC that the lending institutions, banks, trust companies, credit unions, caisses populaires, and the like, have been most co-operative and have generally been very anxious to help borrowers to arrive at a solution which would help them to keep their homes.

I think we can all take some satisfaction that the Canada Mortgage Renewal Plan has not been used as much as we had anticipated nearly a year ago when interest rates, as Hon. Members well know, were at an historic peak. The fact remains, however, that the plan, in its proposed improved form, is still there for people who are truly in need.

As the Minister of Finance (Mr. Lalonde) has indicated, a realistic projection of the economy for the year ahead indicates that although the inflation rate will drop, the number of those in the work force who will be without jobs will remain high. These circumstances will inevitably create problems for some families in managing their mortgage payments. I hope that, in these circumstances, borrowers will discuss their situation with their mortgage lenders to discover whether the Canada Mortgage Renewal Plan can be useful to them through the hard times or whether some other arrangements can be arrived at which will help them to keep their homes.

If I emphasize home ownership in these remarks, it is because that is the subject of the Bill before us, assistance for mortgage renewal. At the same time, I would like to make it clear that the Government's concern is for the housing of all Canadians, whether they occupy it as home owners, as tenants, or by some other form of tenure.

With these remarks, Mr. Speaker, I would like to thank the Hon. Members opposite for their courtesy, and again apologize for my tardy arrival, which I hope will be corrected because the telephone assistants are hard at work at the moment.

Hon. James A. McGrath (St. John's East): First of all, Mr. Speaker, I would like to take this opportunity to congratulate my old friend, the Minister of Public Works (Mr. LeBlanc) who is responsible for Housing on his first Bill in this House. I know he will bring to this portfolio the same degree of dedication which he had in his previous portfolio. Having said that, I know the Minister does not expect to get off without having addressed the real problems facing the housing industry in this country, namely, that of availability, affordability and the acute decline in housing starts. We supported this Bill, the Canada Mortgage Renewal Plan, when it was first introduced to the House, and at the time we raised very serious reservations about the limitations which where placed on it at that time. The Government has now come to recognize the validity of these criticisms and is in fact extending the application of the Bill. That is the least they could do, given the circumstances under which this Bill is introduced. I am sorry the Minister of State for Finance (Mr. Cosgrove) is not in the House because he is largely responsible for the mess that the Minister of Public Works responsible for Housing has inherited. I would have liked to have heard the Minister make some reference to the recommendations of the Lortie Committee, the famous blue ribbon committee which was supposed to address the keystone of the Government's housing policy, namely, the provision whereby they would reduce mortgage interest rates anywhere from 4 per cent to 6 per cent.

That provision, as Hon. Members know, was turned down by the Lortie Commission. They recommended against it because of the distortions it would have on the marketplace. But it is well to put on the record what the former minister responsible for housing said with respect to that measure when he spoke on "The Nation's Business" on Sunday, July 11, 1982. With respect to the deliberations of the Lortie Committee, he said, "the Canadian Government will implement a system for providing loans at 3 to 6 per cent below the market rate to ensure your long-term security". There were no if's, and's or but's, no qualifications. There was a firm, unequivocal commitment to proceed with the implementation of that measure. Indeed, when the former minister of finance brought down his June budget and introduced this measure, he said at the time, and I believe I am paraphrasing him correctly, when he referred the measure to this committee, that he could not conceive of a situation whereby the committee would recommend against the implementation of that measure. In addition,

the former minister said in an interview in *The Toronto Star*, again in July: "There's no question of chance. The plan will be implemented. The Government is committed to it."

We know of course now from the new Minister of Finance that they are not going to proceed. They are going to recommend that the recommendations of the Lortie Commission be accepted because of the disruptions the plan would have on the market place. And I say, rightly so, because, again, we cautioned the Government on the way they were proceeding in terms of restricting the application of the mortgage reduction scheme to new houses.

The reason I raise that at this particular time is because what the Government proposes today will not go very far in addressing the problem. Indeed, to use an old Parliamentary cliché, I would not even describe it as band-aid treatment. What is the situation the Minister has inherited? The bad news for August: housing starts during August were at a seasonally adjusted annual rate of 87,000 for all areas, when we should have for the year somewhere in the vicinity of 220,000. I refer the Minister to the actual housing starts for the end of the third quarter for all areas of Canada which stood at 88,950. At that rate we will be lucky if we get to 130,000 at the end of the year when we actually need, according to the figures provided to us by CMHC, somewhere in the vicinity of 220,000 starts just to keep abreast of demand.

What does the Government propose to do instead of the mortgage reduction scheme which was turned down by the Lortie Commission to provide some degree of security to those potential home buyers who are looking at the marketplace, looking at the fluctuations in interest rates? Take a look at what has happened over the past year. Canadians are in no way encouraged to enter into a mortgage agreement, because God only knows what is going to happen in the months ahead. There is no security against cyclical fluctuations in interest rates such as have plagued the industry for the past year. That is what the Government intended to address in that measure. It is interesting that the Minister said, in order to provide for your long-term security the Government will implement a scheme to reduce mortgage interest payments. I say to the Government it should have made that program universal in its application. If it had done so by way of a tax credit or tax deduction, it would have provided the real and immediate stimulation to the housing industry to get housing starts up to where they should be. That move, Sir, would be a matter of enlightened self-interest because when we talk about the unemployment situation in the country today, we should do so in the context of the housing crisis.

• (2100)

We have unemployment somewhere between 12 per cent and 13 per cent. Over 1.5 million Canadians are unemployed. Yet both the Minister and the Government know that one way of addressing the unemployment problem in a very meaningful way is to address the housing crisis. Housing is a very labour-intensive industry, an industry capable of providing 2.5 jobs for every housing unit started in the country, and capable of producing anywhere from $6,000 to $10,000 per unit in Government revenues. Why the Government has not proceeded to make this plan universal in its application just boggles the mind. I do not believe the Government can hide behind the excuse that interest rates are down right now. No one, certainly not the Government, can assure us of just how long that situation will last.

When we speak of the housing crisis, Mr. Speaker, we are talking in terms of not only housing starts and availability, but affordability. One of the concerns I have, and this certainly will be brought to the Government's attention in the committee stage of this Bill, is that of the Canada Rental Supply Plan. That plan was to produce 30,000 rental units by providing long-term interest free loans. We know, Sir, that up to October 26 there had been only 7,814 applications. I repeat, applications, and it is important to make that distinction because if this represented 7,814 starts, that would be significant. But these are merely applications. We do not know how many actual starts there are. I suspect the number is probably significantly lower than the 7,814 applications out of 30,000. That means, of course, that builders are just not taking advantage of this program. The reason for that, Sir, is the market place, rent controls, because of the wide disparity between market rent and economic rent. Given costs today, given the return a developer can realize on rental units, it is just not economically feasible for him to proceed, interest-free loans notwithstanding.

I suggest to the Minister seriously that he should give consideration to scrapping the Canada Rental Supply Plan and putting that money into co-op housing as there is a real need for low-income housing right across the country. That money would be taken up very quickly and it would provide a quick stimulation to the industry and badly needed low-cost housing to Canadians right across the country. Why the Government has not moved in this direction, Mr. Speaker, is very difficult to understand. I hope the Minister, when he speaks to the Bill in committee, will address himself to that problem. Certainly we are in a serious situation.

In addition to the Canada Mortgage Renewal Plan, all the Government offers is the Canadian Home Ownership Stimulation Plan and the Canada Home Renovation Plan. That, Sir, is not going to come close to addressing the problems we are facing in the nation today. Indeed, let us take a look at the Canadian Home Ownership Stimulation Plan whereby the Government provides $3,000 grants to first-time home buyers. As of October 22, 1982, CMHC had approved 63,862 applications. This figure includes 22,495 applications for new housing and 41,367 applications for existing homes. In other words, less than half the grants were used for new housing. In other words, the program designed to stimulate new housing is not in fact having that effect. As far as the Canada Home Renovation Plan is concerned, the $3,000 grants under this program were to be directed to those individuals who wanted to convert some portion of their home into an apartment unit for a relative or an in-law or what have you, and that would go a long way to filling a need. In other words, it would provide

affordable housing for young people just starting out or for elderly people, or what have you. However, it still remains restricted and the shortcomings of the program are not addressed by this Bill. Consequently, we will not have an opportunity to move on it by way of amendment. But certainly we will have a chance to ask the Minister to address these problems when it gets into committee.

I want to assure the Minister it is our intention to co-operate with him to get this Bill out of the House and out of committee as expeditiously as possible. I say that with some reservations because we do want to take the opportunity to hear from the Minister and CMHC officials and, hopefully, from people in the industry as to just exactly how they view the situation out there.

Mr. Doug Anguish (The Battlefords-Meadow Lake): Mr. Speaker, I am pleased to be able to address a few remarks to Bill C-135, the amendments to the National Housing Act. This Bill is intended to implement the June budget changes to the housing measures originally announced in the November budget. The Bill does a couple of things. First, it changes the term of the Canada Mortgage Renewal Plan so that homeowners with monthly mortgages and property tax payments in excess of 30 per cent of the gross family income will qualify for a $3,000 grant rather than interest deferral. Formerly, only homeowners with less than 5 per cent equity in their homes and with payments in excess of 30 per cent could qualify for these grants. Other homeowners would have had only the option of deferring interest, which would have been added on to their principal and the deferral would have to have been guaranteed by CMHC. Since it was almost impossible to qualify for the grant, the Government did in fact change the terms of the plan to allow some homeowners to in fact qualify for this program.

Secondly, the amendments to the National Housing Act will provide an extension to this plan for a second year. Originally, the plan was to terminate on November 12, 1982 but the June budget has extended it to December 31, 1983. In terms of the National Housing Act, I would acknowledge that these changes are an improvement, but still, they do not address the real problems of housing in Canada today. There are no changes in areas where they are so necessary such as rental housing, co-operative housing and low-cost housing which is so necessary at the present time.

• (2110)

In the City of Winnipeg there is a problem which I am sure exists in many other areas of the country as well. Through a program called Limited Dividend Housing, private investors have received large government subsidies to enable them to build lucrative rental units. One of the conditions of the subsidy was that any application for rental increases would have to be approved by CMHC. It bothers me that in the City of Winnipeg, as was pointed out by the Hon. Member for Winnipeg-St. James (Mr. Keeper), and I am sure this has happened in other areas of the country as well, Canada Mortgage and Housing Corporation has allowed rental increases well beyond the six and five that we are supposed to be adhering to at the present time. I am bothered that the Government can make the plan apply to some people, but that others who do not wish to comply with its conditions do not have to do so. That is unfair and unjust. The Hon. Member for Winnipeg-St. James says that we should make them roll back the rent increases to comply with the six and five program, and I think he is right.

The rental housing that was supposed to have been supplied under the Canada Rental Supply Unit Plan provided in Bill C-89, and was supposed to come into effect earlier this year, promised 30,000 rental starts. In fact, by October this year less than 25 per cent of that number had been committed by CMHC. Out of the 30,000 rental units allocated in March 1982, only 7,341 had been approved by CMHC as of October 4. I am concerned about this because of the high cost of rental accommodation in the country and the low vacancy rates in many areas.

The Government's approach with Bill C-135, is symptomatic of its tendancy to apply band-aids when new systems are needed. I hope that the Minister responsible for CMHC will read the comments I make tonight and, as a result, will ask officials in his Department to look into the feasibility of the proposal I am about to make.

Canadians find themselves in an increasingly difficult position if they want to own their own home, Mr. Speaker. I see nothing wrong with people renting a home, living in co-op housing or low-cost housing all their lives. An expectation has been built up in our society, however, that people may own their home, but that ideal is rapidly becoming out of reach for most people. When my grandparents lived on the farm they built their house for very little. When I bought my house in The Battlefords, it cost a great deal. In fact, many people of my age will have to spend one-third of the income they would expect to earn in a lifetime, to provide shelter for their families. If things continue in this way, then in my children's time or in my grandchildren's time, housing may not be affordable at all.

Instead of applying different methods to the same system, I think we should consider different systems by which people could own their homes. I should like the Minister in charge of CMHC to ask his bureaucrats to consider developing a program through the high schools which would teach young people how to build their own homes. I have mentioned this before and some people think the suggestion of a course in building as a mandatory part of education, is rather far-fetched. But unless something like this happens, Mr. Speaker, in years to come only the elite in our society will be able to afford to own a home.

If such a program were developed by Canada Mortgage and Housing Corporation and the Provinces were encouraged to include it in their educational system, it would go a long way toward helping people to provide shelter for themselves. If we had a course called "How to Build a House"—and that is a simplistic way of putting it, I suppose—as part of our educational system, then when people graduated from school or

university and entered the working world where they would have to shift for themselves without much help from the Government or from their families, they would have three options. First, those people who could not afford to buy housing would at least be able to put their "sweat equity" into it. All they would require would be the materials which they would acquire by the means available to them. Second, those people who quite often are taken advantage of by housing programs or fly-by-night contractors, could supervise the quality control of their homes as they are being built. Possibly, in their free time they could also put in some "sweat equity" toward the downpayment for the house. Third, another group of people who could afford to buy under the present system, could have the housing contractor build the house for them.

In the future, I think such a system could give us the best of all worlds or at least a better housing system than we have at present. The day is rapidly coming when the present system will not work, Mr. Speaker.

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

Some Hon. Members: Agreed.

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

Some Hon. Members: Agreed.

Motion agreed to, bill read the second time and referred to the Standing Committee on National Resources and Public Works.

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CANAGREX

MEASURE TO AMEND

On the order: Government Orders:

Resuming consideration of report stage of C-85, An Act to establish a corporation called Canagrex to promote, facilitate and engage in the export of agricultural and food products from Canada, as reported (with amendments) from the Standing Committee on Agriculture.

Mr. Nielsen: Mr. Speaker, I rise on a point of order. I thought the Government would try something sneaky, just as it is trying now. First of all, I should like to say that the Government asked for co-operation to get the budget legislation through. Three Bills have been put through today, so that is co-operation in spades.

Some Hon. Members: Hear, hear!

Mr. Nielsen: That kind of co-operation does not deserve a sneaky end run to try to get around the business of the House that was established last Thursday by the Government House Leader. It would have liked to do that a few moments ago, when the Minister responsible for Housing was not here. Indeed, he was almost half an hour late. I would refer the

Chair to Page 20114 of *Hansard* for last Thursday, October 28, where the Government House Leader had this to say:

• (2120)

Madam Speaker, until further notice, the business of the House remains unchanged as far as today, tomorrow, Monday and Tuesday are concerned. Yesterday, I asked the House to wait until today for further details about our business for next Wednesday and Thursday. So, today, we will start the debate on second reading of Bill C-128, a measure to provide the government with supplementary borrowing authority. Tomorrow will be the second day of this debate, which should end next Tuesday by 9.45 p.m. Both Monday and Friday next week—

I am referring to the wrong *Hansard*.

Some Hon. Members: Oh, oh!

Mr. Nielsen: Don't get excited.

The Acting Speaker (Mr. Blaker): Order, please. I would like to interrupt the Hon. Member for Yukon (Mr. Nielsen) because I am referring to the wrong *Hansard* as well. I do not know if the Hon. Member wants to raise a point of order with respect to the legitimacy of the presentation by the Clerk of Bill C-85, or whether it is some other point to which he wishes to address himself.

Mr. Nielsen: Perhaps you could listen to what I have to say.

The Acting Speaker (Mr. Blaker): Yes, I will certainly listen but there is a point which perhaps the Hon. Member might want explained. I wanted to advise the Hon. Member for Yukon and the House that there will be Royal Assent at 9.45 p.m., I am informed by the Table. I thought he would want to take that remark into consideration in his planning.

Mr. Nielsen: It is not the Opposition which has to get its act and its plan together. It is the Government which has to get organized with respect to its plan. It does not have its act together in the country, and it looks as if it did not have its act together in the House.

I was translating from the French edition of *Hansard*; that is why I got on to the wrong date.

Some Hon. Members: Oh, oh!

Mr. Nielsen: Turning to page 20397 of *Hansard* for November 4, the President of the Privy Council (Mr. Pinard) said:

Madam Speaker, it is correct to say that today we will commence second reading of Bill C-134—

And so it went for that week. Concerning this week's business he said:

As far as the business of the House for next week is concerned, on Monday and Tuesday we shall continue debate on Bill C-134, respecting rebates of interest on farm loans—

He was referring to today and tomorrow. That Bill the Government now has. He continued:

—Bill C-136 which is aimed at assisting small businesses with interest payments—

That Bill the Government now has. He continued:

—and finally, Bill C-135, which provides assistance for home owners.

That Bill the Government now has. He went on to say:

Thus, next Monday and Tuesday, depending on this week's progress with consideration of these bills, we shall continue consideration of the bills in the order mentioned. Next Wednesday—

As far as the Government's order of business is concerned, that is where we are at right now. He continued:

—again depending on our progress with Bill C-134, Bill C-136 and Bill C-135, we may decide to consider two bills which, for technical reasons and also because of Canada's international commitments, are extremely urgent, and I am referring to Bill C-129 regarding the Bretton Woods Agreements and Bill C-130, which concerns continuing financial assistance to be provided to certain international financial institutions.

Nowhere in that outline of business was Bill C-85 mentioned.

As the Government House Leader said last Thursday, if these bills, Bill C-129 and Bill C-130, are so all-fired urgent, let it bring them on as it said it would. The planning of the House depends upon the Government laying out the business, and the Opposition being prepared to meet that business in the ordinary course of debate. For the Government to try to sneak in an entirely different bill at this stage, instead of going ahead with the order of business laid out by the Government House Leader, dealing as it does, to use its own terminology, with "extremely urgent" bills, is just not good enough.

If the Government does the proper thing, it will now call Bill C-129, and when we have finished with that, it will call Bill C-130. I might say that if the Government would get on with it, it might find the same degree of co-operation which it has had all day with respect to the passage of its legislation that it considers so almighty urgent. I request that Bill C-129 be called now.

Mr. David Smith (Parliamentary Secretary to President of the Privy Council): Mr. Speaker, I regret that the Hon. Member for Yukon (Mr. Nielsen) has used the word "sneaky" with regard to the position the Government has taken tonight. There is nothing sneaky going on here at all.

We have been trying to deal with Bill C-85 for many, many months. To suggest that somehow we are sneaking it through when we consider the amount of time that the House has spent on it is a preposterous suggestion. There is nothing incompatible in what the Government is doing tonight with the statements made by the Government House Leader last Thursday to which the Hon. Member for Yukon has referred. We have dealt with those three bills.

It is true that they have been dealt with in a more expeditious manner than we had anticipated. If the Hon. Member for Yukon wants to describe that as co-operation, fine.

Mr. Nielsen: Don't you?

Mr. Smith: I agree that it is very co-operative and I welcome it. I regret that he has chosen to inject a tone into this debate which would suggest that something sneaky is going on. We will not do that, we will live up to our responsibilities.

Mr. Nielsen: Where is Bill C-129?

Mr. Smith: As soon as it was clear that we were moving things along, I advised the Table that we would go to Bill C-85. We have to adjourn tonight for Royal Assent at 9.45 o'clock. The Government is prepared to put up a speaker on Bill C-85, so it will not mean pushing it through tonight. I think that is quite a reasonable thing to do.

In so far as tomorrow is concerned, we will be dealing with Bill C-90, and on Wednesday we will be dealing with Bill C-129. I wish to advise the Hon. Opposition House Leader of that so that he can see how co-operative we are by giving him advance notice as soon as we know that things are moving along in a co-operative spirit and a little more quickly than we had anticipated. We welcome this move and look forward to much more of it.

Mr. Mark Rose (Mission-Port Moody): Mr. Speaker, on the question of co-operation, I think the epitome of co-operation has been displayed this evening. I for one in the Opposition am very pleased about it. We have moved the Government legislation along a few yards this evening. When the Parliamentary Secretary to the House Leader suggested it to the Table and no one else that he would move forward to Bill C-85, it came as a complete surprise to Members of the Opposition. While he has informed the Table, one very important thing he overlooked was the opportunity to inform the Opposition. If one looks at the last musings of the Government House Leader last Thursday, as reported on page 20397 of *Hansard*, there is no mention of Bill C-85 coming up today at all.

An Hon. Member: They do not have the legislation ready.

Mr. Rose: I do not know whether the Government is ready or not on this business, but obviously it was not ready for many things this evening, judging by the colour of the face of the Minister of Housing when he ran into the Chamber, all red-faced and like a flamingo, to make his speech on housing.

It seems to me that we must be guided entirely by the honourable words of the Hon. House Leader as he spoke them last Thursday. There was not one mention of Bill C-85 at that time. When his Parliamentary Secretary informs the Opposition that he is prepared to deal with these measures, this Party will be prepared to deal with them as well, but we cannot do this sort of thing out of the blue at this time of night.

[*Translation*]

Mr. Dionne (Chicoutimi): Mr. Speaker, on a point of order.

The Acting Speaker (Mr. Blaker): Order, please. I shall recognize the parliamentary secretary to the Minister of Agriculture (Mr. Dionne) in just a second, if I may, since there are two or three things I must do first.

• (2130)

[*English*]

Before we go too far, I want to deal with the matter of Royal Assent at 9:45 p.m.

MESSAGE FROM THE SENATE

The Acting Speaker (Mr. Blaker): I have the honour to inform the House that a message has been received from the Senate informing this House that the Senate has passed Bill C-128, an Act to provide Supplementary Borrowing Authority (No. 2), without amendment.

* * *

THE ROYAL ASSENT

The Acting Speaker (Mr. Blaker): Order, please. I have the honour to inform the House that a communication has been received as follows:

Government House
Rideau Hall
Ottawa

November 8, 1982

Madam,

I have the honour to inform you that the Honourable Antonio Lamer, Puisne Judge of the Supreme Court of Canada, in his capacity as Deputy Governor General, will proceed to the Senate Chamber today, the 8th day of November, 1982, at 9.45 p.m., for the purpose of giving Royal Assent to a Bill.

I have the honour to be,
Madam,
Your obedient servant,
Esmond Butler
Secretary to the Governor General

* * *

CANAGREX

MEASURE TO AMEND

On the order: Government Orders:

Resuming consideration of report stage of C-85, An Act to establish a corporation called Canagrex to promote, facilitate and engage in the export of agricultural and food products from Canada, as reported (with amendments) from the Standing Committee on Agriculture.

The Acting Speaker (Mr. Blaker): I will recognize Hon. Members if they will allow me to get to that point. Hon. Members have been addressing themselves to a point of order raised by the Hon. Member for Yukon (Mr. Nielsen). I interrupted the Hon. Member to advise him of Royal Assent at 9:45. I did make passing reference to a problem as to whether or not his point of order addressed itself to the right of the Government or the Clerk at the Table to read Government Orders of the day at this point. Perhaps that is the very point to which the Hon. Member wishes to address himself, I do not know.

I do know that the Hon. Member for Mission-Port Moody (Mr. Rose) raised the same point. I would refer Hon. Members to Standing Order 18(2) which reads:

Government Orders shall be called and considered in such sequence as the government determines.

[*Translation*]

The Parliamentary Secretary to the Minister of Agriculture, on a point of order.

Mr. Dionne (Chicoutimi): Mr. Speaker, I rise on a point of order, because on the other side of the House they seem to be saying that the government does not know what kind of legislation to introduce this evening. I may remind the Chair that for hours this afternoon, they have been accusing the government of doing nothing for Canadian farmers, in referring to—

[*English*]

The Acting Speaker (Mr. Blaker): Order. That is obviously political discussion. I recognize that other Members may wish to bring forth some points which would normally be called debate. However, I must address the point of order, or I have to see Hon. Members address the point of order, raised by the Hon. Member for Yukon (Mr. Nielsen) and the Hon. Member for Mission-Port Moody (Mr. Rose). I think that point refers to Standing Order 18(2).

If it is a different point, I have already asked the Hon. Member for Yukon to clarify it for me.

Mr. Nielsen: Mr. Speaker, I will clarify it if it needs any clarification. I have already read the record where the Government set the order of business last Thursday as is the custom in this place, where the Government House Leader said that Bill C-129 was of such an urgent nature that it had to be dealt with then followed by Bill C-130. Obviously, the Government has not been ready earlier this evening to deal with the housing legislation—

The Acting Speaker (Mr. Blaker): Order, please.

Mr. Nielsen: Might I be allowed to speak?

The Acting Speaker (Mr. Blaker): The Hon. Member is allowed, although he has twice now made comments which I think certainly approach a reflection on the Chair. There is a point of order on the floor. I have asked the Hon. Member whether it is to Standing Order 18(2) that he refers. I think it is a reasonable courtesy to ask the Hon. Member, who has now had a second chance at the same argument, to make himself clear. I would appreciate that.

Mr. Nielsen: Mr. Speaker, I cannot be clearer than I have been. The Government has set order of business obviously, the Government is not ready and interference is being run. It is now 9:34. I therefore move:

That the House do now adjourn.

The Acting Speaker (Mr. Blaker): I will now have to take consultation as to whether the Hon. Member can make a motion of adjournment in view of the fact that I have read the matters relating to Royal Assent.

I must say that my inclination is to believe that a motion to adjourn overrules any other proceeding whatsoever. However,

with matters proceeding in this direction, I will have to take consultation on this as well.

The Chair is advised that procedurally we are faced with a command of the Crown, and no order of the House will supersede that order. I will listen to such other Members of Parliament who may wish to raise some further argument in that regard. I wanted to advise Hon. Members what the advice being given to the Chair is.

Mr. Rose: Mr. Speaker, I do not want to cast any reflections on the Chair whatsoever. It is a very excellent Chair which is before us. However, since the Chair has asked for consultation, advice and comment, I would suggest that we cannot argue with Standing Order 18(2):

Government Orders shall be called and considered in such sequence as the government determines.

I do not think that there can be any serious argument mounted against that, except the one given by the Parliamentary Secretary last Thursday. The Parliamentary Secretary, in his outline of House business, last Thursday, did not even mention Bill C-85.

The Acting Speaker (Mr. Blaker): Order, please. There should be some consistency in the procedure. I have already indicated that the motion to adjourn would supersede any other proceeding. Therefore, if there is to be any debate, it would have to address itself as to whether or not the motion to adjourn is in order, or whether that motion must at least be delayed until Royal Assent.

I think that is the only issue which the Chair can now face. It may be that other points of order could be raised, but I think I have to address the motion to adjourn raised by the Hon. Member for Yukon (Mr. Nielsen).

Mr. Rose: I was going to say that that was just my preamble, Mr. Speaker. I intended to agree with the Hon. Member for Yukon (Mr. Nielsen) that the motion to adjourn the House was definitely in order because of the commitments given by the Government House Leader (Mr. Pinard) last Thursday. Because of the commitment that was given, the Opposition was put in a very embarrassing position over the action of the Parliamentary Secretary to that Minister and his action this evening, that is, tabling Bill C-85 for debate with the Chair without letting the Opposition know. Therefore, I support the Hon. Member for Yukon.

The Acting Speaker (Mr. Blaker): The Chair would like to hear argument concerning the motion to adjourn. Even then, I am not certain how far argument ought to proceed on that point. I want to make it clear that I have alerted Hon. Members that I was advised by the Table that this is a command of the Crown and, accordingly, it must take place before an actual adjournment can take place.

I do not mean, in any way, to diminish the advice of the Clerks of the Table when I say that I still have difficulty with the advice. I cannot understand the logic of where we would go from here. It sounds as though we might have Royal Assent, to be immediately followed by a motion to adjourn. I would like to hear Hon. Members' advice in that regard.

Mr. Nielsen: Since it is my point of order, and since it is 9:39, we still have six minutes before Black Rod is scheduled to appear here. With great respect for the erudition of the Table and its personnel, my submission to you, Sir, is that that Royal command does not occur until we hear the three raps on the door and see Black Rod and hear his words summoning us from this place to attend in the other place. I think that is the only reasonable course that the Chair should follow, to put the motion now.

• (2140)

Mr. Smith: Mr. Speaker, in an effort to accommodate the other side, if Hon. Members are anxious to deal with Bill C-129 rather than go on to Bill C-85, if the House is prepared to give its consent—

Mr. Nielsen: Your Honour should not be hearing this.

Mr. Smith: —I believe that we could now go to Bill C-129. This, of course, would require that the House give its unanimous consent, because I believe Bill C-85 has already been called.

The Acting Speaker (Mr. Blaker): I have warned Hon. Members several times that I have some very severe concerns with regard to any point of order or any debate which is not addressed to the one factor facing the Chair, that is, the motion to adjourn.

Mr. Nielsen: That is right. No debate is allowed on that.

The Acting Speaker (Mr. Blaker): The Hon. Member for Yukon (Mr. Nielsen) did the Chair the service of referring to great respect. I will do the same for the Table. I mention the great respect with which I hold its advice. I have some problems with the idea that there could be an indication to the House of Commons at some hour during the day, and it could be at four o'clock in the afternoon, and that that proceeding indicating that there would be Royal Assent at 9.45, many hours later, would prohibit Hon. Members from their time-honoured right to adjourn the House.

Mr. Nielsen: No way.

Mr. Blaker: I do not see it. Accordingly, the motion to adjourn is acceptable. Call in the Members.

Mr. Nielsen: Well, perhaps—you have to put the—

Mr. Blais: Mr. Speaker, before you make—Mr. Speaker, I rise on a point of order.

The Acting Speaker (Mr. Blaker): I have invited Hon. Members to address the point of order.

Mr. Blais: Mr. Speaker, there was a request by you for guidance—

Mr. Nielsen: He has made his ruling.

Mr. Blais: —as to whether the particular motion which was moved by the House leader for the Opposition was proper, and Your Honour had expressed doubts at that time.

Mr. Nielsen: He made his ruling.

Mr. Blais: The Parliamentary Secretary to the House Leader rose and, in my view, he was going to address that point of order specifically. However, the point of order that he introduced in support of that particular consideration was not accepted by you, and he sat down. I sought your attention, Mr. Speaker, in order to be able to address the exact point which had been addressed by the Hon. Member for Yukon (Mr. Nielsen). Unfortunately, Your Honour did not recognize me in order for me to make that particular point.

Some Hon. Members: Oh, oh!

Mr. Blais: I would like to make, at this time, Mr. Speaker—

The Acting Speaker (Mr. Blaker): Order, please. If there has been an error on the part of the Chair, and I did not recognize the Minister of Supply and Services (Mr. Blais), I will do so, but I will not allow his intervention to so operate as to give rise to another point of order or allow any other Hon. Member to make another point of order so that at 9.45 p.m. we can no longer consider the motion to adjourn. That would be completely intolerable, considering the adjournment motion put by the Hon. Member for Yukon. I will therefore recognize the Minister of Supply and Services but, procedurally, I can only recognize him on the issue of the motion to adjourn which is before the House.

[*Translation*]

Mr. Blais: Mr. Speaker, the point I want to raise is very simple. I was in the House at 9.31, when you rose to announce that you were waiting for an order from the Senate for us to go to the other House for royal assent to be given to bills considered and passed in this House. That is a royal command. Mr. Speaker, considering the fact that we were going to receive a command of the Crown to attend royal assent after consideration of the bills in this House, and considering the fact that the opposition House leader could be assumed to be, I would not say in contempt of the Crown, since I would not want to be accused of using unparliamentary language, but nevertheless, Mr. Speaker, this is very excessive, and I am sure that after due reflexion, the opposition House leader, once he realizes that he was unnecessarily excessive, will withdraw his motion. Mr. Speaker, it is up to you to decide, and you are in fact obliged to do so, whether a member of the opposition has the right to ignore a royal command.

The Acting Speaker (Mr. Blaker): Order, please. I shall accept the obligation described by the Minister of Supply and Services (Mr. Blais), namely, that it is the Chair's responsibility.

[*English*]

I must be fair concerning the motion to adjourn. I cannot go on. There is a clear issue. Hon. Members know well the argument expressed by the Minister of Supply and Services that a Royal command cannot be abrogated. That is the procedural issue. Hon. Members in the House and I, myself, are well aware that it is considered to be an absolute rule that a motion to adjourn cannot be debated. I must choose between the one and the other.

Mr. Blais: Well, if it is properly put—

The Acting Speaker (Mr. Blaker): I find the motion to adjourn to be in order.

Those in favour will please—

Mr. Nielsen: Question!

Mr. Ouellet: Order, order!

Mr. Blais: That motion must be in order, Mr. Speaker.

Mr. Nielsen: The question must be put.

Mr. Ouellet: I rise on a point of order.

Mr. Nielsen: Just put the question.

The Acting Speaker (Mr. Blaker): I want no Black Rod at the door. I do not want that to happen, causing that to be an interferring factor. Can that be arranged?

Mr. Nielsen: Just put the question.

The Acting Speaker (Mr. Blaker): I regret to advise the Minister of Consumer and Corporate Affairs (Mr. Ouellet) that we have heard every aspect of the issue.

Some Hon. Members: Oh, oh!

Mr. Ouellet: Question of privilege!

The Acting Speaker (Mr. Blaker): Does the Minister of Consumer and Corporate Affairs argue that he has a contribution to make, in which case—

Some Hon. Members: No, no.

The Acting Speaker: We have heard those contributions. In order that there be no complaint, we will hear a last Hon. Member from the Government side. That will be the Minister of Consumer and Corporate Affairs. I will not tolerate any further contributions concerning the subject of the adjournment motion. I will recognize the Minister of Consumer and Corporate Affairs.

[*Translation*]

Mr. Ouellet: Mr. Speaker, thank you for allowing me to speak in this debate. I realize that the Chair is faced with a difficult situation and that it has to rule on the matter now. I do not think the Chair could have checked all the precedents in this respect, and I believe that before making a decision in this

respect, the Chair should have found out whether there were any precedents that could provide some clarification. I think that when Hon. Members are summoned to the other House to receive a message from the Crown, they obviously have no choice but to accept the invitation. In fact, the invitation had been announced earlier, and obviously it is up to Parliament to allow for it and to avoid doing anything that might conflict with this invitation from the Crown. I believe that Hon. Members on both sides of the House have a responsibility to the Crown and that they should show respect for the Crown's invitation. I feel that in the circumstances, there is no alternative but to ensure that the business of the House continues up to the time when we go to the other House to receive the royal message. I believe that the Chair should have inquired about cases where a similar situation occurred in the past. I would ask him to read to us any precedents that may exist before ruling on the question.

[*English*]

The Acting Speaker (Mr. Blaker): The Chair appreciates the advice of the Minister of Consumer and Corporate Affairs. During his remarks, further research in order to seek out precedents was carried out and further advice was made available to the Chair. Therefore, that part of his suggestion or comment has already been followed. The issue remains the same, that is to say, either there is a Royal command which shall take precedence over a motion to adjourn, or a motion to adjourn shall take precedence over any other activity of the House. I put to Hon. Members the reasoning of the Chair, for whatever it may be worth in future months, years or days, as long as I may last, and that is, if—

Some Hon. Members: Hear, hear!

Some Hon. Members: Oh, oh!

The Acting Speaker (Mr. Blaker): —not very long, I sometimes think. If the very notification to the House by the Chair of a Royal Assent were to be given at 3.30 in the afternoon, it would mean that the House would be deprived of its traditional right to have a motion to adjourn put and dealt with at any time during the remainder of the parliamentary day. I cannot accept the logic of that. The motion on the floor is that this House do now adjourn.

• (2150)

Is it the pleasure of the House to adopt the motion?

Some Hon. Members: Agreed.

Some Hon. Members: No.

The Acting Speaker (Mr. Blaker): All those in favour will please say yea.

Some Hon. Members: Yea.

The Acting Speaker (Mr. Blaker): All those opposed will please say nay.

Some Hon. Members: Nay.

The Acting Speaker (Mr. Blaker): In my opinion the nays have it.

Some Hon. Members: On division.

The Acting Speaker (Mr. Blaker): Motion negatived on division.

Hon. Members will be aware that the proceeding in hand, that of Royal Assent, is five minutes delayed.

THE ROYAL ASSENT

[*Translation*]

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

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

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

• (2200)

And being returned:

Mr. Deputy Speaker: Order, please. I have the honour to inform the House that when the House did attend His Honour, the Deputy to His Excellency the Governor General in the Senate, His Honour was pleased to give in Her Majesty's name the Royal Assent to the following bill:

Bill C-128, An Act to provide supplementary borrowing authority (No. 2)—Chapter No. 127.

PROCEEDINGS ON ADJOURNMENT MOTION

[*English*]

A motion to adjourn the House under Standing Order 40 deemed to have been moved.

FINANCE—SMALL BUSINESS ACCESS TO CREDIT

Mr. Robert Wenman (Fraser Valley West): Mr. Speaker, Canadians are afraid, small business is afraid, the banks are afraid. The banks are tightening up credit markets, calling in loans—

Mr. Blaikie: The Tories are afraid.

Mr. Wenman: You are right, the Tories are afraid. The NDP is afraid. Canadians generally are afraid. They are afraid because business and jobs are falling and being lost around them again and again. As these credit markets tighten up, more real jobs are being lost and jobs that could have been created are not being created.

Banks are tight for money because, in conjunction with the federal Government, they are bailing out huge corporations that have proven themselves unsuccessful. How can we condone again and again and again corporations borrowing from the banks to bail themselves out, the Government guaranteeing those bailouts and further subsidizing them with extensive taxpayers' money?

One billion dollars for Dome Petroleum, $34 million for Maislin, millions more for Chrysler, Massey-Ferguson and Canadair tightens the money markets for small companies, making it impossible for them to borrow in order to sustain themselves in a cash flow crisis which at any other time would in fact not occur.

The reality is that as the consumptive market declines, as it has declined, consumption drops and cash flow falls with it. In spite of heavy inventories that many companies have, long records of successful borrowing and repayment, without that consumptive demand, as the cash flow falls and high inventories, we see a series of bankruptcies, and the number in fact increases. The Government attempts that solution again and again. The Government borrows more money; the Government taxes more. It takes more and more of the credit that should be available to small businesses. In effect, they have borrowed $21.2 billion so far this year. With a $23 billion deficit, they stand before us and threaten to borrow more.

The perverse practice of encouraging mismanagement and failure to the detriment of a healthy atmosphere for successful enterprise has caused severe damage to our industrial structure and economic fabric. We have become a guaranteed society rather than the just society promised by our Prime Minister (Mr. Trudeau). The Government will guarantee everything for unprofitable ventures.

Mr. Blaikie: If you are big enough.

Mr. Wenman: That's right, if you are big enough—the big ones, the big guys. The little guys; forget it!

This type of corporate cradle to the grave—the NDP understand about cradle to the grave—dependency breeds its own insecurity. Corporations are not living by the capitalist Darwinism of competition because they know that they will not be rewarded, but that they will be rewarded for incompetence by a Federal Government bailout.

How many jobs will be lost? How many jobs will not be created because of this Government's policy? We are facing the worst unemployment since 1936. Unemployment is rising, and even more jobs are disappearing. Last year, 1,900 jobs a day disappeared, largely because of the record number of small businesses that went into bankruptcy. Unemployment is running at 12.7 per cent nationally and 14.2 per cent in British Columbia. Small business would help to alleviate these grim statistics by creating new and permanent jobs. In the United States in the past six months the number of people with jobs has grown by 209,000. In Canada, the number of people with jobs in the same period dropped by 269,000. While the U.S. is growing, we are losing, and they were ahead in the race, to begin with.

• (2205)

If small businesses are not allowed access to credit, to expand, prosper and create jobs, how will Canadians find fulfilment in the work ethic that is inherent and vital to our culture? What is the Government doing to create real jobs? There is a great difference between real jobs and community development programs which create temporary jobs which may last 20 weeks or some small part of a year and then disappear.

As for the $1 million that is provided to my constituency in these programs, which may create from 60 to 80 jobs, I wonder what would happen if we divided that evenly, even in $10,000, $50,000 or $100,000 grants to a few individual, permanent businesses in our riding, businesses which would create real jobs. I have many examples of these businesses in my own riding.

One particular constituent had a proposal to computerize automobile repair facilities. That sounds like a good idea. He intended to capitalize on the high tech revolution. He proposed to create five real jobs. That may not be very many, but the needed capital was not forthcoming from the FDB, in spite of the inventory, and assets of this gentleman. The Bank asked about the cash flow. This in fact, would indicate that a guarantee is needed, with support for that small business.

Mr. Deputy Speaker: I regret to interrupt the Hon. Member but the time allotted to him has expired.

Mr. Jesse P. Flis (Parliamentary Secretary to Minister of Transport): I am pleased, Mr. Speaker, that the Hon. Member is using Standing Order 40 to express his concerns this evening. I have read the Hon. Member's question of October 29 and I listened to his remarks tonight.

The Hon. Member for Fraser Valley West (Mr. Wenman) states a concern for jobs lost as a result of his assumption of reduced credit availability, but he completely ignores the negative employment consequences which would have arisen had the companies he mentioned, Dome, Maislin, Chrysler, Massey-Ferguson, and so on, not received financial support. Had there been no support for these companies, the Hon. Member would have been the first one to stand in his place tonight and complain that the Government was responsible for the resulting job losses.

Secondly, the Hon. Member makes no mention of the interest rate relief programs which were introduced over the last year to ease the burden for farmers, small-businessmen, first time home buyers and mortgage renewers. These programs have gone a good distance toward easing the pressures on these borrowers during very difficult times.

Most importantly, however, the Hon. Member appears to have a confused notion of the mechanics of credit availability. He argues that the directing of funds toward support of certain companies will reduce the credit available to other borrowers and put upward pressure on interest rates. What he has failed to mention, Mr. Speaker, is that during part of the period that this financial assistance occurred, the bank rate dropped some 500 basis points from its peak in June. Mortgage rates are also down 500 basis points and other interest rates are following suit. This decline in interest rates is obviously making it easier, not harder, to borrow.

Why has this happened? Obviously, interest rate developments in the United States have had an important impact on domestic interest rates. As well, an important determinant of interest rates, and therefore of credit availability, is the overall balance between the demand for and supply of funds in Canada. During the recession, private-sector borrowing in Canada weakened substantially and the personal-sector savings rose to historically high levels. The supply of loanable funds increased markedly relative to the demand, and this has helped put downward pressure on interest rates. Under these circumstances, the directing of financial support to the private sector, in amounts which are very small relative to the total supply of credit, has not influenced interest rates and has therefore no significant influence on the total amount of credit available to other borrowers, as the Hon. Member would like to lead Canadians to believe.

• (2210)

Therefore, Mr. Speaker, I find it very disturbing that the Hon. Member would try to instill this kind of fear and no confidence in our country rather than trying to build trust, co-operation and work together to build confidence in this country so that we can have a recovery.

PUBLIC WORKS—CONSTRUCTION OF MONTREAL POSTAL TERMINAL. (B) QUERY RESPECTING DIFFICULTIES DURING CONSTRUCTION

Hon. Elmer M. MacKay (Central Nova): Mr. Speaker, on June 29, this year, a minor official of Public Works in St. John's, Newfoundland, was sentenced to prison for one year for having taken à $800 kick-back. Clearly, Sir, our system of justice was quite efficient in this particular case. By coincidence, the next day, June 30, I raised questions in the House, with the then Minister of Public Works, concerning the multimillion dollar debacle at the Montreal postal facilities. The Minister promised an answer, while the Minister responsible for the Canada Post Corporation said he had no indication that there was anything wrong. I later received a letter from the then Minister of Public Works who said, "problems have indeed occurred and have either been fully resolved or are in the process of resolution". That was a curious admission by the Minister.

On July 6 I asked more questions of the then Minister of Public Works. He changed his tune slightly and said he was looking into the matter, but he hoped that if the facts I brought out were incorrect I would apologize. Getting nowhere with the Minister, I wrote to the Auditor General on September 30, 1982 asking him to institute an audit of the construction of the Montreal postal facilities. On October 1 the Auditor General replied saying that he shared my concern about cost overruns on major projects. He also felt there was sufficient information on the problems associated with the project to enable appropriate action to be taken by those involved and those concerned. He recommended that the Standing Committee on Public Accounts of the House of Commons should proceed with an investigation.

Two days later, Mr. Speaker, I issued a press release again urging the Government to level with the public; if not, Members of Parliament should put additional information on the record. In the interim, Canada's daily newspapers had launched their own investigation and came to their own conclusions, calling the Montreal affair a "horror story" and claiming that millions were squandered. It appears that after four years of apparently intensive investigation by the Commercial Crime Branch of the RCMP, charges were laid against only three individuals who seem to be bit players. My concern, Sir, is with the main actors. Here are some major players and some questions to be answered.

How did a corporation named ABBDL and T. Pringle and Sons succeed, against the advice of the staff of Public Works, in securing a substantial contract—millions of dollars, Sir—as design consultants for the three postal terminal projects in Montreal? How were these design consultants able to claim up to 82 hours a week of work per employee performed on the project? How were the same design consultants able to claim $250,000 per month, each month, for the duration of the contract, over and above payroll costs?

How did a corporation named Techmont obtain a sizeable contract for soil studies at the sites, as it appears that this rather strange corporation had been created by the original directors of the design consultants who, of course, were ABBDL and so on?

Who bears the specific responsibility for making it possible to award work to a company named Claude Théberge and Associates who, on direct ministerial order, received a sizeable contract for interior design?

Who are the principles in the corporation named Signalis Inc., a corporation which was awarded a signage contract at the facility, in view of the fact that this corporation was a fully owned subsidiary of Claude Theberge and Associates and was created only three months before the contract was awarded?

• (2215)

I am not speaking about an $800 bribe, or a few thousand dollars, I am speaking of $50 million given—or paid—in the final analysis to these consultants—that is over $8 million more than the originally estimated total cost of the whole project.

Can the Department justify payments to Miron Construction of $162,000, Beaver Asphalt of $34,000 and Cegeco Construction of $343,000 for extra work done allegedly

because of lack of knowledge of soil conditions when several contracts had been previously awarded to other companies to study these very soil conditions on the sites?

Who are the principals behind Shawinigan Engineering and La Société Dyname who were awarded, against the advice of the staff of Public Works, a sizeable contract, as project managers? There is also the question of the landscaping consultants, Schrieber-Williams with sizeable cost over-runs.

All of these are referred to, of course, in the report which was made available to *The Globe and Mail* in the spirit of the freedom of information legislation. That, at least, is a hopeful sign. The Public Works (Canada) follow-up audit of the map project in Montreal is where all these matters and others can be found.

I could go on, Mr. Speaker, but my time is passing so I shall close by asking what the political and legal responsibilities are of the consecutive Ministers of Public Works under whose direction and guidance these shenanigans took place. I refer to colleagues and former colleagues such as the Hon. Jean-Eudes Dubé, Hon. C. M. (Bud) Drury, Hon. Judd Buchanan and the Minister of Consumer and Corporate Affairs (Mr. Ouellet).

Where is the element of accountability, where tens of millions of dollars are lost in the same way as over $100 million was lost in the Consolidated Computer debacle? Where is the element of accountability?

To paraphrase the infamous Dr. Joseph Goebbels, if you want to get away with a lie, it had better be a big lie. In the same way, if you want to get away with mismanagement and patronage, it had better be on a large scale. That appears to be exactly what happened here, to the detriment of the taxpayers of Canada.

[*Translation*]

Mr. Jean-Claude Malépart (Parliamentary Secretary to Minister of Public Works): Mr. Speaker, first of all, I would like to provide a more detailed answer to the question raised in the House of Commons by the member for Central Nova (Mr. MacKay) on June 30, regarding a large postal establishment in Montreal. Before going any further, I may add that the Hon. Member received a reply from the Minister of Public Works at the time (Mr. Cosgrove), which reads as follows, and I shall quote the letter in English. I hope my hon. colleague will bear with my English which is less than fluent.

[*English*]

Dear Mr. MacKay:

Re: Metropolitan Area Postal Plant Montreal, P.Q.

I refer to your question in the House on June 30, 1982 concerning possible problems with the construction of the Metropolitan Area Postal Plant in Montreal, Quebec.

As you know, in the construction of any project of this magnitude it is inevitable that problems could occur in any of the multitude of activities inherent to such a complex project during its implementation. With regard to this specific project, problems have indeed occurred and have either been fully resolved or are in the process of resolution.

While it would be very time consuming and costly to gather the complex details of every problem, I would be happy to oblige you if you could be more precise as to the particular problem area of your concern.

Thank you very much for your interest.

Yours truly,

Paul Cosgrove.

[*Translation*]

Mr. Speaker, in 1974 Treasury Board approved the appropriation of $161 million in 1974 dollars for the construction of postal establishments in the Montreal area. The entire project included a new mail-sorting centre in downtown Montreal, an annex to the Laval postal station and a new bulk-mail routing centre and mail-sorting centre in Ville St. Laurent. The Treasury Board authorization allowed for the inflation factor and called for an overall cost of $212 million, a figure that was to be used as the basis for all subsequent estimates connected with the project. As the project materialized, it was found on the basis of certain data that it would have to be expanded, which resulted in a certain amount of delay. As a result, a new authorization was obtained from the Treasury Board in 1977, establishing a new budget for $241.6 million, and this plus indexation raised the total estimated cost to $254.3 million.

Mr. Deputy Speaker: Order, please. I am sorry to interrupt the Parliamentary Secretary, but his time has expired.

• (2220)

[*English*]

CANADIAN NATIONAL RAILWAYS—TRANSFER OF REPAIR WORK FROM WINNIPEG TO MONTREAL

Mr. Bill Blaikie (Winnipeg-Birds Hill): Mr. Speaker, on September 24 Wilson Parasiuk, the MLA for Transcona and I wrote to the Minister of Transport (Mr. Pepin) to express our concern about CN's announcement the previous week that it was considering the consolidation of its passenger repair work at the Point St. Charles shops in Montreal at the expense of the Transcona shops in Winnipeg. We reacted strongly to this possibility because we had reason to believe that CN was not really considering the matter with an open mind, but had really already made up its mind and was just going through the motions.

On September 29 Mr. LeClair, the President of CNR, wrote a letter to the Minister of Transport, and shortly thereafter Mr. LeClair acknowledged our letter of September 24, saying that he had written to the Minister of Transport and that we would likely be hearing from him shortly with a more detailed response to our concern.

As of today, November 8, over six weeks later, we have yet to hear from the Minister of Transport directly. When I asked him about this on November 1, he seemed to indicate that he had no intention of ever answering our letter. Instead the Minister of Transport referred to a letter from Mr. LeClair which he said he sent out to all concerned about the issue, a statement which is completely untrue. He has never sent me

anything on this issue at all. I can only assume that the letter from Mr. LeClair to the Minister of Transport, which the Minister falsely claimed he sent out, is Mr. LeClair's letter of September 29 that I did not receive from the Minister, but a copy of which I had the opportunity to study.

The letter tried to cover up what CN was really doing. It tried to explain the reduction of coach work in Transcona because of a general reduction in coach work across the system as a result of the VIA cutbacks. The truth is otherwise. What is happening and what is at issue is that the share of the passenger work which Transcona traditionally received is projected to be drastically altered in 1983 from 40 per cent to 5 per cent which as I see it is a transfer, not just an adjustment. Mr. LeClair and the Minister of Transport have never denied these figures. Instead they have hidden behind generalities about continued high levels of employment at Transcona and vague promises of expanded freight work.

In Mr. LeClair's letter of September 29 he talked about the expansion of the wheel shop and the program to build 300 woodchip cars at Transcona. What he did not say was that both these programs were near completion and that therefore neither of them would in any way compensate for the loss of coach work in 1983 or in subsequent years. Some 230 jobs will be directly affected and another 70 or so indirectly, for a total of 300 jobs. At least a hundred of these jobs—those of the sheetmetal workers, pipefitters, electricians and machinists—could not be replaced by expanded freight work. Even carmen would be affected because, contrary to the ignorant remark of the Minister of Employment and Immigration (Mr. Axworthy) several weeks ago on this issue that there was no difference between upholstering a cushion and working on a boxcar, coach work is a source of preferred work for senior tradesmen. The Minister of Employment was invited to work under a boxcar for a while to clear his mind. In all likelihood he has never been inside a railway shop, never mind a boxcar.

There is a cover up going on. The Minister of Transport and the Minister of Employment are in cahoots with the new President of CNR who is determined to do to the rest of the railway what his predecessor did to CN Express and CN passenger service; that is destroy it, by forgetting that the railway is not like any other business and cannot be run just according to short-term profit margins. This is all the more reprehensible when it is being done by a Crown corporation.

What is even more reprehensible is the way the Minister of Employment is acting. He has deserted Winnipeg and is acting like a hypocrite, celebrating the new Air Canada facilities in Winnipeg while helping cover up this significant transfer of work out of Winnipeg; either that or he is a pathetic, ill-informed stooge of the CNR. In any case, it is about time he smartened up and got on side before we have a repeat of the Air Canada overhaul work transfer from Winnipeg to Montreal, a transfer for which this time he will shoulder most of the blame.

Does the Parliamentary Secretary to the Minister of Transport (Mr. Flis) have anything to say in defence of his Minister? Does he have anything to say on this issue at all? We have not received any answers from anybody on this, and I am looking forward to seeing whether he will actually tell us something, or whether he will have a well-rehearsed statement designed to tell us absolutely nothing.

• (2225)

Mr. Jesse P. Flis (Parliamentary Secretary to Minister of Transport): Mr. Speaker, in all fairness to the Chamber I should refuse to reply to the Hon. Member opposite. Any Member who stands and calls a Minister of this House a hypocrite and a stooge should be asked to withdraw those statements. I should refuse to answer the Hon. Member unless he learns some decorum in the House. However, for the sake of and in fairness to his constituents, I will give some response on behalf of the Minister.

The Hon. Member continues to express concern over the employment levels at Transcona, in spite of reassurances by the Minister and CN. CN has made it clear that Transcona is and will continue to be a vital facility for the railway. CN is investing to improve the facility. For example, a $10 million expansion to the wheel repair shop is under way, and CN expects employment and work levels to grow over the long term.

Mr. Blaikie: That is over this year already.

Mr. Flis: The recession has, of course, had an effect on the level of traffic, and hence on the amount of maintenance. Both railways have been put in a position to have temporary layoffs, but CN has and will continue to treat all its maintenance centres in the same way. It is not CN's intention to single out one of its facilities to bear the brunt of the effects of the recession.

The Hon. Member should know that the work done for VIA Rail at Transcona is only one of the many activities there. Some adjustments to the maintenance requirements for passenger cars may be necessary. However, any change must be seen in light of CN's assurance that it will have little impact on long-term employment levels at the Transcona shop.

Mr. Blaikie: You did not mention the coach work at all.

[*Translation*]

Mr. Deputy Speaker: Order, please. The motion to adjourn the House is now deemed to have been adopted. Accordingly, this House stands adjourned until tomorrow at 2 p.m.

At 10.26 p.m. the House adjourned, without question put, pursuant to Standing Order.

HOUSE OF COMMONS

Tuesday, November 9, 1982

The House met at 2 p.m.

• (1405)

MOTIONS UNDER S.O. 43

[*English*]

GOVERNMENT EXPENDITURES

SUGGESTED RE-EXAMINATION

Mr. Girve Fretz (Erie): Madam Speaker, I bring to the attention of the House yet another example of misplaced priorities in Government spending. The Minister of National Health and Welfare is quoted as saying that thousands of impoverished elderly Canadians need at least another $25 a month to live on, but the federal Government just cannot afford to give it to them.

When the entertainment bill of this Government is $10 million per year, when $60 million is budgeted each year to translate documents, when Canadian Unity advertising is $3.5 million, I resent being told that we cannot afford to help out the people who built this country. Therefore I move, seconded by the Hon. Member for Edmonton North (Mr. Paproski):

That the Government re-examine its spending priorities with a view to eliminating waste and redirecting funds to areas where they are desperately needed.

Madam Speaker: Is there unanimous consent for this motion?

Some Hon. Members: Agreed.

Some Hon. Members: No.

* * *

POLITICAL PARTIES

RETURN OF A LIBERAL

Mr. Gordon Towers (Red Deer): Madam Speaker, my motion relates to the Hon. Paul Hellyer and his latest deflection back from whence he came. After all, it is the Liberal's turn to have him and his wage and price controls. I therefore move, seconded by the Hon. Member for Perth (Mr. Jarvis), that Canadians be made aware that:

Now he's back

As a Liberal hack,

Fingering his hat to throw in the ring

Whenever the Grits have their leadership thing,

Should he fall short in the delegates' sums

Watch out, Broadbent! Here he comes!

Some Hon. Members: Oh, oh!

* * *

ENERGY

REMOTE COMMUNITY DEMONSTRATION PROGRAM

Mr. Dave Nickerson (Western Arctic): Madam Speaker, in April, 1982, the then Minister of Energy, Mines and Resources, with considerable fanfare and publicity, announced a new energy initiative called the Remote Community Demonstration Program with an allocation of $24 million. A few months later the same hon. gentleman, in his reincarnation as the Minister of Finance, drastically cuts back the program, this time without a single word said in public. Therefore I move, seconded by the Hon. Member for Simcoe South (Mr. Stewart):

That this House condemns the Government for its sleazy Liberal trick of trying to bribe people with their own money and then secretly reneging on its commitments.

Madam Speaker: Is there unanimous consent for this motion?

Some Hon. Members: Agreed.

Some Hon. Members: No.

* * *

DISARMAMENT

MUNICIPAL SUPPORT FOR "OPERATION DISMANTLE"

Mr. Lyle S. Kristiansen (Kootenay West): Madam Speaker, I rise under the provisions of Standing Order 43 on a matter of importance. Over 75 per cent of the voters in 78 Ontario municipalities added their voices yesterday to earlier similar local expressions in four other Provinces and approved Operation Dismantle—promoted disarmament referenda, urging the federal Government to pursue actively new international initiatives designed to speed the pursuit of balanced general and nuclear disarmament. Their message is clear—now is the time for our politicians to act. I therefore move, seconded by the Hon. Member for Beaches (Mr. Young):

That this House, acting in response to the demands of the people as expressed by way of referendum vote, call on the Government of Canada to review its position immediately and press, in the United Nations and elsewhere, to urge the holding of a global referendum on general and nuclear disarmament as a first step in promoting a renewed and vigorous race for peace.

S.O. 43

Madam Speaker: Is there unanimous consent for this motion?

Some Hon. Members: Agreed.

Some Hon. Members: No.

* * *

[*Translation*]

TRANSPORTATION

RECOMMENDATION THAT ABITIBI AIR CANADA SERVICE BE MAINTAINED

Mr. René Gingras (Abitibi): Madam Speaker, I rise on a matter of urgent and pressing necessity, under the provisions of Standing Order 43. Whereas the Quebec Minister of Transport has issued an ultimatum in which he indulges in a form of blackmail vis-à-vis the Government of Canada, when he says one of the reasons for Québecair's poor financial position is the presence of Air Canada in Abitibi-Témiscamingue; and whereas the people of the Abitibi area do not want to lose the Air Canada service, I move, seconded by the Hon. Member for Témiscamingue (Mr. Tousignant):

That the Minister of Transport of Canada (Mr. Pepin) refuse to authorize the phasing out of Air Canada's operations in the Abitibi area as suggested by the Quebec minister, Mr. Clair and by Mr. Gendron, the minister from Abitibi.

And second:

That the House give the Government of Quebec the assurance that clause 6 of Bill S-31, under which the Government of Quebec could be allowed to retain control of Quebecair, will be applied. Furthermore, that the reorganization of air services in Eastern Canada be dealt with immediately.

Madam Speaker: Is there unanimous consent for this motion?

Some Hon. Members: Agreed.

Some Hon. Members: No.

* * *

[*English*]

EXTERNAL AFFAIRS

LEBANON—PALESTINIAN REFUGEE CAMP MASSACRES

Mr. Bob Corbett (Fundy-Royal): Madam Speaker, September 15, 16 and 17 are infamous dates that will be etched forever in the black recent years of Lebanon's history because of the massacres in the Palestinian refugee camps of Sabra and Chatilla. As Canadians, we abhor the concept of man's inhumanity to man. That in today's world this sort of barbarism could take place is both reprehensible and repugnant. Therefore I move, seconded by the Hon. Member for Simcoe South (Mr. Stewart):

That this House express its disgust for those forces that were responsible for this slaughter and urge upon them a policy of restraint so as to ensure that the innocent lives of men, women, children and babies will not again be taken in either revenge or malice.

Madam Speaker: Is there unanimous consent for this Motion?

Some Hon. Members: Agreed.

Some Hon. Members: No.

* * *

MEDICAL CARE

INCREASED INSURANCE COSTS FOR CIVIL SERVICE PENSIONERS

Mr. Jim Hawkes (Calgary West): Madam Speaker, in August the Department of Supply and Services increased, by more than 100 per cent, the non-hospital medical insurance costs to pensioners who have worked in the Public Service. For those wanting hospital benefits, the rates jumped by over 32 per cent. Given that the Government intends to restrict the increase in Civil Service pensions to 6 per cent as part of the six and five program, I move, seconded by the Hon. Member for Timiskaming (Mr. MacDougall):

That Cabinet immediately rescind this massive increase in supplementary medical insurance costs for Civil Service pensioners.

Madam Speaker: Is there unanimous consent for this motion?

Some Hon. Members: Agreed.

Some Hon. Members: No.

* * *

SOCIAL SECURITY

SUGGESTED AMENDMENT OF FAMILY ALLOWANCE PROGRAM

Mr. Bill Yurko (Edmonton East): Madam Speaker, extensive debate is now prevalent on the universality of the Family Allowance Program. Governments are reluctant—in fact they lack the courage—to tamper with the universality of social programs because of the political consequences. Nevertheless, it is single and widowed women in our society who suffer most because they represent by far the largest group of unemployed as well as those most in need of upgrading their skills. Therefore I move:

• (1410)

That the Government establish immediately a system whereby mothers now receiving family allowance cheques can voluntarily opt out from this social program provided that the moneys so saved are placed into a fund which is used exclusively for generating jobs and for upgrading the skills of single and widowed women.

I am sure the Minister of Finance (Mr. Lalonde) would like to second this motion, as would many Members of the Liberal Party, Tory Party and the N.D.P.

Madam Speaker: Order. Is there unanimous consent for this motion?

Some Hon. Members: Agreed.

Some Hon. Members: No.

* * *

NATIONAL DEFENCE

INCREASE IN CANADIAN FORCES BASE UTILITY BILLS

Mr. Doug Neil (Moose Jaw): Madam Speaker, whereas the Government has instituted a six and five restraint program and is encouraging the public to comply with these guidelines, and whereas utility bills at CFB Moose Jaw will increase 97 per cent effective December 1 next, I move, seconded by the Hon. Member for Simcoe South (Mr. Stewart):

That the Government cancel this exorbitant increase, practise what it preaches, and restrict increases in utility bills to comply with the five and six formula.

Madam Speaker: Is there unanimous consent for this motion?

Some Hon. Members: Agreed.

Some Hon. Members: No.

* * *

HUMAN RIGHTS

RELEASE SOUGHT OF IMPRISONED UKRAINIANS

Mr. Jesse P. Flis (Parkdale-High Park): Madam Speaker, I rise seeking the attention of all Members of this House on a matter of urgent and pressing necessity, under the terms of Standing Order 43. Considering Canada's respect for human rights and fundamental freedoms, in view of the fact that the Conference on Security and Co-operation in Europe resumed in Madrid today, and in light of the fact that Ronald Reagan, President of the United States of America, designated November 9, 1982 as a day honouring the sixth anniversary of the establishment of the Ukrainian Public Group to promote the implementation of the Helsinki Accord, as Chairman of the Canadian Parliamentary Helsinki Group I move, seconded by the Hon. Member for Edmonton North (Mr. Paproski) and the Hon. Member for Edmonton East (Mr. Yurko):

That this House also designate today as a day honouring the sixth anniversary of the establishment of the Ukrainian Public Group to promote the implementation of the Helsinki Accord, and request that the Soviet Union release all the imprisoned members of this Group and cease the harassment and persecution of all those who are active in the defence of human rights, in compliance with the provisions of the Helsinki Accord.

Madam Speaker: Is there unanimous consent for this motion?

Some Hon. Members: Agreed.

Some Hon. Members: No.

S.O. 43

THE SENATE

PRIME MINISTERIAL APPOINTMENTS

Mr. Jim Fulton (Skeena): Madam Speaker, I rise under the provisions of Standing Order 43. In view of the fact that just to pay the wages and pensions of Liberals now in the Senate will cost Canadian taxpayers over $70 million, more money in fact than will be spent by the federal Government on job creation in British Columbia in the coming year, in view of the fact that there are presently 15 vacancies in the Senate which would cost the Canadian public over $1 million more per year to fill, and in view of the fact that the Senate is a "Who's Who" of unelectable Liberal and Tory hacks and bag persons anyway, I move, seconded by the Hon. Member for Selkirk-Interlake (Mr. Sargeant):

That this House unanimously agree that the Prime Minister should cease and desist from placing more hacks in the Senate, particularly unelected Ministers of the Crown, which is contrary to the spirit of democracy, and that those moneys that would go to senior Liberal hack welfare recipients at a rate of $1,000 per week be directed to those Canadians running out of unemployment insurance or in need of food.

Madam Speaker: Is there unanimous consent for this motion?

Some Hon. Members: Agreed.

Some Hon. Members: No.

* * *

LABOUR CONDITIONS

THREATENED LAY-OFFS IN CAPE BRETON, N.S.

Mr. Cyril Keeper (Winnipeg-St. James): Madam Speaker, at Glace Bay and the Strait of Canso the threat of lay-offs hangs over the heads of a thousand pipefitters, welders, chemists and physicists, lay-offs that have been anticipated due to shrinking markets for at least a year now. The Government of Canada and AECL apparently have no plans to guarantee employment for these skilled, technical and scientific personnel in alternative industries, nor have any investment plans for alternative employment been announced. I move, seconded by the Hon. Member for Kootenay West (Mr. Kristiansen):

That this House demand that the Government meet with these people and make a serious financial commitment to filling the grave need for secure employment in Cape Breton and tell us why, with so many threatened with lay-offs, other people have been brought into Nova Scotia for the offshore oil and gas industries.

Madam Speaker: Is there unanimous consent for this motion?

Some Hon. Members: Agreed.

Some Hon. Members: No.

• (1415)

ORAL QUESTION PERIOD

[*Translation*]

TRANSPORTATION

FUTURE OF QUÉBECAIR

Hon. Roch La Salle (Joliette): Madam Speaker, my question is directed to the Minister of Transport. The minister is aware that unemployment in Quebec has now reached alarming levels, and that Québecair, a company that has been a transport carrier for thirty-five years, is represented here on Parliament Hill today, to ask the Minister of Transport whether he intends to make any proposals to save the company from bankruptcy. For a number of reasons, today, on behalf of the people from Quebec who are concerned about the unemployment rate in that province and who are afraid that 600 additional jobs will be lost, I wish to ask the minister whether he intends to bring this to the Cabinet's attention as soon as possible in order to try and find a way to safeguard the future of this carrier, a company that is very important to us in Quebec.

Hon. André Ouellet (Minister of Consumer and Corporate Affairs): Madam Speaker, the Quebecair employees who were on the Hill today expressed their views and their concern, and they said clearly that they did not want this to become a political issue. I must say I agree with them on all counts. One of the Hon. Members on this side of the House presented a motion under Standing Order 43 which would have received the consent of the House if the official opposition had supported it, but in any case, Madam Speaker, I can inform the House that Cabinet met this morning and ruled that in accordance with Clause 6 of Bill S-31, Québecair would be exempted from the provisions of this bill as soon as they take effect.

INQUIRY WHETHER MINISTER INTENDS TO MEET QUEBEC COUNTERPART TO DISCUSS QUÉBECAIR DIFFICULTIES

Hon. Roch La Salle (Joliette): Madam Speaker, you will agree that my question is very relevant. Therefore, considering the answer given by the Minister of Consumer and Corporate Affairs, I would like to ask the Minister of Transport himself whether he intends to meet his Quebec counterpart with a view to finding ways of enabling Québecair to operate in a sufficiently wide area to ensure its viability.

Hon. Jean-Luc Pepin (Minister of Transport): Madam Speaker, a decision just announced by my colleague proves that Bill S-31 was not aimed against Québecair and I think that should be quite clear now. The next step, as the member for Joliette said, is to sit down and see whether a merger cannot be arranged between Québecair and Nordair, something that has been discussed for a number of years. Now that the parties are aware of all the problems involved, there is a possibility that they will approach the matter more realistically than they have done in the past. I hope so, and I have invited my colleague at the Quebec Department of Transport to a meeting within the next few days in order to discuss the fundamentals of this case.

SUGGESTION THAT PROPOSED AMALGAMATION OF NORDAIR AND QUÉBECAIR BE RESTUDIED

Hon. Roch La Salle (Joliette): Madam Speaker, the Minister of Transport has told us that he will be meeting with his Quebec counterpart, so perhaps the minister could inform the House whether he is also willing to reassess the proposal made on August 9 which mentioned Ontario and Quebec mergers with respect to Nordair. Could this proposal, which was rejected in August, be put on the agenda again for study and appropriate action?

Hon. Jean-Luc Pepin (Minister of Transport): Madam Speaker, I have already answered that question, and I explained that the Snow-Clair proposal had not been received very enthusiastically by the various parties involved. First of all, Air Canada was to participate in the merger, but without voting rights, a condition that Air Canada did not find very attractive. On the other hand, Nordair employees were not very enthusiastic either, and furthermore, parties from the private sector in Quebec and Ontario were, it seemed to me, either not very willing or not able to make substantial investments in the company that would be created as a result of a merger. In other words, a great many people did not seem to find the Clair-Snow plan very attractive, and I therefore hope that we shall be able to take a more realistic approach, for instance, in discussing Air Canada's participation in the merger, as a voting participant and not as a participant who provides funds without having a say in how they are spent.

• (1420)

[*English*]

DOMESTIC AIR CARRIER POLICY

Mr. Pat Nowlan (Annapolis Valley-Hants): Madam Speaker, I was interested in the Minister's reply to my colleague. The Snow-Clair proposal involved private funds, and I do not understand the Minister saying that is was not received positively by private interests in Ontario and Quebec, since that was the whole basis of the proposal. If the minister has disregarded the Snow-Clair proposal to resolve this contentious issue, when is he going to make up his mind on domestic air carrier policy, on which a unanimous all-party report of the Standing Committee on Transport was tabled in this House last spring, which made recommendations which might resolve this issue?

Hon. Jean-Luc Pepin (Minister of Transport): Madam Speaker, there is no relationship between the Québecair

problem and domestic air carrier policy. I have studied its recommendations on domestic air policy and I will be in a position in the next few weeks to react to the very important suggestions made by the Standing Committee on Transport.

An Hon. Member: We do not need a transport system anyway.

Mr. Nowlan: Madam Speaker, a colleague behind me asks if we need a transportation system anyway. We certainly have a Minister of Transport who is almost utilizing his office against not just the committee but also against the CTC.

* * *

CANADIAN TRANSPORT COMMISSION

NOMINATION OF CHAIRMAN

Mr. Pat Nowlan (Annapolis Valley-Hants): Madam Speaker, now that the Liberal Convention is over, and the Minister must have talked to some good Liberals around Ottawa over the weekend, when is he going to nominate someone as chairman of the CTC so that at least the CTC can get back into transportation and not have the Minister running the whole show?

Hon. Jean-Luc Pepin (Minister of Transport): Madam Speaker, my recommendations have already been sent to cabinet. If everything goes well, *s'il n'y a pas de pépins*, we should know the answer in about 15 days.

* * *

NATIONAL DEFENCE

CF-18 FIGHTER AIRCRAFT—U.S. CONGRESSIONAL COMMITTEE REPORT

Mr. Terry Sargeant (Selkirk-Interlake): Madam Speaker, my question is for the Minister of National Defence. We have just learned that Canada's new "Star Wars" fighter aircraft has flunked another performance test for the U.S. Navy. Not only that, but the U.S. House of Representatives Defence Appropriations Subcommittee reported that, in its opinion, the F-18 failed as a multi-mission aircraft because it is inadequate in its attack role.

In light of the F-18's poor report card and the fact that 70 per cent of Canada's planes are intended as attack planes, is the Minister still convinced that Canada's new $5.2 billion warplane is a good buy for the Canadian Armed Forces?

Hon. J. Gilles Lamontagne (Minister of National Defence): Madam Speaker, it is not the first time that the F-18 has come under attack, and it has always won up until now. As for the Hon. Member's question, I think the article in the media today is like the articles we have seen on the CF-18 over the last three or four years. I think he knows very well that this report is related to the performance of the CF-18 during tests of landing on aircraft carriers. I can reassure the Hon. Member that we do not intend to buy an aircraft carrier. As far as the CF-18's that we have purchased are concerned, and the role that we bought them for, I can tell the Hon. Members that they are performing very well in tests at Cold Lake, much beyond the initial performance we expected from them on the last tests we had at Cold Lake.

Mr. Sargeant: Madam Speaker, one role of the F-18 is to serve as an attack fighter in Europe. The report of the United States Subcommittee has pointed out that it is inadequate as an attack plane. The minister has avoided that part of my question.

• (1425)

CHARGE THAT PERFORMANCE TEST WAS RIGGED

Mr. Terry Sargeant (Selkirk-Interlake): Madam Speaker, the Minister is, of course, also aware that the U.S. Defense Appropriations Subcommittee has charged that an important performance test was rigged by either McDonnell Douglas or the U.S. Navy, in order to cover up the F-18's limitations. Was the Minister aware of this rigged test, and will he now re-evaluate his decision to buy this high-tech lemon, before we sink any further into this quagmire?

Hon. J. Gilles Lamontagne (Minister of National Defence): Madam Speaker, I think the Hon. Member should be very cautious about stating that there might be rigging of a test report of McDonnell Douglas or a committee because, as far as I am concerned, I do not believe a word of it. I think the test results are faithfully reported, and I think McDonnell Douglas, and the program managers, and all the others that I have asked to give me full information about this subject, have been competent. When I receive the first test results, I can promise the Hon. Member that I will make it them public and he will then see that he is absolutely wrong about the CF-18.

* * *

EMPLOYMENT

ANNOUNCEMENT OF FIVE CONSTRUCTION PROJECTS IN NEW BRUNSWICK

Hon. J. Robert Howie (York-Sunbury): Madam Speaker, my question is for the Acting Prime Minister. Government Ministers have announced five badly needed, major construction projects for New Brunswick. They are a zinc smelter to be located in Belledune; a large correctional institution in Renous; a new divisional headquarters for the RCMP in Fredericton; a military training facility in Oromocto, and DND pay directorate for Chatham. Not one contract has been let for any of these projects.

May I ask the Acting Prime Minister if he will co-ordinate and expedite measures to bring forward these projects which his Ministers say are necessary and important, so that New Brunswickers can obtain badly needed work in the construction trades this winter? Is the Acting Prime Minister aware

that, in some areas where these projects are to take place, 40 per cent of the labour force is unemployed, and does he care?

Hon. Jean-Luc Pepin (Acting Prime Minister): Madam Speaker, I could have named a couple of other projects in the same region, one of them being the Newcastle-Chatham port development, in my own Department. I know what I am doing with that particular project and I will inform my hon. friend about it, if he wants to know. All the other projects fall under other Departments. There will be a meeting of the Cabinet Committee on Economic Affairs in a few minutes. I will bring this matter to the attention of my colleagues and deliver a collective answer to my friend as soon as I can.

SCHEDULING OF PROJECTS

Hon. J. Robert Howie (York-Sunbury): Madam Speaker, I thank the Acting Prime Minsiter for his answers. I would draw to his attention the fact that the New Brunswick representative in the Cabinet has been removed from that Committee, and that is why I would ask him to pay particular attention to scheduling and co-ordinating these projects so that we can have work in New Brunswick that is desperately needed this winter, next winter, the winter after, and the winter after that. I am asking the Acting Prime Minister if he is going to give leadership to this country, or is he just going to pass the buck to another committee.

Hon. Jean-Luc Pepin (Acting Prime Minister): Madam Speaker, I presume that when my friend says "he" he refers to the Minister from New Brunswick. I can emphatically deny what the Hon. Member has just said. Only two or three days ago I had the Minister responsible for New Brunswick in my office at four o'clock in the afternoon. For a good period of time we discussed the particular issue I mentioned a moment ago, that is, the port facilities at Newcastle and Chatham. On the basis of his conduct toward me, on this and other matters, I can judge the Minister responsible for New Brunswick at the federal level to be quite aware of his responsibilities and to fulfil them in a very energetic fashion indeed.

* * *

NATIONAL DEFENCE

CF-18 FIGHTER AIRCRAFT—RANGE AND COST

Hon. Allan B. McKinnon (Victoria): Madam Speaker, my question to the Minister of National Defence is supplementary to the question put by the Hon. Member for Selkirk-Interlake.

The Minister spoke of the tests at Cold Lake from which he said they are finding more favourable results than had been anticipated. Have they, for instance, found that they underestimated the range, because the test in the United States shows it has a range of 450 miles? Have they found out that tests would indicate that it has a range greater than that at the present time?

Another of the findings of the U.S. committee has to do with the costs. Have they found at Cold Lake that the cost to Canada is now less than the $37 million in programmed costs per plane, compared to $23 million to the U.S. Navy?

Hon. J. Gilles Lamontagne (Minister of National Defence): Madam Speaker, as far as the first part of the question put by the Hon. Member for Victoria is concerned, the CF-18 has the proper and required range for the mission it has to fly in Canada and in Europe. We should not forget that the range which was questioned in the newspaper article referred to is the range that would be obligatory if the plane was to be deployed from an aircraft carrier. That is not the case with the Canadian CF-18.

• (1430)

As far as the second question about the cost of the plane is concerned, we know very well that the Secretary of the Navy in the United States, Mr. Lehman, stated that he had an agreement with McDonnell-Douglas that the plane should not cost more than $22.5 million. I remember that well. I assure the Hon. Member that our plane is not costing that much.

Mr. McKinnon: Madam Speaker, that is a ridiculous answer. The estimate for this plane is $5.2 billion. If that is divided in simple arithmetic by 138, it comes to approximately $37 million per plane; that is what it is costing us.

QUERY RESPECTING POSSIBLE CANCELLATION OF PROGRAM

Hon. Allan B. McKinnon (Victoria): Madam Speaker, the Minister boasted at Uplands Airport that 6,000 jobs would be created by this program. He knows that if the United States Navy cancels it, there will be no jobs and we will have the modern equivalent of the Bricklin motor car on our hands.

Mr. Beatty: The flying Bricklin.

Mr. McKinnon: Does the Minister know whether McDonnell-Douglas is now prepared to talk about a deal for the F-15 aircraft which would take into consideration the $750 million which has already been spent on this plane?

Hon. J. Gilles Lamontagne (Minister of National Defence): Madam Speaker, as far as the Hon. Member's reference to a ridiculous answer is concerned, I would say that his question was ridiculous; obviously he is not a flyer. When he asked the question as to the cost of the plane, I said that it was below $22.5 million as stated by the United States Secretary of the Navy. When we talk about the whole cost of the airplane, it includes weaponry, parts, and all that.

Mr. Epp: What about the wheels?

Mr. Lamontagne: He asked me what was the cost of the plane.

Mr. Clark: Did you include the cost of the wings?

Mr. Lamontagne: Madam Speaker, the Hon. Member should know—

Mr. Crosbie: What about the engine and spare Ministers?

Mr. Lamontagne: The Hon. Member should know as ex-Minister of Defence that, as far as the cost of the plane is concerned, it is what I said. Of course, one has to take into consideration spare parts, weaponry, and various kinds of maintenance that must be provided for the plane, which make the cost more than $22.5 million figure referred to.

As far as the cancellation of the program is concerned, we have heard a number of times over the last three years that the United States would imminently cancel it. It has not been cancelled yet, and I do not expect it to be cancelled.

* * *

MEDICAL CARE

MINISTER'S POSITION ON EXTRA BILLING

Mr. Bill Blaikie (Winnipeg-Birds Hill): Madam Speaker, my question is directed to the Minister of National Health and Welfare. In one newspaper yesterday the Minister was quoted as having told the Liberal Policy Convention that she intended extra billing to be prohibited in the new Canada Health Care Act. In another newspaper she was quoted as saying that she wanted to control extra billing by physicians, in the new Act. Would the Minister clarify, once and for all, whether she actually intends to eliminate extra billing, whether or not that is her goal, or whether she intends only to control it and, if so, how?

[*Translation*]

Hon. Monique Bégin (Minister of National Health and Welfare): Madam Speaker, I think the beginning of the Hon. Member's question demonstrates the confusion in the media in their coverage of what was, in fact, a workshop. However, it is all perfectly clear and simple. I did not make any statements to the press on the health insurance issue since negotiations are now taking place, and I am not in a position to add anything further today.

[*English*]

REQUEST THAT MINISTER TABLE GOVERNMENT PROPOSALS

Mr. Bill Blaikie (Winnipeg-Birds Hill): Madam Speaker, my supplementary question is directed to the same Minister. It seems to me that the problem is the fact that it is being negotiated and there is a lack of clarity about what the federal position is with regard to extra billing and with regard to other issues as well. Would the Minister consider tabling in the House, thus making available to Members of Parliament, and to other sectors within Canadian society concerned about medicare, the federal proposals which are being made to the Provinces so that the House is not faced down the line with a negotiated *fait accompli*, so that the medical and nursing communities, the trade unions involved and everyone concerned about the future of medicare might have an opportunity to participate in this crucial year of debate about the life of medicare? The future of medicare in the country should not be left up to 11 people.

[*Translation*]

Hon. Monique Bégin (Minister of National Health and Welfare): Madam Speaker, as soon as negotiations are close to being finalized, Canadian medicare legislation will be introduced in the House, and as soon as a bill has been approved by Cabinet and presented to the provincial health ministers, I hope to be circulating the draft legislation among various interest groups which, in any case, are in touch with me on an on-going basis and are giving me their views on the aspects—and we are well aware of these—they want to see covered in the next health insurance bill.

* * *

CANADIAN HOME INSULATION PROGRAM

ALLEGED THEFT OF SUBSIDIES

Mr. Arthur Portelance (Gamelin): Madam Speaker, my question is directed to the Minister of Energy, Mines and Resources. On October 29 of this year, in reply to a question from my colleague, the Hon. Member for Gaspé, the minister promised to review the conditions of the Canadian Home Insulation Program in order to eliminate misuse of the program. I am therefore anxious to know whether the minister could inform the House today as to the measures he intends to take to deal with this problem.

Hon. Jean Chrétien (Minister of Energy, Mines and Resources): Madam Speaker, I intend to change the program in order to have more effective control over the way the program is used. To achieve this, I intend to reduce the subsidy for materials to 60 per cent and to increase the labour subsidy from 33⅓ per cent to 60 per cent, up to the maximum of $500 we were offering before, the purpose being to reduce misuse of the program, increase the labour component, enable yet more Canadians to benefit from the program and again, to prevent misuse of the program. I feel sure that with this new approach, we will be able to make substantial savings.

* * *

[*English*]

CANADA POST CORPORATION

DEFINITION OF LETTER—REQUEST THAT GOVERNMENT CANCEL PROPOSAL

Mr. Ron Stewart (Simcoe South): Madam Speaker, my question is directed to the Minister responsible for Canada Post. The definition of a letter now being arbitrarily imposed by the Government and Canada Post has deeply angered the

business community in Canada which does not need another spike in its coffin. Representatives of the business community and of other groups have long been tired of paying first-class prices for third-world service. In the case of business, it will disrupt the traditional form of business which has been ongoing in Canada for years.

The Minister has received over 300 representations about the matter. In light of this strong opposition will the Minister tell the House whether the Government plans to cancel this definition of a letter or at least to explain what is going on to the Canadian business community, so that it can get on with making some money for a change?

[*Translation*]

Hon. André Ouellet (Minister of Consumer and Corporate Affairs): Madam Speaker, the Hon. Member used the terms "arbitrarily imposed" by the Canada Post Corporation. I may remind him that what the Corporation published in the Canada *Gazette* was a draft regulation. As such it was not imposed arbitrarily, but brought to the attention of the public for the purpose of inviting comments, which were received from various Canada Post users. At the present time, Cabinet is considering these representations and will decide on the issue within the next few days.

[*English*]

Mr. Stewart: I am sure Canadians will not put their stamp of approval on that answer.

APPLICATION OF REGULATION VIS-A-VIS GOVERNMENT AND BUSINESS

Mr. Ron Stewart (Simcoe South): Madam Speaker, my supplementary question is directed to the same Minister. If the Government decides to continue with this ridiculous definition, will the Minister now acknowledge the fact that there is a large volume of mailable matter, letters and copies of electronic transmissions, transmitted by staff messengers to different Government agencies, as well as by our own messenger service? Will the Minister tell the House whether the Government will try to enforce the regulation in these areas as well? In other words, will the Government have one set of standards for the Government and another set for the people of Canada, particularly the business community?

[*Translation*]

Hon. André Ouellet (Minister of Consumer and Corporate Affairs): Madam Speaker, I take exception to what the Hon. Member is saying. I think he is accusing the Canada Post Corporation of malicious intent. I would ask him to read the explanations that were given when the amendment to the regulation published in *The Canada Gazette* was presented by the Canada Post Corporation. I think the Hon. Member's statements are the exact opposite of those made by the Progressive Conservative Party critic in the House when the Canada Post Corporation Act was passed in the House. I do not know anymore who is speaking as the critic for what in that party, but in any case, aside from the views held by the Progressive Conservatives, I repeat what I said earlier, namely, the Government is considering this matter and Cabinet will make a decision within a few days.

* * *

• (1440)

[*English*]

MINES AND MINING

MAP DISTRIBUTION COSTS

Mr. Lorne Greenaway (Cariboo-Chilcotin): Madam Speaker, my question is for the Minister of State for Mines. It concerns an answer from her department in response to Order Paper Question No. 4,400. During the last few days of June the Minister sent out a package to 576 Members of the Canadian Community Newspaper Association. Each kit contained a press release, a photograph of the Minister with the Governor General, and several maps. According to the department, the material cost $1,783.08 but the shipping charges amounted to $5,935 because courier services were used, even though it was too late for the material to reach newspapers in time for July 1. The material was to be used for Dominion Day. Can the Minister justify this expense to the House, and would she feel comfortable justifying this expense to the Auditor General and to the taxpayers of Canada?

Hon. Judy Erola (Minister of State (Mines)): Yes, Madam Speaker, I do, indeed. The maps to which the Hon. Member refers were maps of Canada then and now. They are of great historical value, not just to the newspapers but to all Canadians. The cost of distribution is completely justified in the national interest.

Mr. Taylor: Madam Speaker, the maps in question cost $5.95 from the Department of Energy, Mines and Resources. The photo of the Minister was included in the package. I admit that the Minister has a nice body, but it is too bad it is connected to her mouth.

Some Hon. Members: Oh, oh!

COURIER SERVICE EXPENSE

Mr. Gordon Taylor (Bow River): Madam Speaker, my question is for the President of the Treasury Board. I can understand why the Government does not want to use Canada Post, but spending $6,000 on couriers—

Madam Speaker: Order, please. Does the Hon. Member have a question?

Mr. Taylor: Is this the Government's idea of restraint? That is a question.

Some Hon. Members: Oh, oh!

Hon. Herb Gray (President of Treasury Board): Madam Speaker, we are striving to use public money as effectively as possible.

Some Hon. Members: Oh, oh!

Mr. Gray: In that context, I will be happy to look into the reasons for the expenditure alleged by my hon. friend, and report back to him.

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EXTERNAL AFFAIRS

INTERNATIONAL INSTITUTE OF APPLIED SYSTEMS ANALYSIS

Hon. Elmer M. MacKay (Central Nova): Madam Speaker, my question is for the Acting Prime Minister in his capacity as Secretary of State for External Affairs. It concerns the International Institute of Applied Systems Analysis, which is meeting today near Vienna, Austria. Is Canada a member of this organization? If so, does the Canadian Government contribute financially to its operations, and what is its basic purpose?

[*Translation*]

Mr. Jean Lapierre (Parliamentary Secretary to Deputy Prime Minister and Secretary of State for External Affairs): Madam Speaker, unfortunately, the Hon. Member did not give me advance notice of his question, so I do not have the facts before me. As soon as I have the information, I should be glad to send it to the Hon. Member.

[*English*]

Mr. MacKay: The Minister should know that the United States recently withdrew its financial support for the Institute because it appeared to be serving more the Soviet hunger for western high technology than the need for genuine international co-operation.

ATTENDANCE OF CANADIAN NATIONAL RAILWAYS VICE-PRESIDENT

Hon. Elmer M. MacKay (Central Nova): Madam Speaker, is Mr. Michael Kirby, the neophyte vice-president of CN, attending the Vienna meeting of the Institute and, if so, in what capacity? Is he attending as a representative of the Canadian Government, of the Prime Minister's Office, or of the CNR?

[*Translation*]

Mr. Jean Lapierre (Parliamentary Secretary to Deputy Prime Minister and Secretary of State for External Affairs): Madam Speaker, my answer to the previous question also applies to this one.

TRANSPORTATION

SURVIVAL OF QUÉBECAIR

Mr. Svend J. Robinson (Burnaby): Madam Speaker, my question is directed to the Minister of Transport and concerns the fate of Québecair and its 1,000 employees. The minister's colleague has now given us the assurance that an exception will be made for Québecair if the bill is passed, and we shall of course try to block passage of this disastrous piece of legislation. However, can the minister now give Québecair's 1,000 employees the assurance that the federal government is going to work together with the Government of Quebec to ensure the survival of this company, the only French-speaking Canadian carrier?

Hon. Jean-Luc Pepin (Minister of Transport): Madam Speaker, obviously, my hon. friend is new to the subject, otherwise he would have known that in July 1981, we already had the basis for the first phase of a merger between the two air carriers. At that time, the proposal was put before the Government of Quebec, which decided to oppose the merger. It is now up to the Government of Quebec to show that this time, it is willing to go along with the conditions of a merger and will not object on political grounds.

Mr. Robinson (Burnaby): Madam Speaker, the employees of Québecair do not want to become a political football or the victims of a propaganda war and political wrangling between the federal and provincial governments.

[*English*]

EXCEPTIONS TO PROVISIONS OF BILL S-31

Mr. Svend J. Robinson (Burnaby): Madam Speaker, my supplementary question is also for the Minister of Transport. Bill S-31 was introduced without any consultation with the provinces. Now we are told, even before the Bill is passed, that an exception will be created for Québecair. Will the Minister of Transport or the Minister of Consumer and Corporate Affairs clearly state to the House what the criteria are for creating such exceptions under Clause 6 of the Bill so that other carriers and other provincial governments will know exactly what this Government's intentions are if and when the Bill becomes law?

[*Translation*]

Hon. Jean-Luc Pepin (Minister of Transport): Madam Speaker, the purpose of this legislation is to prevent a situation where the interests of a province would be adversely affected by action taken by a provincial government in one of the transport sectors. Here, we had to know whether the Government of Ontario, for instance, might take umbrage at the Government of Quebec acting as owner of Québecair. We had to know whether Ontario would object. I therefore consulted my counterpart in the Government of Ontario who said: No, we have no objection to the Government of Quebec holding

shares in Québecair. So, a conflict that might have arisen did not, in fact, arise, and that is why an exemption was proposed.

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[*English*]

AIR TRANSPORT

SERVICE IN NEW BRUNSWICK

Mr. Maurice Harquail (Restigouche): Madam Speaker, my question is for the Minister of Transport. It relates to air passenger service in New Brunswick and from northern New Brunswick to the four Atlantic Provinces. Can the Minister give some indication what his Department's position is with respect to Air Maritime Limited, a proposed subsidiary company of Eastern Provincial Airways? Is there any planning in place? Are there any funds being allocated to provide this long-awaited service? We have been attempting to achieve this air passenger service for many more years than I would care to refer to today.

Could the Minister give any assurances to the House on the kind of leadership the officials in his Department might lend to bring about this service through Air Maritime Limited, EPA, or any other firm, to provide Canadians in that part of Canada with a much needed air passenger service in New Brunswick and connecting the four Atlantic provinces?

Hon. Jean-Luc Pepin (Minister of Transport): Madam Speaker, there are two aspects to the question. The first one has to do with the creation of Air Maritime which is an intra-regional transporter. As far as I can remember, this question is still before the CTC.

Another aspect of the matter is the connection between Fredericton, St. Léonard, and Quebec City. In this particular instance, Quebec Aviation has been selected by the CTC, and the Government of Canada has provided a subsidy of $1 million to help realize that service, which was in compensation for the fact that the Government of Canada had accepted the elimination of the Moncton to Edmundston rail transportation service.

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PORTS

REMOVAL OF GRAIN ELEVATOR FROM PORT OF MONTREAL

Mr. Bill McKnight (Kindersley-Lloydminster): Madam Speaker, I have a question for the Minister of Transport. It has to do with a question asked by the Hon. Member for Beauharnois-Salaberry the other day regarding Terminal One in the Port of Montreal. In reply to that question the Minister stated that the terminal was being removed to make way for new facilities. Could the Minister tell the House what those new facilities are, and what benefit the farmers and the people who need to store grain in Canada will have from those facilities?

• (1450)

Hon. Jean-Luc Pepin (Minister of Transport): The reasons Elevator 1 at the Port of Montreal is being abandoned are twofold. First, the elevator has reached the point of no return, service-wise and, consequently, may be a danger in the near future. The second reason is the development of what is referred to as—le projet du vieux port de Montréal—

—an organization which is very anxious to take hold of that land. I said at the time, and I repeat now, that there are other facilities available to Quebec farmers who want to deliver their grain by truck. They can go to Sorel, to Quebec City, and also to Trois-Rivières.

OFFER TO PURCHASE ELEVATOR

Mr. Bill McKnight (Kindersley-Lloydminster): Madam Speaker, I would like to ask the Minister why he did not say what new facilities would be given in place of Terminal 1. The Minister must be aware that on May 28, 1982, Allstate Grain Company made an offer to purchase that terminal and continue to operate it as a grain terminal, and that his Government refused it. The new facilities he is proposing will be a promenade on the Montreal waterfront. Could he explain what benefit that would be to the grain producers in Quebec?

Hon. Jean-Luc Pepin (Minister of Transport): Madam Speaker, Montrealers are interested in the beauty of their city. That is why they look favourably on the development of the Vieux Port de Montreal. On the subject of elevator facilities, my hon. friend should know that an elevator has been built, Elevator 4. The problem is that Elevator 4 is not equipped to receive deliveries by truck. The reason is that the total export of grains in the Province of Quebec is 100,000 tonnes compared to the transfer capacity at the Port of Montreal of 8.1 million tonnes. It is therefore not judged to be necessary to spend $3 million in order to build that facility at Elevator 4.

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MACDONALD ROYAL COMMISSION

TERMS OF APPOINTMENT OF CHAIRMAN

Mr. Chris Speyer (Cambridge): Madam Speaker, my question is directed to the Minister of Finance in the absence of the Prime Minister. Prior to accepting his appointment as a Royal Commissioner on the Economy, did Donald Macdonald ask for and receive a commitment that he would be released from his duties, in order to participate in the Liberal leadership contest during the currency of such an inquiry, if that eventuality should take place? We know that the Government has no class. The question is, does Mr. Macdonald?

Hon. Marc Lalonde (Minister of Finance): One sure thing is that the Hon. Member has no class.

Some Hon. Members: Oh, oh!

Mr. Lalonde: I can tell him that there has been no such conversation to my knowledge—none at all.

QUESTIONS RESPECTING CHAIRMAN AND FORMER DEPUTY MINISTER OF FINANCE

Mr. Chris Speyer (Cambridge): Madam Speaker, I would like to ask the Acting Prime Minister a question, if I could get his attention. Has he any information or belief concerning whether or not Mr. Macdonald has received any commitment whatsoever that he would be released as a commissioner of inquiry if a leadership convention should occur in the Liberal Party? I also ask whether or not Mr. Ian Stewart would in any way participate in such an inquiry.

Hon. Jean-Luc Pepin (Minister of Transport): I have the Prime Minister's files with me today and there are a number of suggested answers to questions relevant to the Macdonald Royal Commission—

Mr. Epp: Read them.

Mr. Pepin: —but the two being asked are not covered by them.

Some Hon. Members: Oh, oh!

Some Hon. Members: Hear, hear!

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NORTHERN AFFAIRS

CYPRUS ANVIL MINES, Y.T.—STATUS OF PLAN FOR REOPENING

Hon. Erik Nielsen (Yukon): Madam Speaker, my question is directed to the Minister of Indian Affairs and Northern Development. Cyprus Anvil Mines was supposedly to have produced a mining plan by yesterday which might meet with the approval of the steel workers and the Minister's department, acting on behalf of the federal Government, and the approval of the Yukon Government. Can the Minister say whether that plan has been forthcoming and whether management is yet back with the union to work out their collective agreement in order to see some solution brought about which would put that mine back into production?

Hon. John C. Munro (Minister of Indian Affairs and Northern Development): Madam Speaker, unfortunately the talks broke down over the weekend over issues which I do not consider to be very substantive, on the basis of the information I have received. Yesterday I sent a telegram to both management and the union which stated that it would be in their best interests and in the interests of all Yukoners and Canadians to get back to the table immediately. It would be impossible to form any sort of action plan upon which some type of recovery program could be based in order to get a reopening without having a labour contract in place, because we still do not know whether it will ever open until the contract is completed. We do not even know what the costs of reopening would be because we cannot assess labour costs. Therefore, that is totally fundamental, almost as fundamental as receiving some commitment that the Japanese will buy lead and zinc once it does reopen.

I think that labour and management clearly perceive these facts and I am hoping, because it makes such generally good sense, that they will be back at the table as soon as possible. I have no doubt that representations by the Hon. Member concerning the matter would also be of assistance.

FUTURE OF WHITEHORSE COPPER MINES LIMITED

Hon. Erik Nielsen (Yukon): Madam Speaker, my supplementary question is directed to the same Minister. He will no doubt have been informed by Whitehorse Copper Mines Limited, if not by his colleague, the Minister of State for Mines, that that mine, which was scheduled to close for good next month, has now discovered further ore bodies, but is having problems as a result of the labour dispute between the railroad union and the White Pass and Yukon Railroad, preventing the shipment of the product. What steps are being taken by the Government in order to end that dispute, as it did with respect to the west coast dispute, so that ore can find a market and the mine can be kept open with the several jobs attached thereto?

Hon. John C. Munro (Minister of Indian Affairs and Northern Development): Madam Speaker, I hope that the Hon. Member might agree that it is pivotal to the whole situation that we get the Cyprus Anvil situation straightened out. That will have an impact upon White Pass. Therefore, in a sense, it is a type of domino situation. If we can constructively get Cyprus opened—

Mr. Nielsen: Copper is being trucked.

Mr. Munro (Hamilton East): Okay. It may improve the situation with White Pass and the entire economy and would afford us a more ample economic base which would provide further assistance, if required, to other mines which are having difficulties. However, I do not see much point in intervening in some way in any other endeavour until we get the Cyprus Anvil situation ironed out which, as I think the Hon. Member will agree, accounts for a vast percentage of the entire private sector in the Yukon.

Mr. Epp: Forty per cent.

Mr. Nielsen: You are not up on that one, John.

* * *

ABORIGINAL RIGHTS

POSSIBLE EFFECT OF GULF OIL DEVELOPMENT IN NORTHERN YUKON

Mr. Jim Fulton (Skeena): Madam Speaker, my question is directed to the Minister of Indian Affairs and Northern Development. I am confident that the Minister is aware that

some four years ago a very large area in the Yukon was set aside so that it could be evaluated concerning a national park proposal, and so that there could be an aboriginal rights settlement in that area before any industrial intrusion. However, in the last couple of days it has been brought to my attention that senior Government officials have approached Gulf Oil and are in the process of encouraging it to obtain sites in the northern Yukon for a marine base for its offshore marine drilling activities.

Mr. Nielsen: Good!

Mr. Fulton: I would like to ask the Minister two questions. I hear the Hon. Member for Yukon yelling, "Good!"

Mr. Nielsen: Right!

Mr. Fulton: However, I would like to hear from the Minister of Indian Affairs and Northern Development whether or not, first, the officials who have gone from his Department and others are operating under the instructions of the Minister or any of his Cabinet colleagues to do so with regard to Gulf Oil. Second, does the Minister intend to make changes to that Order in Council to allow an industrial intrusion before the settlement of aboriginal claims and before the Beaufort Sea environmental assessment is completed?

Mr. Nielsen: Why not?

Hon. John C. Munro (Minister of Indian Affairs and Northern Development): Madam Speaker, the current situation involves an obligation we are under to consult with the native people in the area. We will do so prior to arriving at a decision with Gulf. I hope that the Hon. Member will agree that permitting some exploration to take place, provided it has no deleterious effect on future land claims, would be the optimum result, and that is the one we are trying to attain.

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EMPLOYMENT

EXPENDITURE OF JOB CREATION FUNDS IN NEWFOUNDLAND

Hon. John C. Crosbie (St. John's West): Madam Speaker, my question is for the Minister of Employment and Immigration. It refers to employment-related programs within Newfoundland. The Minister, through his Department, supplied the Department of Fisheries and Oceans with $5 million this summer to spend on employment-creating projects for the Department in Newfoundland. Why was the Department instructed to spend those moneys only on projects which were represented by Liberal Members of Parliament from Newfoundland, and not to spend any of those moneys in the districts of St. John's West and St. John's East? Why has the Minister not replied to my letters to him over the last two months which asked him questions about the misuse of employment funds in this way?

• (1500)

Hon. Lloyd Axworthy (Minister of Employment and Immigration): Madam Speaker, as is the common habit of the Hon. Member of St. John's West, he not only exaggerates what is taking place, he also misrepresents what is taking place.

He knows full well that the budget for the Province of Newfoundland this year was close to $20 million, divided between all of the constituencies. When it came time to allocate money under the Special response Fund, both his constituency and that of the Hon. Member for St. John's East were given an allocation under that fund. He should check the facts.

Some Hon. Members: Hear, hear!

Mr. Crosbie: If the Minister would listen to the question, these were funds provided to the Department of Fisheries—not Canada Community Development Projects—for the Department of Fisheries to use in small craft and harbours projects in Newfoundland to create employment. Forty of those projects were approved in Ottawa, not by the Department in Newfoundland. All forty projects took place in the five Liberal districts in Newfoundland.

OFFICIALS' ACTION

Hon. John C. Crosbie (St. John's West): Madam Speaker, why is the Minister interfering or having his officials interfere politically on the backs of the unemployed across Canada, with this kind of political discrimination? Why does he not do his homework and answer questions truthfully in this House?

Hon. Lloyd Axworthy (Minister of Employment and Immigration): Madam Speaker, as we discovered in the House last year when we had a similar exchange, if the Hon. Member would look at his own riding more and pay more attention to it, he would find that, in fact, a fair amount of investment is going there to help the unemployed in his riding.

Mr. Crosbie: Answer the question.

Mr. Axworthy: The fact is that, under the Immediate Employment Stimulation Program, those are projects which were designed by individual Departments, projects which were on the shelf or waiting completion but had not been funded. We were able, therefore, to put money into regions across Canada regardless of political or partisan affiliation in order to employ people. I simply say to the Hon. Member that I think he should pay more attention to what is going on.

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PRIVILEGE

MR. CROSBIE—ALLEGED UNPARLIAMENTARY LANGUAGE OF MR. AXWORTHY

Hon. John C. Crosbie (St. John's West): A question of privilege, Madam Speaker.

Madam Speaker: The Question Period is over. The Hon. Member has put a question and a supplementary question.

Mr. Nielsen: It is a question of privilege.

Madam Speaker: I am sorry, I did not hear that. The Hon. Member for St. John's West on a question of privilege.

Mr. Crosbie: Madam Speaker, I refer to the Minister of Employment and Immigration (Mr. Axworthy) stating in the House that I misrepresented the facts, or attempted to misrepresent the facts, in my question to the Minister. That is an unparliamentary expression, in addition to which, of course, it is contrary to the truth.

The Minister is using employment funds for political purposes. There is no misrepresentation. He is not referring to the Canada Community Development Projects.

Madam Speaker: Order, please. I have the Hon. Member's point. His question or privilege is that some unparliamentary language has been used. First of all, that is a point of order. I did not hear any unparliamentary language. We will wait until *Hansard* comes out to see whether my understanding of the situation is correct. I did not hear any unparliamentary language on the part of the Hon. Minister.

* * *

BUSINESS OF THE HOUSE

Mr. Nielsen: Madam Speaker, I rise on a point of order with respect to House business. The Government House Leader will have noticed that yesterday, during his absence which I am sure was on pressing business, we got along quite famously in the House and disposed of three of those pieces of legislation that he considered of some urgency to the Government. Therefore, that takes us out of his schedule which he laid upon us last week with respect to House business.

He has now through his assistant, informed me, I am told through my assistant, that the order of business today shall be Bill C-90, the Customs Tariff legislation, and when that is finished we will debate Bill C-129, the Bretton Woods Agreement Act. Then when that is finished, Bill C-130, financial assistance to certain international financial institutions, will follow. When that is concluded, we will move to Bill C-85, Canagrex, and when that is finished, to Bill C-95, the sports lotteries.

In any event, the business for tomorrow will be Bill C-85, Canagrex for the entire day. For the sake of the record, would the Government House Leader mind confirming that order of business for us in order to enable the Opposition adequately to plan to meet the Government's timetable?

[*Translation*]

Mr. Pinard: Madam Speaker, about two weeks ago, I gave the member for Yukon (Mr. Nielsen) a list of, I believe, seventeen bills, and asked him to look at a reasonable schedule for disposing of all these bills. I have yet to receive a reply, and I think he is not going to give me one for some time yet, because according to him, there are a number of hon. members who wish to speak to the bills in question. It is true that yesterday evening, although one of his colleagues had told our side that there were going to be eight speakers, a number of Progressive Conservative members did not show up and we were able to pass a number of bills very quickly. As a result, my Parliamentary Secretary (Mr. Smith) subsequently rose to confirm, as reported at page 20530 of *Hansard*, and I quote:

[*English*]

—we will be dealing with Bill C-90 and on Wednesday we will be dealing with Bill C-129.

[*Translation*]

Thus it is true that today we are considering Bill C-90, and if we finish consideration of Bill C-90 before the normal adjournment time, we shall go on to consideration of Bill C-129 and Bill C-130, which were to be debated tomorrow according to last week's statement. However, should the Hon. Member for Yukon, in a sudden burst of co-operation, help us to expedite these bills, we shall then go on today to consideration of Bill C-85. Should this burst of co-operation on the part of my colleague from Yukon be such that we would finish consideration of Bill C-85 today, we would then go on to Bill C-95. And if this spirit of co-operation is particularly pervasive, we would then go to the *Order Paper*, and after prior consultation with the member for Yukon, we would then identify any bills that could usefully be passed before the end of the day.

If we do not pass Bill C-129 today, we shall proceed tomorrow with consideration of Bills C-129 and C-130, as announced last week. If this burst of co-operation comes tomorrow rather than today, after consideration of Bill C-130, we shall proceed with Bills C-85, C-95, and so forth.

Since the question was asked, I wish to announce at this point that Monday is designated as an opposition day. As far as the business of the House for Tuesday and the rest of next week is concerned, I intend to discuss this matter later today, before the usual adjournment time, with my fellow House leaders or, if they prefer, with their assistants.

[*English*]

Mr. Nielsen: Madam Speaker, I would have expected a little more pleasure to have been expressed from the Government House Leader with respect to the manner in which we disposed of Government business yesterday. Perhaps that is too much to expect.

Is he saying that there will be a House Leaders' meeting this afternoon to discuss next week's business? I am not always sure if the complete translation gets across to me. Second, would he inform those of us on this side, in view of our eagerness to make progress on these urgent Government measures, whether he is also going to be absent today?

[*Translation*]

Mr. Pinard: I wonder what my hon. colleague is so anxious about. After all, I want to co-operate as well. In fact, I will be in the House today to make sure that he behaves himself. As far as his first question is concerned, I did mention, and I am sorry if it suffered in the translation if that was indeed the case, that before today's normal adjournment time, we would be having a meeting to discuss the business of the House for next week, that is starting Tuesday, since Monday will be an opposition day.

[*English*]

Mr. Deans: Madam Speaker, I also have a matter which I wish to raise with the Government House Leader and, I believe, the House Leader for the Official Opposition.

Although Bill C-90, the Customs Tariff Bill, is a budget Bill, it is very complex. Is any consideration being given to sending it to one of the standing committees for consideration as opposed to dealing with it in Committee of the Whole, since it requires some fair explanation and consideration in Committee of the Whole is not always as reasonable as that in standing committee.

● (1510)

Mr. Nielsen: Madam Speaker, I rise on the same point regarding the business of the House. In order to assist the Government House Leader in replying to that, the normal practice is to have discussion in Committee of the Whole. Our own view is we should not depart from that practice. Our critic is ready, willing and able to proceed with the measure quickly.

* * *

POINT OF ORDER

MR. FLIS—ALLEGED UNPARLIAMENTARY LANGUAGE OF MR. BLAIKIE

Mr. Jesse P. Flis (Paliamentary Secretary to Minister of Transport): Madam Speaker, I rise on a point of order pertaining to the words used by the Hon. Member for Winnipeg-Birds Hill (Mr. Blaikie) during the adjournment debate. Because the words were used in the adjournment debate, this is the first opportunity I have had to draw them to your attention. The Hon. Member used the word "hypocrite" in addressing a Minister of this House. Beauchesne at page 107, the *Debates* of July 8, 1961 and the *Debates* of February 22, 1961 rule that the word "hypocrite" is unparliamentary language. I know the Hon. Member will want to withdraw that unparliamentary term.

Madam Speaker: I am in no position to rule on this matter before looking at *Hansard*. If the Hon. Member was offended by something which occurred in the House last evening, that was the time to raise it. Unparliamentary language is one thing, but something else has to be added to the use of that unparliamentary language. If it creates some kind of commotion in the House, the Speaker, of course, should intervene.

There are two elements concerning the use of unparliamentary language. The Hon. Member should have raised them yesterday. I am in no position to rule on this because I do not know at this time whether that language was used.

ROUTINE PROCEEDINGS

[*English*]

PETITIONS

MR. MAYER—WORK STOPPAGES AFFECTING EXPORT GRAIN MOVEMENT

Mr. Charles Mayer (Portage-Marquette): Madam Speaker, it is my duty to present a petition on behalf of many of the citizens and taxpayers in the constituency of Portage-Marquette. The purpose of the petition is two-fold. First, the petition asks the House to legislate an end to the work stoppage on the west coast which, I am happy to say, was addressed by the House last Wednesday. The second part of the petition asks that the federal Government take steps to prevent work stoppages that affect the movement of grain for export.

The petitioners hope that in your examination of the petition you will find the petition in order, and that you will exercise the powers vested in the office of the Speaker of the House to refer the matter to the appropriate body for consideration at the earliest possible time in order that this serious problem of work stoppages which affect grain movement for export be adequately addressed.

* * *

QUESTIONS ON THE ORDER PAPER

(Questions answered orally are indicated by an asterisk.)

Mr. David Smith (Parliamentary Secretary to President of the Privy Council): Madam Speaker, the following questions will be answered today: Nos. 3,959, 3,966, 4,381 and 4,455.

[*Text*]

INCREASE ON LIMIT OF INSURED DEPOSITS

Question No. 3,959—**Mr. Cossitt:**

1. Since the date of the last occasion when the Government answered a question by the Hon. Member for Leeds-Grenville as to whether it would increase the $20,000 limit on bank or trust company deposits above $20,000 under the Canada Deposit Insurance Corporation, did the Government give

further consideration to raising the limit and (a) if so, what are all the details (b) if not, for what reason?

2. Will the Government be raising the figure to $100,000, similar to the amount of coverage provided in the United States?

Hon. Paul J. Cosgrove (Minister of State (Finance)): In so far as the Minister of Finance is concerned, I have been informed by the Canada Deposit Insurance Corporation as follows: 1. and 2. The adequacy of the deposit insurance limit is presently under consideration and government policy in that regard will be announced in due course.

CANADA DEPOSIT INSURANCE CORPORATION

Question No. 3,966—**Mr. Cossitt:**

1. What is the total amount of money now on deposit with the Canada Deposit Insurance Corporation?

2. In each of the past five years, what amount of funds were received and what were the names of contributors and the amount contributed in each case?

3. On what basis are the amounts to be contributed by various banks and trust companies arrived at?

4. What percentage increase would be required in contributions in order to raise the limit to $100,000?

Hon. Paul J. Cosgrove (Minister of State (Finance)): In so far as the Minister of Finance is concerned, I have been advised by the Canada Deposit Insurance Corporation as follows:

1. As at December 31, 1981 the premiums received from member institutions totalled $167.3 million.

2. 1977—$15.0 million
1978— 10.7 million
1979— 17.4 million
1980— 21.9 million
1981— 19.8 million

It is not the policy of the Corporation to disclose information relating to individual member institutions.

3. The premium assessment is 1/30th of one per cent of the total insured deposits on hand as at April 30 each year. The minimum premium payable is $500.

4. This information is not available.

FRESHWATER FISH MARKETING CORPORATION

Question No. 4,381—**Mr. Anguish:**

1. What are the salaries of the Board of Directors for the Freshwater Fish Marketing Corporation?

2. What are the salaries of or what is the remuneration given to the members of the Advisory Committee to the Corporation?

3. What are the salaries of the senior and executive staff of the Corporation?

4. Who appoints the Board of Directors for the Corporation?

Hon. Pierre De Bané (Minister of Fisheries and Oceans): 1. There are no formal salaries paid to Directors. Honorarium $100 per day, plus travel costs, when on duty.

2. Fifty dollars per day, plus travel costs, when on duty.

3. President—GIC-6—$54,900.—$64,600. Other senior and executive employees are appointed at a fixed salary; therefore the salaries are confidential.

4. The Governor in Council.

MR. DON DERRICKSON

Question No. 4,455—**Mr. Oberle:**

Did Mr. Ron Derrickson, Chief of the Westbank Indian Band, travel to Ottawa on two or more occasions within the last year for the purpose of meeting with officials of the Department of Indian Affairs and Northern Development and, if so, on each occasion (a) were travel expenses provided by the Department and, if so (i) what was the total cost to the Department, including accommodation, transportation, food and beverage (ii) were travel funds provided through the use of an expense account or as part of a contract (b) with which Departmental officials did Mr. Derrickson meet and for what purpose?

Hon. John C. Munro (Minister of Indian Affairs and Northern Development): Yes. (a) No travel expenses were provided to Chief Derrickson by the Department. (i) Not applicable. (ii) Not applicable.

(b) July 6, 1981. Chief Derrickson and Fred Walchli, the Regional Director General, B.C. region, met with Mr. Rick Simison of the Lands Directorate regarding the proposed transfer of authority to the Westbank Band pursuant to Section 60 of the Indian Act.

Late August, 1981. Chief Derrickson met with Mr. J. D. Leask, Director General, Reserves and Trusts, regarding the proposed transfer of authority to the Westbank Band pursuant to Section 60.

July 12, 1982. Chief Derrickson met with the Minister to discuss the proposed review of Westbank activities. Also in attendance were Mr. D. K. Goodwin, Assistant Deputy Minister, Indian and Inuit Affairs Program; Mr. F. J. Walchli, Mr. E. E. Hobbs, Director, Economic Development; and Mr. J. D. Leask.

Mr. Derrickson travelled to Ottawa on two occasions for a PM7 selection board. He was reimbursed in accordance with the Treasury Board Travel Directive for a total cost of the two trips in the amount of $2,413.34.

[*English*]

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

[*Translation*]

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

Some Hon. Members: Agreed.

[*English*]

POINT OF ORDER

MR. PAPROSKI—S.O. 43 MOTION OF MR. FLIS

Hon. Steven E. Paproski (Edmonton North): Madam Speaker, I rise on a point of order. I would like to know whether on the Standing Order 43 motion moved by the hon. member for Parkdale-High Park (Mr. Flis) there was a "no" from the Parliamentary Secretary to the President of the Privy Council (Mr. Smith). Did he say no to the fact that this is the sixth anniversary of the establishment of the Ukrainian Public Group to promote—

Madam Speaker: Order. The Hon. Member has to take my word that an Hon. Member of the House or some Hon. Members of the House said no. Therefore, the motion has to be considered as having been dealt with by the House.

GOVERNMENT ORDERS

[*English*]

CUSTOMS TARIFF

MEASURE TO AMEND

The House resumed, from Wednesday, February 10, consideration of the motion of Mr. Bussières that Bill C-90, to amend the Customs Tariff and to repeal certain Acts in consequence thereof, be read the second time and referred to a Committee of the Whole.

Hon. Sinclair Stevens (York-Peel): Madam Speaker, we must not let this Bill pass without bringing to the attention of Hon. Members certain provisions in the Bill that I am sure, if they knew their true import, they would be more than anxious to debate and have discussed on the floor of the House of Commons. I refer, of course, to Clause 5 of the Bill, which sets out certain provisions which would permit the Government by Order in Council to make changes from Imperial measurement to metric. This provision I suggest has in effect been snuck into this Bill without too much comment. It has far-reaching consequences and could have far-reaching, disastrous consequences for many businesses, industries and manufacturers in this country.

When you read the provisions set out, you see how underhanded the Government is in its approach to metrication in this country. Instead of approaching that question in a wholesome, above-board way, it has always tended to hide behind some type of Cabinet or Order in Council process to force metrication on Canadian business, industry and other Canadian activities.

I will have a second point a little later concerning Bill C-90, but I rise at this point with respect to Clause 5 because I believe the House of Commons must call a halt to the Government's propensity to rule by Order in Council. We in Canada are in a near depression, if not a depression, aggravated by faulty policies on the part of this Government. We must not allow the Government intentionally or inadvertently further to complicate the already unsatisfactory economic conditions in which we in Canada find ourselves.

The world is clamouring for international business and activity. The United States of America, the wealthiest and most powerful nation in the world, is finding it difficult to tear itself from the depths of the recession in which they find themselves. We, on the other hand, are having a Bill introduced into this House that will have the effect of extending metrication even further than its present implementation in this country.

I refer to this in the context of the United States because, as we know, the metrication process has virtually been brought to a halt. Weighing the consequences of metrication, they decided they had trouble enough extracting themselves from the present recession without loading on to business a further complication and cost—destruction, if you like—by forcing business to accept metrication. As we know, President Reagan has commented that the metric commission in the United States has walked its last kilometer.

Is it not strange, then, that Clause 5 of Bill C-90 intends to take all of those items referred to in the Customs Tariff legislation and give the Cabinet of the day the power to change all Imperial measurements, the traditional British system which we have, unilaterally and without further reference to this House, with the obvious costs and difficulties for Canadian businesses and all who will use metrication in this country. I say that, Mr. Speaker, because I believe that if Hon. Members on both sides of the House read that provision, and thought of the consequences of it, they would, if not join in the debate, at least ensure that there will be careful consideration of the legislation in Committee of the Whole stage before it is passed by this House.

• (1520)

I know there are other Hon. Members who may want to speak on the impact of metrication in Canada. They may want to warn the Government in a more specific way what the fallout may well be if this clause is allowed to pass as part of Bill C-90. If the Hon. Members of this House believe that metrication in Canada has gone too far, has already aggravated in many ways the recession that we find ourselves in, and has in short brought on economic disturbance, annoyance, and in some cases even hardship at the retail levels, I suggest that they should not become a party to this Bill and allow it to be lightly passed.

I feel a second aspect of this Bill should be commented on, Mr. Speaker, which is the reference in many parts of Bill C-90 to an agreement with respect to trade between New Zealand and Canada. I draw Hon. Members' attention to these references because I feel this is somewhat of a precedent. If you read the notice of the Ways and Means motion which was brought in on November 12, 1981 it in no way indicates that the Bill has anything to do with any agreement with respect to

trade or any other particular arrangement with New Zealand. In fact, the explanatory note on page 1a of Bill C-90 simply says, and I quote:

> This Bill would implement the Ways and Means Motion relating to the Customs Tariff that was tabled by the Minister of Finance on November 12, 1981.

There is no indication or notice that somehow or other, couched in that Bill, is an agreement, and references to an agreement, with respect to trade between New Zealand and Canada.

I am referring partly to a question of form. I believe that we, as Members, must always be very much on the alert for a Government that tends to smuggle pieces of legislation, references to agreements, in a Bill that you would never normally expect such agreements to be found in. When we are considering the question of what kind of ongoing arrangement we should have with New Zealand, country to country, if parliamentary approval is required there should at least be fair notice to all Members of this House concerning what they are being asked to approve. Above all, it should not be something that merely gets tucked into another Bill without due notice of the implications, and how far-reaching an effect it may have.

I say this in particular with respect to New Zealand because Hon. Members will remember that this Government was totally lax in its attention to detail a few years ago and allowed a wrinkle to be pulled wherein the Canadian public put up $50 million in the form of preferred shares which went into a Canadian entity, which then had a capital of $100,000. The $50 million was, if you like, the subscribed cost of preferred shares in the New Zealand Shipping Corporation (Canada) Limited. The point I would like to make, Mr. Speaker, is that until attention was drawn to this deal, the Government was unaware of the fact that what had transpired was that the New Zealand government, through a Crown corporation called the New Zealand Shipping Corporation, had set up a subsidiary in Canada known as New Zealand Shipping Corporation (Canada) Limited, which in turn had a subsidiary in tax-free Singapore. This "round robin" meant that $50 million of Canadian money went into a Canadian company. From the Canadian company it went into a Singapore company, where no tax was involved. In turn the money was used in the Singapore company to repay bank loans which had been raised in Singapore, and money eventually ended up in the New Zealand Shipping Corporation.

Let us go around the other way: the net effect of this was that the New Zealand—I was going to say "schemer", but let us call him a very talented lawyer, had worked out a deal whereby he was able to raise $50 million of Canadian money to finance New Zealand's ships in order to carry out trade not only with Canada but throughout the world. This was done on the basis that there was no tax paid on any revenue coming to Canadians with respect to the $50 million. Passing this money through Singapore meant that they could convert what left Canada in the form of capital funds to debt funds. Therefore, in Singapore it then became a loan going to New Zealand and was a deductible item by those who borrowed the money in New Zealand. In short, the little wrinkle ended up being a 9 per cent or 10 per cent charge in New Zealand, deductible from income tax there, went through Singapore, came into Canada, was then paid out in the form of a dividend to Canadians who had bought those preferred shares, and, as Hon. Members know, there is no tax on dividends in Canada if they are paid from Canadian dividend-paying corporations.

This is the type of thing we should be looking into, the type of thing that the Government, until drawn to its attention, was totally unaware of. In fact, the Government, through Revenue Canada, had given what is called a "comfort letter"; a ruling in more positive terms, stating that the wrinkle was fine, go ahead and pickup the $50 million in Canada, finance your shipping fleet, they do not have to pay any taxes in Canada, and if they want to make it a deductible item as far as the interest is concerned down in New Zealand, more power to them. That, in effect, was the National Revenue ruling on that little wrinkle. When this matter was brought to the attention of the Minister, he, of course, professed to be quite annoyed, and I understand there was quite a bit of commotion between Finance and Revenue over the whole affair.

I raise this, Mr. Speaker, because here we go again. The Government, rightly or wrongly, has entered into an arrangement or an agreement with New Zealand, and rather than coming openly to this Parliament and saying this is what they have done, they need our approval and this is why they feel we should give our approval, and have it all open and above board, we find it is up to its old tricks, trying to sneak it in. It is put into a Bill in the hope that no one would be alerted and realize what the Government has in mind.

I suggest it is time for this House to be alert, to ask the Government, as I hope to myself, some pertinent questions concerning this agreement touching on trade between New Zealand and ourselves. Above all, I urge other Members of this House to do likewise, because surely the time has come that this Government, and especially the emperor, who is away on another trip, I understand, should not be allowed to take the House of Commons for granted any longer.

• (1530)

On two points I urge all Members to at least consider this legislation and possibly speak on the Bill. If they are concerned about metrication in this country and its consequences, speak to clause 5 in Bill C-90. If they are concerned about these rather secret arrangements which are tucked into legislation to get parliamentary approval, then speak on the Bill generally because they will find many references to the New Zealand trade agreement in this Bill.

Mr. Ian Deans (Hamilton Mountain): Mr. Speaker, the matters raised by the Hon. Member for York-Peel (Mr. Stevens) are a concern. The continued acceleration, if you will, in the imposition of the metric system is a concern. I think a lot of people in the country are expressing some concern about the difficulties confronting them as they try to deal day by day with the changeover. I think this goes back to its inception, and

I am sure every Member of the House, with the benefit of hindsight, now realizes that there are problems.

At the time metrication was brought in, it was with the general support of Members of this House, including the Hon. Member for Burlington (Mr. Kempling), whose comment at the time of the debate was that they should accelerate the bringing forth of the metric system. It was not being done quickly enough. That is not intended to be a criticism of the Hon. Member; I say it only because I think it shows that we all learn with the passage of time and from the experiences which affect the people in the country.

I think, Mr. Speaker, the Government learned, along with the rest of us, that there are people who are genuinely concerned about this continued imposition. That the changeover is difficult, there is no question. For the adult population the changeover from our existing weights and measures to the metric system has been a particularly difficult changeover. It has been costly, for small businesses in particular but for all business in general. It has not generated the industrial growth in Canada which one might have hoped for in providing the alternative measuring devices, whether they be weigh scales or other equipment which is necessary for the changeover. There has been very little in the way of a Canadian industry emerging as a result of this change. Must of the money being spent in the changeover is being spent outside of Canada.

I think that, as with many things, this House of Commons could well take a look at where we go from here. In fact, as I look at this from what I hope is a practical point of view, the changeover has in many ways reached a point where it would be more costly perhaps to go back than it would be to leave it in place. I do not think anyone is suggesting that we should make an attempt to revert back. I think the cost of doing that would probably be as great as or greater than the cost of leaving things as they are. I say this from a practical and non-political viewpoint. However, I do think that the changes which are continually being introduced are made without careful enough consideration and the Hon. Member for York-Peel raises that as a legitimate point. I think the Government ought to consider that.

However, Mr. Speaker, I want to deal with the general thrust of the legislation for a few moments. I think I speak for most if not all of my colleagues in this party, and I suspect for a number of my colleagues outside of my party, when I say that the continued move towards a tariff-free world is, in the hypothetical or academic sense, a laudible goal. If it ever happens, it will probably in the end prove to be beneficial. But at the moment my worry about it is that we are inching towards it little by little without giving careful thought to the implications of the changes. It is all well and good for us to negotiate with others to reduce tariffs in the hope that we will open up new markets and assist other countries in their development. However, my experience has been that we have not benefited a great deal from the already negotiated reduction in tariffs. My experience has been that even in those countries where we were able to arrive at an understanding with regard to a reduction in general tariffs, there are other barriers which are either being put in place or were already in place prior to the reductions coming into effect.

As an example of that, Mr. Speaker, I think those who have been to Japan or worked with the Japanese would appreciate that, although we might enter into any number of agreements with that country as to a reduction in tariffs, it is very difficult to imagine how this would benefit us. It might, in a global sense, appear to be a move toward something which will ultimately be worthwhile. But in the immediate sense of the effect it has on Canada and Canadian industry, it is extremely difficult to put any kind of accurate measurement on any benefit which flows to Canadian industry as the result of a reduction in tariffs between this country and Japan. If anything, when we do reduce tariffs all we do is make it easier for them to sell in our country, but because of the nature of Japan, because of non-tariff barriers—not always governmental non-tariff barriers but barriers nonetheless—we have not really opened up any markets for ourselves.

I noted with interest when I was visiting Japan that to a great extent, even if you were to have no tariffs of any kind, it would be very difficult for us to penetrate the Japanese market simply because the single largest barrier to the sale of Canadian-made products in Japan is the sense among the Japanese that they ought to buy products made in Japan, not products made outside of their country. Because of this very strong sense of loyalty to their own economy and development, indeed to their own products, even without any tariffs at all—we would find that we have not benefited one iota in terms of increasing our ability to manufacture and therefore to sell. On the other hand, because we in Canada do not have that same sense of loyalty, if you will, to Canadian manufactured products, we would be opening up our market to the Japanese.

I think we really have to have a discussion on that at some point in this House. We have to do this with an eye to understanding what it is we are hoping to achieve as a result of the tariff reduction negotiations which go on. I think we clearly have to understand the benefits, whatever they may be, and the possible problems that may develop from this continued reduction, little by little, in the tariff wall that was in place, presumably for the purpose of allowing our industry to grow.

• (1540)

For some reason that discussion does not take place in the House of Commons. I am not too sure that it will take place as a result of what I say today, but I hope my comments will generate in the minds of Hon. Members questions about why we have tariffs at all, why we have them in certains areas, what the over-all benefit or disadvantage would be as a result of the reduction of certain tariffs, how we propose to protect our growing industry base from massive intrusions from outside, and what we would use as an alternative to developing the industry base. Then we could make a decision about the level of tariffs and the variety of areas of commerce.

We are going to be faced with very serious problems in the not too distant future in this country. We are already facing

problems now, although they are minor compared to the problems we will ultimately face unless we restructure our economy.

It has proven to be of great advantage to this country that we were resource rich. Those resources have been the backbone of the development of this country and the means of providing the kind of substantial wealth that was so necessary to ensure the standard of living that most Canadians have enjoyed over the last few years. I do not think anyone denies that to continue to rely on that resource wealth alone would be very foolish. It would not enable us to provide for the next generation, and perhaps the one following that, the same opportunities that were provided for us by those in positions of power in the generation that preceded us.

I am concerned that we in this House should find a way to give some focus to what I think is a growing concern among Canadians. I believe that Canadians expect us to have some clear picture of where we would like Canada to be 25, 30 or 40 years from now, what kind of economy we will have then and what its base will be. If it is to be a manufacturing economy, which areas of manufacturing are we likely to excel in? Which areas are likely to grow and which areas are less likely to grow? Which areas are vital to the maintenance of the communities which lie so far apart in the country and are therefore not as interdependent as such communities are in many other countries? What would we do to protect the economic base of the many communities from coast to coast?

We must make these fundamental decisions before we enter another round of tariff reductions. It could well be that even in the 1980s and the 1990s it will be necessary for us to maintain some degree of tariff protection in certain areas of our industrial development in order that those areas will be able to grow, based on the domestic market capability of Canada and Canadians.

I sometimes suspect that the changes the Government makes are made in isolation from reality. The Government decides to make a reduction in certain areas because someone thinks that would be to their advantage, without considering whether that reduction might be very damaging to a fledgling industry. It might have the capacity to fill more of Canada's needs but suddenly finds itself made vulnerable by the reduction and in the period of early growth is not able to compete with larger industry from outside the country and then, to all intents and purposes, is rendered of little value and becomes redundant.

There are areas where the tariffs are being reduced as a result of this legislation or where they are non-existent. I think we should consider what this will do to industry. We should do an analysis of this in the House of Commons, and I hope the new rules will allow that kind of thing to occur through a committee, for example. In an industry where there is no tariff protection or where it is extremely small, perhaps before the legislation is passed we could do an analysis to determine what effect the changes would have.

I am not interested in whether the Government, through its advisers and experts, has done some analyses superficially or in depth. I have no way of knowing that, but I am interested in knowing, as someone representing a manufacturing community, what impact tariff changes, reductions or eliminations will have on the industries located in the area that I represent or that some of my colleagues represent. I should like to know this in advance of the changes being put into effect.

For example, Mr. Speaker, the imposition of metric was not thought out clearly enough, and because of that we ran into difficulties. It was done with the best intentions in the world but it turned out to be not as useful as we had thought it would be. I suggest that that is true of many of the tariff changes recommended in this Bill.

What I am really saying is that I do not think we are told nearly enough about what is intended. I do not think the analysis is really complete enough. It would not be appropriate for us to continue along the lines we have been following in granting reductions year after year, in advance of making a decision about where our strength will lie. We should know the kind of manufacturing we anticipate for the next one or two decades and the kind of assistance that will be necessary to make sure that growth industries are given a fair shot before they are opened up to the tough world of competition against others who may be well established and capable of undercutting them in their formative years.

I have a great deal of reluctance to deal with the legislation as it stands, Mr. Speaker. I would ask, for example, without knowing but by reading the Bill, why we should open up our borders, eliminate all tariffs and have no protection in areas such as 47605-1 of Schedule III which deals with items related to hospitals, operating and other devices necessary for the maintenance of an adequate health care delivery system. I would ask myself, in addition to other things, why we would eliminate the tariff there rather than look around to see whether or not there is in Canada an industry base capable of producing these items and then make a decision as to what assistance it requires in order to strengthen it in world terms. Also I would ask myself what we could do to develop that industry, if it is deemed to be of value, or whether it is necessarily good that there be no tariff at all during the period when the industry is being encouraged to develop. That could be said of a number of things. I will not go through them one by one but I may do so in Committee.

• (1550)

I have a feeling that we may be going about this backwards. We are going about the opening up of trade in a wrong-headed way. I feel that we are making the final decision before making the early ones, or that we have not made decisions in an orderly manner to enable us to come to proper conclusions. We have not made decisions about who is to be assisted and in what way before we decide to eliminate tariffs. Of course, we realize that once the tariffs are eliminated it is virtually impossible to put them back in place again. Once gone, they are generally gone forever. Therefore, to make the decision in isolation from the over-all economic decisions which must be

made about where the country is going does not make much sense.

In any event, I raise these matters because I have a feeling there will come a day in the House of Commons when, as the Hon. Member for York-Peel indicated, Liberal Members and others might have second, third and fourth thoughts about the matter, such as some have about metric. I have the feeling there will be people in the House of Commons who will have second, third and fourth thoughts about what we did with tariff protection, how we lost an industry base as a result of negotiating away protection and what it will cost in terms of subsidy of one kind or another to try to maintain the industry base if, as and when the protection of tariffs is no longer there.

I predict that there will be a raging debate some day in the House of Commons centred around how we protect the industries we are attempting to encourage to develop. One question raised will be whether we should put in place some kind of tariff. I am sure that question will be asked. Then those who will be making that decision will look at us and ask why we gave it away in the first place without giving enough thought to what would happen down the road.

I suppose my comments are really a caution. I hope that some time over the course of next year one or other of the Standing Committees of the House of Commons will be charged with the responsibility of taking a look at the impact of reductions and eliminations of tariff protection which have taken place over the course of the last decade. Hopefully it will look at the industries most affected, analyse the impact of the changes and try to decide or come up with some definitive answers about whether or not any benefits flowed to Canada and, if so, what they were and what they were worth both in terms of the development of the economy and in terms of the safeguarding of the industry base which appears to be fleeing every day.

Finally, in looking back over the years the only reason many of our industries located here was because their parent companies, whether in Great Britain, France or more recently in the United States, decided that in order to penetrate the Canadian market and to compete with existing Canadian companies they should locate some of their manufacturing capacity in Canada. We are not necessarily over the hump, so to speak, in terms of economic growth. I do not think we have reached the point of going it alone.

I cannot help looking back over the course of the last three years and thinking of what has happened to the automotive industry. We have the auto pact. It was an agreement between Canada and the United States intended to benefit Canada. It created a tariff-free zone in automotive trade. Presumably the end result when it was first established was to establish in Canada manufacturing, research and development capabilities which would enable industry to grow. That did not come to pass. I think most people would agree that the free trade arrangement has been manipulated over its lifetime. The parts manufacturing, which we all anticipated would come to Canada as a result of the arrangement, really did not come here. We ended up with many years of favourable balance in terms of dollar for dollar trade, but we did not end up with a manufacturing capability because the favourable balance was generally on assembled vehicles rather than on the manufacture, and therefore on the development, of the parts.

Recently that hit us very hard. Many of us analysed it in an attempt to see what were the possible solutions. It became even more complicated with the growth of the Japanese industry, which was able to penetrate not only the Canadian but the North American market. It was able to work out arrangements between its manufacturers, as did some European manufacturers, and the manufacturers of so-called North American vehicles. The best example would be Renault and AMC, two of the companies which came together. This presumably allowed Renault to bring vehicles into the United States, and because it was part of AMC, to transfer them through the United States and into Canada without normal tariff restrictions. Whether it actually occurred in that way is questionable, but certainly it was in their minds.

I asked myself at the time whether that was what we intended or what benefit we would obtain from it. To put it crudely, it seems that all we got out of it was being shafted. I am not referring to making drive shafts; I am referring to another kind of shafting.

I wonder if that is where we are going, if that is what this is all about, and if that is where we will end up. If it is, we must stop it soon or we will be in serious trouble. That would be a good industry sector for the House of Commons to concentrate on for a while because it employs or at least employed substantial numbers of people in central Canada, particularly in Ontario and Quebec. Without making a case for the Province which I represent, there is grave concern about where the industry is going, what the impact of the auto pact will be, and whether or not they will be able to bring in engines from Japan and other parts of the world, through the United States, across the border and into Canada under the auto pact, even though the engines were not manufactured in those countries. There is serious question as to whether or not that will happen or indeed is happening.

• (1600)

One cannot have a discussion of the Customs Tariff and the repeal of or reductions in the Customs Tariff without taking a look at the implications. I use the automobile industry as an example, but it is not the only example of what can and does occur.

What are we going to do now to get benefit to Canada? How are we going to reclaim, if there is to be any reclaiming done, any benefit for ourselves? Who is going to gain any employment from it, other than those who sell and perhaps service vehicles? Are we going to try now to negotiate back, if you will, to a point where we will insist on a value added component of one kind or another, and what will it be? What will we use as the lever to get this benefit in the event we want to get it to pry loose some of the manufacturing that we ought to have in this country from its home base and bring it into Canada so that Canadians will get benefit?

Those are difficult questions. I am not pretending for a moment that they are necessarily answerable in one afternoon. Nor do I pretend that everyone in the House of Commons automatically will agree that that is a goal. I just put it forward as my opinion, and my opinion is as valid, I guess, as anybody else's. I raise the matter from that point of view.

It reminds me of an instance many years ago that caused a chuckle or two. When I was in the Ontario legislature I recall having difficulties over the importation of glazed cherries from France. People who manufacture glazed cherries in Canada were finding it extremely difficult to compete with the cherries imported from France even though there was tariff protection. We could not find out what was happening. After much investigation it was discovered that the French government was subsidizing sugar, which is the main component of glazed cherries. Because the French government was subsidizing sugar, it was, in effect, reducing the price which enabled manufacturers in France, to undercut those in Canada. I think this situation continues to happen in a number of interesting and devious ways.

I feel that legislation such as this should be the last step in the long process of analysing, developing and putting into place a strategy for Canadian development, manufacturing and other kinds of development. After you have done that and once you have it in place, you begin the process of making it easier for others to compete with us. But before that, we want to make sure that competition will be both fair and, to the extent that we can, of advantage and beneficial to Canada.

I suggest that it might be advisable, before we ever deal with another piece of legislation like this, that the House of Commons give careful thought to the comments and the intent of the comments I have made this afternoon. I do not expect the comments themselves to be bedtime reading for everybody, but I do think the intent is clear. I want to be sure that we are not making another mistake and digging ourselves more deeply into a hole than we dug ourselves into some time ago, a hole which we are having a great deal of difficulty getting out of.

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

Some Hon. Members: Question.

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

Mr. Nielsen: On division.

Motion agreed to, bill read the second time and the House went into committee thereon—Mr. Francis in the Chair.

The Chairman: Order. House in Committee of the Whole on Bill C-90, to amend the Customs Tariff and to repeal certain Acts in consequence thereof.

On Clause 1—*Rates of Customs duties for New Zealand.*

Mr. Stevens: Mr. Chairman, my first question to the Minister is a very simple one. Can he inform the House what is the basis of the agreement between New Zealand and Canada that leads to the various references to the tariff adjustments in this bill?

Mr. Cosgrove: I thank the Hon. Member for his question. I notice in the proceedings on the Bill when it was debated on the first occasion in this House on February 10, 1982 that the issue of the agreement was raised by other Hon. Members. The style or the form, as the Hon. Member has characterized it, was a question discussed at that time. I know that my predecessor in response to the question indicated that the agreement between Canada and New Zealand, which is referenced in the Bill, has been available since both parties executed the same under the responsibility of the Department of Industry, Trade and Commerce. In response to the questions raised, the Minister said that the Bill was available to any Member of this House or to any member of the public, and it has been available. It has been available to the Hon. Member asking the question since that time.

There is no question that the Bill, as one of its major components, repeals a number of existing tariff measures which were part of a trade agreement earlier signed between Canada and New Zealand in 1932. The agreement has now ended. Its provisions have been replaced by the new tariff measures. They take into account the provisions of that agreement, which is an agreement for trade and economic co-operation between Canada and New Zealand. I would have expected the Hon. Member to have had available to him the terms of that agreement for his perusal. Certainly I would have been pleased to answer detailed questions on the agreement, and I am sure staff would have been available to him to answer those detailed comments. The provisions of the agreement are referenced in different sections of the bill before us.

Mr. Stevens: Mr. Chairman, for those who are accustomed to replies from Ministers, we know that this Minister is completely at sea concerning the agreement that he has so often told us is available to various Members. We know agreements are available. I asked him what the basis is of the agreement. However, let me be more specific. If we both agree that there is this agreement between New Zealand and Canada, could the Minister indicate specifically what was the understanding reached by the Government of Canada when the Government's officials met with the sheep raisers association of Canada to discuss the impact of these tariffs?

• (1610)

Mr. Cosgrove: Mr. Chairman, I do not have the specifics of the answer concerning the date nor, indeed, do I know whether there was such a meeting as indicated by the Hon. Member. However, I have been advised by the official from the Department that there is nothing in the Bill before us or in the new agreement which bears on a relationship between that industry as it existed prior to the Bill under the old agreement, exists under the new agreement or exists under the new Bill. My advice is that although I am not aware of the meeting to which he has referred, there is nothing pertinent in the Bill which would change that arrangement.

Mr. Stevens: Mr. Chairman, I want to be very specific. Is the Minister saying, as the Minister offering the Bill for our approval—

Mr. Nielsen: He is saying he does not know.

Mr. Stevens: —that there was no meeting between the Government and representatives of the sheep raisers of Canada, or is he saying that he just does not know?

Mr. Cosgrove: Mr. Chairman, I am indicating and I will repeat to the Hon. Member that, first, I am unaware that such a meeting had occurred. But indeed, with regard to any reciprocal arrangement between Canada and New Zealand or, indeed, between Canada and any other country, I have no doubt that there are meetings continuously through a wide variety of interests of trade between various countries. The point that I was making, and I do not apologize, is that I am unaware of the specifics of such a meeting. It would be virtually impossible for one person to be aware of all the meetings of all the trade associations of all the countries of the world, and of all the bilateral and multilateral agreements with Canada.

Furthermore, at the outset I would indicate to the Hon. Member as well that although I have been diligent since undertaking new responsibilities in this new ministry, I have only had the responsibility for just one month approximately.

Mr. Stevens: You are asking us to approve it.

Mr. Cosgrove: I am sure that as time goes on further details will be made available to me. The point I am making in response to the question is that the question is not pertinent. I am asking for approval of a Bill.

Mr. Nielsen: That you know nothing about.

Mr. Cosgrove: The Hon. Member has asked a question which has nothing to do with the Bill.

Mr. Stevens: Mr. Chairman, let me then follow up and ask the Minister whether he could tell us when this arrangement was discussed, and with which Provinces, prior to its being signed with New Zealand?

Mr. Cosgrove: Mr. Chairman, I am assured that the provincial governments, major governments, that is, governments interested, were consulted through the Ministry of Industry, Trade and Commerce and that there is no Province which has registered objection or non-support for the Bill which is before the House.

Mr. Stevens: Mr. Chairman, could the Minister specifically indicate to us what Provinces were consulted and when they were consulted, prior to the Government entering into this arrangement?

Mr. Cosgrove: Mr. Chairman, if indeed the dates of consultation are an essential ingredient to the Hon. Member deciding, in his own mind, the force or relevance or necessity of a particular provision of the legislation before us in assessing whether he can support the Bill or not, I will ask for those specific dates and provide them to him.

Mr. Nielsen: Were the Provinces consulted?

Mr. Stevens: Again through you, Mr. Chairman, perhaps I could draw the Minister's attention to a press release issued by the then Canadian Minister for Trade, the Hon. Ed Lumley, on September 25, 1981. As stated in the press release, Mr. Lumley said:

> —the Federal Government had consulted closely with Canadian industry and provinces prior to the renegotiation of the agreement and that there was widespread support for the continuation of preferential trade arrangements with New Zealand.

I will give the Minister one further chance, Mr. Chairman. Specifically, what was the nature of the consultation to which the Minister's predecessor referred with respect to Canadian industry? Specifically, what were the Provinces to which he referred, or did he mislead at that time? Second, what evidence can the Minister give us to back up the statement "that there was widespread support for the continuation of preferential trade arrangements with New Zealand"? You will recall, Mr. Chairman, that all the Minister said was that there was no objection. However, the Minister's predecessor said that there was widespread support, both from industry and from the Provinces. To what was he referring?

Mr. Cosgrove: Mr. Chairman, I indicated that I would provide the dates of the consultations between the Provinces affected and the former minister, Mr. Lumley. I would be happy to provide that information. As I understood the press release, which I do not have in front of me, it was plural. I think it stated "industries" and "Provinces". The only point I am making to the Hon. Member is that there is no doubt but that there were many industries affected.

Mr. Nielsen: And many Provinces.

Mr. Cosgrove: If his question now relating to that statement bears on his first question, which I think related to agricultural products or products arising from the raising of sheep, I would be happy to provide him with those specific dates.

Mr. Stevens: Mr. Chairman, all I am asking the present Minister of Trade to do is simply to give us the evidence which his predecessor felt warranted the issuing of the press release stating that he had widespread support for the continuation of preferential trade arrangements with New Zealand, having specifically referred not to Canadian industries but rather to Canadian industry and the Provinces. All I am asking is: Where is that widespread support to which he referred? Where have the sheep farmers of this country indicated their widespread support for the preferential arrangements that the Minister is now proposing be carried out with New Zealand?

Mr. Nielsen: Which Provinces supported it?

Mr. Stevens: Which Provinces gave widespread support to that preferential treatment with respect to New Zealand

mutton and lamb? I ask this, Mr. Chairman, because you will recall that not long ago, a few months ago, the situation got out of hand. The situation got so out of hand that the Minister of Agriculture had to try first persuasion and then bring in quotas to slow down the entry of lamb and mutton and other sheep products into this country from New Zealand. If the Minister is seeking the approval of this House, I think it is a very simple question to ask where the widespread support is that his predecessor claimed he had for this type of arrangement.

• (1620)

Mr. Cosgrove: Mr. Chairman, I indicated that I would indeed inquire and get the dates of specific meetings if, indeed, they were held. The Hon. Member is reading from a press release that does not come from my predecessor but from the former Minister of Industry, Trade and Commerce. It was not that statement which I was relying upon in response to his first question as to whether there were consultations and what evidence prompted me to answer his question that indeed there had been meetings. I was relying upon advice which officials had given to my predecessor, the Hon. Mr. Bussières, when he introduced this legislation to the House in February of this year.

Mr. Stevens: Mr. Chairman, you can see how easily this Government tucks things into various Bills. It can be most confusing. The Minister to whom I was referring was not the Minister of Industry, Trade and Commerce when I referred to the predecessor of this Minister. It was the Minister of Trade.

I realize that we are now concerned with finance, but it is, however, a trade matter that the Minister is being asked to present to the House at the present time. I will ask the Minister once again this very simple question, and he does not have to worry about dates for the time being. What Provinces have indicated support, of to use the words of the then Minister Trade, "widespread support for the continuation of preferential trade arrangements with New Zealand"?

Mr. Cosgrove: Mr. Chairman, my hon. friend began by saying that he is not relying on the statement of the Hon. Mr. Lumley—

The Chairman: With respect to the Hon. Minister, there has been a reference to Members of this House by name. The practice is to refer to Members by their functions or constituencies.

Mr. Cosgrove: I am not referring to the press release which my hon. friend had in his hand. He concluded his remarks by making reference to that press release.

I must repeat my earlier response that when the Hon. Member reads the words "widespread provincial support for provisions of the Bill and support from various industries" in the press release that he is relying upon, those words are plural. The author of the press release, because he used the plural, may not have been referring specifically to the issue of mutton or lamb, I do not know. My answer was that I am prepared to provide the actual dates of discussions between Provinces and the Department that negotiated the agreement which was the subject of the questions by the Hon. Member. I hope to have those specifics within a short period of time, with the indulgence of the Hon. Member.

Mr. Nielsen: What Provinces were consulted?

Mr. Stevens: Mr. Chairman, I am not trying to be difficult. When Bills of this nature were brought before the House for approval previously, the questions I have asked were taken as almost elementary. If the Government is asking us to approve some type of preferential trade arrangements with a foreign country, surely it is natural to ask if the Canadian industry concerned has indicated support and, if so, when and who? Did one or more Provinces indicate support?

In this case we happen to have an indication from the previous Minister of Trade in his press release that he had secured on behalf of the federal Government, after consulting closely with Canadian industry and Provinces, "widespread support for the continuation of preferential trade arrangements with New Zealand." As a preliminary matter, we are simply asking the Minister if he can tell us by name which Provinces gave that widespread support and how did the sheep raisers of Canada indicate their widespread support?

Mr. Cosgrove: I am sorry, Mr. Chairman. I thought I had indicated in my original answer that all Provinces had been consulted and that it was the dates which I said I would obtain for the Hon. Member. In fact, all Provinces were consulted.

In terms of the industry, I am advised that the maritime transportation industry, which is not necessarily the industry that the Hon. Member refers to but one that is affected and coincidental to the movement and exchange of these products, did express some reservations about the proposal dealing with the issue raised by the Hon. Member.

Mr. Stevens: When referring to the Provinces of Canada, I take it that all that happened was some type of consultation. The Minister is unable to offer any evidence that they actually gave widespread support and, as far as Canadian industry is concerned, the only reference he can make is to the maritime transportation industry. Do I understand that he can offer no evidence of widespread support from the Canadian sheep raisers who do make up a reasonably large industry? There are a million sheep in Canada.

Although this Government apparently enjoys damaging the industry and various sectors of our economy so haphazardly, surely the farmers who have that much at stake should be consulted. If they were consulted there apparently never was any evidence of widespread support.

Mr. Orlikow: Mr. Chairman, using the example raised by the Hon. Member for York-Peel, I would like to pursue this question for a few moments. The Minister has not advised us which Canadian producers were consulted and which ones agreed that we should make these tariff concessions to New Zealand? If they did agree, would the Minister tell us what we

received in return for reducing our tariffs on these products to New Zealand? What advantages will New Zealand give to us?

I would like to use this opportunity to elaborate on what I think is a fundamental error which is being made in this country. It concerns the notion that we can gradually lower our tariff barriers because other countries are supposedly doing the same thing without giving too much real consideration to the problems which have been created, which we are facing now and which will be created in the future by this very piecemeal process we are engaged in.

Canadians are living through a major recession. Indeed, Don McGillivray, the national economics editor for Southam, described our current situation as no longer a recession but a depression. I remind the Minister that there are now 1.5 million Canadians unemployed. Our manufacturing industries are not just suffering temporarily. Tens of thousands of workers in our Canadian industries have been laid off. Many of them have not just been laid off because of a temporary recession and things will get better next month, next year or the year after; they have been permanently laid off because the plants in which they worked for many years are now closed.

• (1630)

We accepted, I think much too easily, the myth that if all the industrialized countries were to reduce their tariffs, we would all benefit. I suppose Canada is the only country which took that idea seriously. We have been reducing our tariffs. While some other countries have reduced their tariffs, they have found a host of non-tariff ways to keep products of other countries out of their country.

My colleague, the Hon. Member for Hamilton Mountain referred to Japan as an example. He suggested the reason foreign products are not sold in Japan to any great extent is that the Japanese people are loyal, patriotic and insist on buying Japanese products almost exclusively. That may be part of the reason but it is the smallest part. The real reason is that the Japanese have found a host of non-tariff ways to keep foreign goods out of their country. If a Canadian manufacturer or a manufacturer in some other country wants to sell in Japan, it can take up to three years of testing by the Japanese to see whether the product meets their standards.

A few years ago the electrical and electronic manufacturers met with Members of Parliament from this Party, and I am sure from other Parties. They discussed the possibility of the Japanese buying our generators. They said that Canadian manufacturers are efficient and competitive with other countries in the production of electrical generators. We were told that the Japanese electrical companies could not even look at a Canadian bid unless the electrical generator industry in Japan was at 100 per cent capacity. Only then could it look at a bid from Canada or some other country. Countries belonging to the European Common Market, by the use of various techniques, are keeping out goods or reducing the sale of manufactured goods and agricultural products—

The Chairman: With all due respect to the Hon. Member, I must point out that this is Committee of the Whole. The rule of relevance has to be applied strictly. We are discussing Clause 1. The Chair has adopted a certain tolerance to the Hon. Member but requests him to direct his remarks more explicitly to the Bill before us.

Mr. Orlikow: Mr. Chairman, I take heed of the point you have made. I recognize that this is not the time for full scale discussion on the question of tariffs. However, we are dealing with a specific tariff item. This is the first opportunity I have had in a couple of years to urge the Government not to bring in proposals for tariff changes item by item or piece by piece. Rather, the Government should come forward with a policy which includes all tariffs, including New Zealand mutton, Japanese steel and cars, and Hong Kong electronics. That would give us a picture of how they see the tariff policy of Canada working as part of a whole industrial strategy.

I am not going to be long. We have no industrial strategy. We know which industries in this country have been virtually eliminated.

The Chairman: Order. Again I must call the attention of the Hon. Member to the fact that his remarks at Committee of the Whole must be relevant. Committee of the Whole is not repeating a general debate such as takes place at second reading.

Mr. Orlikow: I will conclude by asking the Minister to give some consideration to my suggestion of a Government statement outlining its views on the whole question of tariffs, which tariffs we ought to have in Canada, what areas should be given protection and what areas to let go. There was a study which suggested that the automobile industry, which is centred mainly in the Minister's own Province, Ontario, takes one job in ten.

Mr. Nielsen: I guess he didn't hear you, Mr. Chairman.

Mr. Orlikow: Maybe the Minister could deal with that at some point.

Mr. Cosgrove: Mr. Chairman, the Hon. Member began by relating his question to the question asked by the previous questioner dealing specifically with the agreement between Canada and New Zealand. He said, and I will try to paraphrase him correctly, that we are offering some change to New Zealand, offering a preference, a lower price or something like that. He then asked: "What did you get in return?" The point I tried to make in answer to the first question was that in that area of the Bill before us, under Clause 1 there is no change. The purpose of the agreement is to bring the agreement and relationship between the two countries up to date, but we did not change the tariff amount or schedules.

We did address the point of the Hon. Member who just asked the question that we should be concerned in all our relationships with our trading partners that they be efficient and beneficial to both Canada and New Zealand. The new agreement that is referred to in Clause 1 addresses the issues

specifically on these points. The agreement maintains the tariff treatment. Moreover, it establishes provisions for consultation and compensation. These are provisions which were not in the original agreement and which will streamline the relationship and be beneficial as well as achieving the objectives mentioned by the Hon. Member.

The new Agreement contains a provision to promote commercial and industrial co-operation between companies in both countries. It establishes a link and a provision for that kind of exchange between countries so that we can address some of the problems the Hon. Member now raises. I know he talked about it in a general way. Specifically in Clause 1, dealing with that agreement, we were concerned about these features. We believe we have come a long way in updating this agreement, providing for a freer exchange and assistance to industry to overcome some of the problems raised by the Hon. Member.

Clause agreed to.

Clauses 2 to 4 inclusive agreed to.

The Chairman: Shall Clause 5 carry?

Some Hon. Members: On division.

Clause agreed to on division.

Clauses 6 to 19 inclusive agreed to.

• (1640)

On Clause 20—*1932. c. 34.*

Mr. Lambert: Without going to any great lengths, I would like to reiterate what I said in my opening remarks on second reading. I find it passing strange that the New Zealand-Canada Trade Agreement should be brought in by the back door as some Clause in a Customs Tariff Bill. We did quite a few things in this Customs Tariff Bill and Hon. Members have been agreeing and agreeing when, frankly, they did not know what the hallelujah they were talking about.

In any event, I agree with the Trade Agreement. If you would like to look it up in the Customs Tariff, Mr. Chairman, you will see the Australia-Canada Trade Agreement of 1960. That was passed as a separate Bill within the terms of ratification of that Trade Agreement. This Bill brings in a new Trade Agreement. Incidentally, I wish to correct the Minister. That Agreement was not available when the debate started. It was made available by the Minister after pulling teeth and threatening him with all sorts of verbal mayhem. Finally the Minister did table it under Section 41(2) of the rules, but it was not available when we started the debate.

I would like to reiterate what my colleague from York-Simcoe said regarding these types of agreements, which Parliament is called upon to ratify. We are merely agreeing to it. We cannot modify it in any way. I think the Parliamentary Secretary to the Minister of Finance will agree that any agreement between Canada and a second nation with regard to income tax has to be ratified in this House and in the other place. There is not one Clause which is amendable unless the Government wishes to go back on its agreement. Therefore, it is frankly a nullity in this House and we are rubber stamping.

This is the point I would like to make. I suggest with all due deference, Mr. Chairman, that we find something better than this procedure of rubber stamping international agreements. Even if we are all agreed it should be changed, we will told by the Minister responsible that, unfortunately, it has been concluded by External Affairs, or by some other Ministry empowered to engage in the negotiations, and change cannot be made without the consent of the other country. That is logical. But why, then, should we rubber stamp it and therefore give this Agreement the approval of Parliament? Approval my eye. There are many income tax agreements which my colleague from York-Simcoe showed were absolutely wrong. Some have actually been held up and renegotiated as a result. One is expected to rubber stamp them here in the House.

At this point I want to say that I deprecate this kind of practice. This Bill is almost an omnibus Bill. My colleague made some mention of a system of measurement. Well, that is all being changed. And there are other matters. However, in so far as the general preference tariff concerned regarding, shall we say, the developing countries, to my thinking, this is a step forward. The Hon. Member should encourage as much possible practical development under this type of tariff arrangement. It is not always easy for industrialized nations such as Canada to trade in volume with developing countries because these countries are trying to develop industry as well. They want to sell us all sorts of things even to the point that we should shut down some of our industries in order to accommodate them. It is give and take. The fact that Canada has lowered its tariff rates in this particular area is, I think, commendable and a step forward, and I recommend it to the House.

Mr. Cosgrove: I would like to thank the Hon. Member for his comments on another provision of the Bill. Anyone listening to the debate this afternoon might have concluded that it dealt with the New Zealand-Canada Trade Agreement by itself. I am glad he made reference to other areas and is in agreement with them. Obviously I know, and the Hon. Member knows as well, that the Bill, for example, provides preference for items that pertain to disabled persons and which are not manufactured in Canada, and thus they will be supported by this legislation.

I would like to say that the first point he raised is well taken. We have before us an Agreement signed under the leadership of another Ministry. I would hope, though, that there would be opportunity for Hon. Members to discuss in another forum those various Ministries which incorporate agreements with other countries. For example, there was discussion between the Provinces and the Ministry of External Affairs. That negotiation obviously was not closed. There would have been, I hope, some form of discussion of that Agreement with a minister in another forum.

Clause agreed to.

Clauses 21 and 22 agreed to.

Schedule I agreed to.

On Schedule II—

Mr. Fulton: I wonder, Mr. Chairman, if the Minister could respond briefly, with respect to Schedule II, on some of the tariff items listed, such as fish packed in preserved oil, caviar, vegetable oils, industrial shop towels and so on. Would he comment on just how the tariffs are arrived at? I recognize that External Affairs and other negotiating departments have been involved, but it seems passing strange to me, particularly in relation to these fisheries products, that the general preferential tariff, particularly on fish, vegetable oils and paper products, is free when those particular industries are having such a tough time at the moment.

• (1650)

Mr. Cosgrove: Mr. Chairman, I think the question was covered by a question from a member dealing with a specific industry concerning clause 2 of the Bill this afternoon. The general method of operation in reviewing changes in a Bill is to consult with the Provinces and the industries affected. Perhaps I should not have begun by saying that, because in fact the provisions raised by the Hon. Member are not changed, they are merely a repetition of existing legislation. So those provisions are a repeat of what was in the previous legislation.

Mr. Fulton: If I could get the Minister to address it a little more directly, Mr. Chairman, times have certainly changed since this matter was previously before the House, certainly in the fishing industry, particularly the groundfish fishery, many commodities of which are touched on in this Trade Agreement.

I know the Hon. Member for York-Peel made the point, but I doubt that there is a single lamb or mutton producer in this country who would support the continued dumping of frozen New Zealand lamb into this country. Tuna fishermen or sardine fishermen would never support this kind of general preferential tariff. I am sure Hon. Members of this House would not want to support the passage of these particular things in the Schedules if in fact there is going to be unfair competition from offshore for Canadian industries which are already in serious trouble.

Mr. Cosgrove: Mr. Chairman, the changed provisions will be Schedule I. Those changes in fact were recommended to the Government by the Tariff Board after holding hearings and having consultations with the public and industries affected. So the way in which a review is done continuously is through the Board. Obviously the Board would be motivated to enter upon those reviews at the request of affected industries, the public and Members of the House. Again, all I can say is that Schedule II items were not changed. Schedule I items were changed, and almost entirely all of the changes were on the advice, accepted by the Government, of the Tariff Board after holding hearings.

Mr. Fulton: To deal briefly with what the Minister has just said, Mr. Chairman, I do not know how a single member of this House can possibly pass Schedule I since it just contains numbers. We have absolutely no idea what the commodities are or what the position of the various producers in Canada is. I just feel somewhat hamstrung as a Member of this House to be, even on division, dealing with such things.

In Schedule II, for example, there is the item "fish packed or preserved in oil". I cannot imagine a single Member from the Maritimes representing fishermen who would support the continued introduction of New Zealand sardines with no tariff whatsoever. Certainly in the mutton and lamb industry we have known for some time there has been dumping of offshore meat products into this country without tariffs.

Mr. Cosgrove: With respect, Mr. Chairman, the Member might be assisted by reference to the notice of Ways and Means motion which was tabled in conjunction with the Bill and which has to be read alongside the Bill. Reference from the Bill to the Ways and Means motion would then provide the link, the description of the product and other particulars. That, of course, was part of its introduction, first of all in the budget, and secondly when it was tabled in the House for study and consideration—on the last occasion when this matter was discussed, which was in February of this year.

I would think a Member who has had representations from a particular industry would have had the opportunity of identifying those items. I have had no request from any Members since February or since the tabling of this legislation that the Bill be changed or that they have objection in this specific area.

Schedule II agreed to.

Schedule III agreed to.

Title agreed to.

Bill reported.

The Acting Speaker (Mr. Blaker): When shall the Bill be read a third time? Now?

Some Hon. Members: Now.

The Acting Speaker (Mr. Blaker): Or at the next sitting of the House?

Some Hon. Members: Now.

An Hon. Member: Now, by leave.

The Acting Speaker (Mr. Blaker): By leave, now.

Mr. Nielsen: Mr. Chairman, what stage are you reading now?

The Acting Speaker (Mr. Blaker): The Chair is at third reading, apparently.

Mr. Nielsen: The next sitting of the House.

The Acting Speaker (Mr. Blaker): Well, Hon. Members realize that we were proceeding more or less by an informal process and I have to take instructions from the House. Am I

to understand that third reading will be at the next sitting of the House?

Some Hon. Members: Agreed.

Mr. Nielsen: Mr. Chairman, with great respect, you take your instructions from the Standing Orders, and unless there is consent third reading will come at the next sitting of the House.

The Acting Speaker (Mr. Blaker): With great respect, that is precisely what I meant.

Mr. Nielsen: That is not precisely what you said.

The Acting Speaker (Mr. Blaker): I would dearly love a calm day after last night!

[*Translation*]

Mr. Pinard: Mr. Chairman, the rules are very clear on that point. Standing Order 75(14) states that when a bill has been reported by a Committee of the Whole, the motion "That the bill be now read a third time" can be moved. If hon. Members opposite are against such a motion, they can vote accordingly. However, the motion can be moved today. The Hon. Member for Yukon (Mr. Nielsen) has said that this cannot be done. Moreover, you said yourself, Mr. Chairman, no doubt inadvertently, when you interrupted him that this was precisely the point you wanted to raise yourself. However, I respectfully submit that, if you look in our Standing Orders, you will realize that when a bill has been reported by a Committee of the Whole, the motion for third reading can be moved the same day. If my colleagues opposite are not willing to proceed in this manner, we are quite prepared to wait if necessary. We are not obliged to do so under the rules; we do it simply as a matter of courtesy towards Hon. Members opposite, and I really wonder why we show them such courtesy. However, if you want to put the motion, we are ready to vote, and if you want to defer the vote, we are also prepared to agree that motion for third reading be deferred to a later date.

[*English*]

Mr. Nielsen: The Chair has made its ruling and we are happy.

An Hon. Member: What ruling?

The Acting Speaker (Mr. Blaker): The Chair will seek the assistance of the House. I indicated to Hon. Members that the Chair had been proceeding informally, as is often the case, listening to Hon. Members, particularly House Leaders, advising me which way things may proceed. Now, I undid myself, if I might put it that way, and I asked again for the views of Hon. Members as to how the House may wish to proceed.

I note the reference of the Hon. President of the Privy Council to Standing Order 75(14). The last phrase of that Order reads that a motion "may be made in the same sitting". I see no difficulty with it being made, but whether the motion will be accepted by the House is another question. The motion would be "That the Bill be now read a third time and passed".

• (1700)

Standing Order 72 reads as follows:

> Every bill shall receive three several readings, on different days, previously to being passed.

The Standing Order provides the following exception:

> On urgent or extraordinary occasions, a bill may be read twice or thrice, or advanced two or more stages in one day.

We could agree that we had completed second reading, if that is agreeable to all Members. Now, I need direction from Hon. Members on which way we will proceed.

[*Translation*]

Mr. Pinard: Mr. Chairman, I was referring to Standing Order 75(14), which states:

> When a bill has been reported from a standing or special committee, and no amendment has been proposed thereto at the report stage, and in the case of a bill reported from a Committee of the Whole, with or without amendment, a motion, "That the bill be now read a third time and passed", may be made in the same sitting.

Which means that the Hon. Member for Yukon (Mr. Nielsen) is totally mistaken when he suggests that such a motion cannot be introduced until the next day.

[*English*]

The Acting Speaker (Mr. Blaker): Do I hear a motion that the Bill be read a third time? May I put that motion to the House?

Some Hon. Members: No.

Mr. Nielsen: Mr. Speaker, I am sure you heard the Government House Leader say that we will be prepared to have the Bill—

The Acting Speaker (Mr. Blaker): I put the question "When shall the Bill be read the third time?", and I understood that the response to that was "At the next sitting of the House".

Mr. Pinard: I said "now".

The Acting Speaker (Mr. Blaker): I have a disagreement from the floor, so I shall put the question. The Hon. Member for Yukon is rising on a point of order.

Mr. Nielsen: Mr. Speaker, on a point of order, the Opposition showed its co-operation yesterday and it is showing it today in getting Government legislation through. Even if the Government House Leader's interpretation of the rules is correct, I am asking for his consent to put third reading over to the next sitting and to carry on with Bill C-129 now.

If that spirit of co-operation, that he has requested us to display, and which we have displayed, exists across the aisle, he will agree to providing that consent, even if he is correct, that we go to third reading of this measure at the next sitting

or whenever he chooses. I make that request in the spirit of continuing co-operation.

Mr. Pinard: Mr. Speaker, at the beginning I was most reluctant to impose third reading on another day because originally that is what was required by the Standing Orders. That is not the case now, when the Hon. Member for Yukon very politely makes the request that we agree to vote on third reading at the next sitting of the House. We are willing to agree to his request. We will vote at another sitting of the House, not necessarily tomorrow but at a sitting of the House when the Government sees fit to call the Bill back for third reading.

For the record, I should like it to be known that we had all our Members here today to vote on third reading, if need be. If third reading is deferred, it is not because the Government is not prepared, with all its Members in Ottawa, to vote on third reading.

Some Hon. Members: Hear, hear!

Mr. Nielsen: Mr. Speaker, I do not know what inference is intended, but we are in the same position with respect to Members being here and prepared to vote. That was not the reason for asking for the Government's co-operation in consenting to defer third reading until the next sitting.

Mr. Deans: Mr. Speaker, what is going on? I rise to seek clarification. Quite obviously there is an inconsistency here. I am curious to know how one can interpret Standing Order 72 in light of Standing Order 75(14). Standing Order 72 reads:

> Every bill shall receive three several readings, on different days, previously to being passed.

There is no ambivalence about that; it is quite clear that a Bill shall receive three several readings on separate days. Standing Order 75(14) provides that a motion may be made "That the bill be now read a third time". It says "may be made", Mr. Speaker. It does not say how the motion is to be disposed of, however.

The question that arises in my mind is, which of the two sections takes precedence? I should like to refer that matter to the Chair.

[*Translation*]

Mr. Pinard: The discussion is academic since we have agreed that third reading be given at a later sitting.

[*English*]

The Acting Speaker (Mr. Blaker): I think the Chair would be even more unwise than usual to give hypothetical rulings on questions. If I do not need to get near a ruling I would rather not. I have enough trouble with the rulings that I have to get near.

Mr. Deans: As long as you make no ruling, I do not care.

The Acting Speaker (Mr. Blaker): There appears to be an agreement, which has not reached the stage of a procedural agreement, that we do not have third reading right now. I do not need to say anything more about the subject than that. We will proceed to the next order.

* * *

BRETTON WOODS AGREEMENTS ACT

MEASURE PROVIDING FOR REDUCTION OF INTEREST RATES

Hon. Paul J. Cosgrove (for the Minister of Finance) moved that Bill C-129, an Act to amend the Bretton Woods Agreements Act and the International Development Association Act, be read the second time and referred to the Standing Committee on Finance, Trade and Economic Affairs.

The Acting Speaker (Mr. Blaker): Is it the pleasure of the House to adopt the motion? There are some Members standing but I cannot determine whether they are doing so because they want to be recognized or because they are in motion, or whatever.

Miss Jewett: Mr. Speaker, I thought the Minister of Finance (Mr. Lalonde) or the Secretary of State for External Affairs (Mr. MacEachen) would speak on second reading of this Bill, as happened on other occasions. If there is someone present who is going to speak, of course I shall sit down.

Mr. Cosgrove: Mr. Speaker, what instructions did you ask of the House? I am sorry. You asked for instructions from the House as you introduced the Bill. Could you repeat them?

The Acting Speaker (Mr. Blaker): I am not sure what is happening today but nothing is working very well so far. The Chair read the usual form introducing second reading of this Bill. Following that, I would ordinarily recognize the Minister whose name is attached to the Bill. If the Minister wishes to speak, perhaps the Hon. Member for New Westminster-Coquitlam (Miss Jewett) would permit him to do so. I have been waiting for a Minister or anybody else on my right to stand, as is the usual practice. Shall I recognize the Hon. Minister of State (Finance) (Mr. Cosgrove)?

Some Hon. Members: Agreed.

Mr. Cosgrove: Mr. Speaker, I have the honour, on behalf of the Minister of Finance (Mr. Lalonde), to move second reading of Bill C-129, an Act to amend the Bretton Woods Agreements Act and the International Development Association Act, referred to as the IDA Act.

• (1710)

The International Bank for Reconstruction and Development, or the World Bank, was established near the end of the Second World War, first to assist in the rebuilding of war-torn Europe, and then subsequently to help in fostering economic development in developing countries.

In 1960, in order to accelerate the work of the World Bank in the very poorest countries of the world, member countries of the World Bank established the International Development Association, or IDA. Canada was a founding member of both

institutions to which I have referred, and through the years support of the World Bank and IDA has remained and will remain an important and secure part of Canada's aid program.

In 1980, the Government of Canada committed itself to reversing the trend of the last years of the 1970s and to expanding Canada's Official Development Assistance Program to 0.5 per cent of GNP by the middle of the decade and to use its best efforts to achieve 0.7 per cent of GNP by the end of the decade. In the economic statement of last week, the Minister of Finance reaffirmed this commitment. While planned ODA expenditures will be somewhat less than were planned a year ago, they will still be growing nonetheless at a strong pace and will absorb a growing portion of our national product. This growth will allow Canada to meet its international commitments both through bilateral and multilateral aid.

The World Bank and IDA are the single most important multilateral institutions in the world dedicated to fostering economic health and well-being. Working on the base of a small amount of cash provided by governments, recently just 7.5 per cent of the Bank's capital, the World Bank went out and used the remaining callable capital guaranteed by governments to borrow in the international capital market. These resources were then lent to developing countries on commercially related terms for economic development projects.

These projects are carefully chosen and evaluated by World Bank staff in co-operation with local authorities in user countries to ensure that the projects are well designed and have a high rate of return. For example, in 1982 the World Bank approved some 150 loans valued at over $10.3 billion to more than 43 developing countries.

On the other hand, IDA depends almost totally on government contributions to fund its program of long-term loans on very concessional terms to developing countries with annual per capita incomes below $730. However, IDA projects must also maintain the same high quality characteristics of World Bank-financed projects to which I have referred and, where necessary, technical assistance is provided to ensure that the objectives of the projects are achieved.

In 1982, IDA approved 97 loans to 42 borrowing countries valued at some $2.7 billion. However, the contribution of the World Bank and IDA to the improvement in the quality of life in poorer countries far outweighs the reference to dollar value which I have just indicated. These projects are leaders in the assistance of building essential social infrastructures of user countries.

In the difficult world economic and financial situation, the needs of developing countries or poorer countries are particularly acute. At a time when they are faced with growing demands for a better quality of life for their people, lower demand and prices for their exports and higher debt loads have resulted in a reduced capacity for their governments to meet the needs of their citizens.

The World Bank and IDA are playing an important role in helping to sustain development programs in developing countries. In providing valuable foreign exchange, the Bank and IDA also help to stabilize the international financial system and to maintain demand in developing countries for the exports of industrialized countries. I should like to emphasize this by repeating it. I think the point is obvious, that in providing valuable exchange the Bank and IDA also help to stabilize the international financial system and to maintain demand in developing countries for the exports of industrialized countries which contribute to the funds.

A lessening of aid at this time would further weaken the prospects for economic development in these countries both now and in the future. The related Bill C-130, being introduced by the Secretary of State for External Affairs (Mr. MacEachen), to provide funding for a number of regional development banks of which Canada is a member will also assist in maintaining essential aid flows. The President of the Privy Council (Mr. Pinard) referred to that Bill and indicated that it will be before the House shortly.

Bill C-129 will permit Canada to continue to help the World Bank and IDA carry out their present function in this important work. The first part of the Bill amends the Bretton Woods Agreements Act which governs Canada's participation in the World Bank. The amendment raises the value of the shares of the World Bank that can be purchased by Canada from the $1,112,200,000 currently in the Act to a new amount of $2,178,200,000. These obligations are measured in 1944 U.S. dollars which are currently equal to about $1.47 Canadian. In layman's language, the amendment will permit Canada to subscribe to some 10,410 World Bank shares valued at approximately $1,600 million in current Canadian dollars. This is equal to 3.19 per cent of the U.S. $40 billion general capital increase. However, only 7.5 per cent of the face value of the shares, or some $120 million Canadian, must actually be paid in over a four to five-year period. As I indicated, the remainder of our subscription is callable and represents a contingent liability for the Canadian Government.

Subclause 4(a) of the Bill amends the IDA Act in order to permit Canada to honour its commitments to the sixth in a series of resource replenishments of IDA since its founding in 1960. This sixth replenishment of IDA was negotiated in 1979 as a three-year $12 billion replenishment for the period 1981-83. Canada agreed to contribute 4.3 per cent, or $601.8 million Canadian.

Subclause 4(b) amends the Act to provide a supplemental contribution to IDA in order to provide some $200.6 million Canadian for IDA. This is a bridging year between its current or sixth replenishment and its next replenishment which will proceed in due course.

The bridging arrangement is required because what had been intended to be a three-year replenishment of IDA has extended into the fourth year due to delays in U.S.A. contributions. In order to avoid a drastic decline in IDA resources during the fourth year, other major donor countries, expect the U.S.A. and including Canada, agreed in Toronto during the World Bank's last annual meeting to make additional contributions to IDA of some $2 billion. I am sure it is apparent that

the Canadian delegation played a very prominent role in achieving this agreement.

• (1720)

The payments to the World Bank and IDA will be made in the form of non-interest bearing notes issued by the Minister of Finance over the next four years. Actual encashments of the notes will take place, however, over a number of years as the World Bank and IDA make disbursements on projects and programs in the developing countries. The budgetary implications of these amendments in any one year are, therefore, not large and have been taken into account in the budgetary forecasts of the Government.

In conclusion, I have some comments as to the importance and significance of the issues raised in the Bill before the House. I have made reference, of course, to large amounts of money and a number of figures.

As all Hon. Members probably know, developing nations have been hard hit by the one-two punches of higher oil prices followed by the international recession and high interest rates to which I have referred. Their finances and their borrowing capabilities are at present sorely strained.

In addition, the developed nations have been equally hit by the international recession, and in many cases have found themselves under pressure to curb assistance to the World Bank. Many of these uncertainties arose at the 1982 annual meetings of the Board of Governors of the International Bank held this September in Toronto. There was frankly, Mr. Speaker, deep concern that strains created by the delay in the U.S. contribution to the IDA could cause the crumbling of the current system of multilateral burden sharing. Notwithstanding that bridging agreement, the challenge to the supporter countries, to the Bank and to IDA remain and continue to exist. There will be challenges to all contributor countries.

This Bill before us today represents a confirmation that Canada will not desert the developing nations when they need help the most. This Bill is a confirmation not only to Third World nations themselves, but to developed nations, who under pressure at home—like Canada—might be considering cutbacks in support to Third World lending programs.

It is in that context that I call upon and urge all Members of the House to join the Government in making apparent the extent of support of Canadians in the commitment to these programs and to speed the support and consideration of this Bill, which is so badly needed by developing countries.

Hon. Michael Wilson (Etobicoke Centre): Mr. Speaker, today we are considering Bill C-129, to amend the Bretton Woods Agreements Act and the International Development Association Act. I am pleased to put before the House the position of the Progressive Conservative Party on this legislation. In doing so, I want to recognize the importance which these two very vital institutions have played over the past number of years, particularly in recent years, in the international financial markets of the country. They have maintained the stability of these markets by fostering economic growth in some of the underdeveloped countries of the world. Through the complementary role they have played with the International Monetary Fund, they have helped countries to adjust and find ways out of their economic problems.

The purpose of the legislation is to increase funding available both to the World Bank—the International Bank for Reconstruction and Development—and to the International Development Association which will allow them to continue to play the very important role they have played over the years.

The first basic part of this legislation is to authorize an increase in the Canadian contribution to the World Bank as part of an over-all doubling of its capitalization. This will assist the World Bank to continue the lending programs it has undertaken over the years in its practice of lending development funds basically on a commercial basis.

The second part of the legislation is to provide funding to the International Development Association, which is the agency that provides loans on soft terms to the less developed countries of the world—the poorest countries—in order to help them develop and grow. These two agencies have played a vital role and have been critically important in the past 20 or 30 years to the workings of the world economy.

In considering this legislation, we should stand back and look at the position in the international economy today. I have to say that this position is not encouraging. There is inflation as a result of oil price shocks, basically negative growth in so many countries in the world today, high unemployment and balance of payments problems, all of which have eroded the stability of the international economy. There has been an increase in protectionism as pressures on many countries develop. This threat of increased protectionism causes even greater pressure on the system than has been the case.

Another problem has been the deflationary pressures on some of the major commodity prices. The extreme pressure which this puts on those less developed countries in the world who rely to such a great extent on the export of natural resources obviously has created problems for those countries.

Finally, the current slowdown in the industrialized countries of the world, the United States, Europe, Japan and Canada, in itself adds to the pressures that are being placed on the less developed countries of the world. The outlook for the immediate future obviously is very grim. It is important for the industrialized countries of the world to understand the impact of this grim outlook on their own economies. More than one-third of the exports of the United States, Japan and the European Community are to the less developed countries of the world. The situation for Canada is not quite the same, but exports are still a significant part of our economy. They are a growing portion and Third World countries are potentially a good source for our markets in the years ahead.

Canada can look at this request for increased funding in two ways. We are a developed country and we are an industrialized country. I think we have an important role to play in the growth of the international economy by getting our own house

in order, by getting our own inflation under control, by maintaining the monetary discipline that will lead to lower rates of inflation, and by controlling our deficits and government spending. Government spending has played such an important factor in the growth of inflationary pressures.

We must also look at the role we have played in improving our own productivity. We were reminded only two weeks ago of the fact that Canada's productivity record is the worst of the industrialized nations of the world. That is hurting our competitive position and causing more weakness in the over-all world economy because Canada is not pulling its weight. Canada is not doing the job it can do. People in this country have been urging the Government to perform. We can also consider the problems faced by the less developed countries in the world with a certain degree of empathy because, like them, we have a very extensive resource base which is a very important element in our balance of payments and economic position as a result of the jobs they create, the economic activity emanating from the mines, forests and so on in our country today.

• (1730)

We have suffered from the weakness in the metals markets. We see that only too clearly with the announcements out of Schefferville or Sudbury and in the Yukon and British Columbia. We also see the tremendous weakness in the forest products industry in British Columbia and in Ontario and the impact of energy prices on our energy industry today. These are all areas where we have suffered in the past year because of weakness in the over-all world economy, and those pressures which are felt in our country in those industries are very similar to the pressures felt in the less developed countries in the world. They have led to increased unemployment, particularly in those communities which are very reliant on the resource industries. There we have a very clear illustration of what is going on in some of the less developed countries which are totally reliant, for their export market, on the export of natural resources. Fortunately we have a stronger economic base. We have a manufacturing base and we export manufactured goods so that the impact of the world slowdown and deflationary pressures on mineral prices is, relatively speaking, less important to Canada as a whole but, obviously, is very important to those parts of the country which are directly affected.

I think we understand the position in which the less developed, poorer countries in the world find themselves today. However, we must also stand back and ask whether we are doing our part as important members of the world economic community, whether we are doing enough to bring back economic growth, or whether we could do better in addressing the needs of the world economy in the adjustment out of the very slow growth period we are in now, and in moving into an area of growth. We in the Conservative Party say that we must do better if we are to pull our weight in the world today. We must do better in productivity. We have not made any progress in productivity over the last three years. We have seen some progress in dealing with inflation over recent months, but it is a very slow recovery and it is much more related to the tremendous weakness in the economy today than to any actions taken by the Government to reduce these inflationary pressures.

Job creating investment activity in the country today is very weak. It is one of the key elements in the slowdown of our economy. Control of deficits is the key element and has caused great concern to members in the world financial community. Our record in controlling deficits has been absolutely atrocious. I do not need remind Hon. Members that estimates of our deficit going from $10 billion to $20 billion, and now approaching $25 billion, give no sense of confidence that we have our own economic affairs under control. Finally, in economic growth, we are still very much at the bottom end of the list of industrialized countries. So, we are not doing our job. We are not doing as well as we could to help the world itself get out of the economic morass it is in today.

Because of bad decisions and inaction on the part of past Liberal governments, the effort of pulling ourselves out of the recession has been particularly painful. The recession is causing tremendous problems in unemployment as well as tremendous social and political problems. The transition to recovery has been very slow and leaves us just that much more exposed to continuing economic problems in the international economy. However, as our recovery continues to be slow, we are unable to help in world economic recovery as we could if we were a healthier country. We must remind ourselves today of the fact that we are a part of the international economic community, and the more we can do to help ourselves, the more we could do to help other countries in the world.

Developed countries are the key to the health of the world economy. If there is continued stagnation in the United States, Europe, Japan and in other countries, there will be greater and greater economic problems for the less developed countries. The most vivid example concerns the problems being experienced by Mexico, but we should not simply look at Mexico, because other countries, like Argentina, Brazil, Zaire and some of the other African nations, are undergoing excruciating domestic pressures.

The debate today is a reminder that although the Government continues to blame the world economy, we are part of that world economy and must do our utmost to help it by working to bring about a healthier and stronger Canadian economy. The November budget had a very negative impact on job creating investment. The National Energy Program did tremendous damage to the oil and gas industry in the country, the one industry which was performing very well. The performance of the Foreign Investment Review Agency has slowed down economic activity in the country, as a result of obstacles it placed in front of that process. All these were wrong policies, policies which inhibited economic recovery in Canada.

I think we need only remind ourselves of the report in the paper this morning wich illustrated that the performance of the Foreign Investment Review Agency in the past few months

has been turned around quite considerably from its performance in the previous two years. You must ask yourself, Mr. Speaker, why did the Government take over two years to implement these changes in the Foreign Investment Review Agency process? They are fundamentally the same changes to which we had agreed in 1979, in a Conservative Cabinet, which asked the Provinces for their comment before implementation. Once the comments came back from the Provinces, nothing was done by the present Government for two years. Therefore, we suffered during that two-year period, and the statistics in the paper demonstrate how easy it was for the Government to change that direction. However, the blockheaded nature of the former minister of industry, trade and commerce in following his own extreme nationalist thinking in stopping investment in the country has caused some of the problems we are facing today and has certainly exacerbated our unemployment problem.

Therefore, we should play our role in getting our own house in order so that we can alleviate the strains of people here in Canada, the pressures about which we read in the newspapers and in letters from our constituents, concerning the break-up of families, the increase in the divorce rate, suicides, increased crime rate and increased alcoholism. These are the social pressures that we see in Canada. However, when one considers the much more severe social and economic problems in the less developed countries in the world, we see the impact on our country in a microcosm.

The economic stresses also lead, in a very real way, to the protectionist pressures to which I referred a minute ago. We see this directly in the United States because there is such a direct impact upon our own country as a result of the number of bills before Congress today, the action taken by Congress in the trucking industry, the threat to our forest products industry and the "Buy American" legislation. These affect us directly. However, because some of those bills have a very broad effect in the world today, they will also affect the rest of the world, particularly the less developed countries which do not have the strength in their economies to resist the pressures such as Canada is able to do.

• (1740)

At the same time that we see these problems developing, we should consider the aggregate balance of payments deficit in the less developed countries which will have approached $90 billion in this current year. In aggregate, it will amount to some $500 billion. We look at the twin problems against that background of the high interest rates—and let us not forget that 10 per cent and 15 per cent interest rates today are still extremely high considering the huge $500 billion debt of those less developed countries—and the current practices of the commercial banks. They are pulling back somewhat from the role they have played because of the extent of the risk that they are exposed to, the extensive nature of the problems in the less developed countries, as well as the potential losses they are facing, particularly in view of the very real problem of the Mexican situation today.

This is the background to the legislation before us today on which we consider the request by the World Bank and IDA to replenish their capacity to lend money to the rest of the world today and particularly to those Third World countries.

I would remind the House that the World Bank lends money to the faster developing countries on harder terms, comparable to commercial terms, while the IDA is lending money on soft terms which are basically grants. Their terms are 50 years with no interest.

Let us review some specific numbers in relation to what is happening in the commercial banking community today. These figures illustrate a problem being faced by the poorer nations and the consequent relative increase in the importance of the World Bank and the International Development Association. Despite an increase of $16 billion in the aggregate current account deficit of the non-oil developing countries last year, bank lending to those countries increased only marginally, from about $49 billion in 1980 to $50 billion in 1981. The financing by this bank lending rose from approximately 39 per cent during the 1974-75 period to almost 60 per cent in 1979 to 1980. In 1981, the borrowing from banks fell back to approximately 50 per cent of the financial requirement. Obviously, there is a greater role for these international lending agencies to play.

Commercial bank lending to the low income countries and other net oil importers has obviously declined. Bank lending to the low income countries also fell during this same period, from a peak of almost $3 billion in 1979 to less than a billion dollars in 1981. This occurred during a period when the aggregate deficit of these countries rose by almost 40 per cent. The most marked deceleration in bank lending has been experienced by a group of the less developed countries known as the net oil importers. That is the background that we are looking at today. It clearly points out the important role that must be played by the multilateral lending agencies.

Clearly, the role of the commercial banks has declined due to the fragile nature of today's financial system, and the importance of the World Bank and IDA has increased, particularly in the case of the International Development Association. I am not suggesting that the role of the great international banks as key interveners will substantially be transferred to these international agencies, but there is a bigger job to be done and there is clearly an important need for the multilateral lending agencies today.

Canada must take its role seriously in fostering the stability of the international financial system. In a time of international financial stress, multilateral co-operation is a key factor in economic development, as is aiding the International Monetary Fund, the IMF, in its role of helping those countries through the adjustment process needed because of that economic stress I have mentioned.

As I have said, we must get our own economic house in order in particular to participate in the economic recovery that we so clearly need today. However, we also have a responsibility to our partners. Canada is one of the seven members of the Summit nations. Being a member of the Organization for

Economic Co-operation and Development, we are also one of the leading industrial countries in the world. We are not making use of our country's untold natural benefits which include natural resources, mineral resources and energy resources. We are not making use of our ability to produce such vast quantities of food to the extent that we should.

Two weeks ago I reminded the House of the position of Canada in the world today. Of 81 countries in the world, measured by Euromoney in a composite measurement of economic growth, control of inflation, the competitive position of the country and its performance on the exchange rate, we are number 40. This is evidence that we are not doing nearly as well as we should be doing. For this reason we must get our economic house in order. Not enough is being done to assist this recovery and to reduce the volatility and instability in the international financial community. We must do more to restore confidence in our economy. Through that, we can do our part in aiding the rest of the world.

Against that background, let us consider Bill C-129 which is a Bill to increase financing, for the World Bank and the International Developing Association. We must ensure adequate funding for these agencies because of the magnitude of the international problem. I am not suggesting for a minute that problems can be solved by simply handing out money. We must also recognize that there is a limited amount of capital in a country such as Canada and the other industrialized countries of the world.

We must recognize, however, that aid is only part of the solution. The key to recovery of the less developed countries is to fight protectionism and keep the world trading system open. This is far more important than aid. Canada must do everything it can to resist protectionist pressures both within our borders and that of the other countries which are so important to us such as the United States, Japan and the European countries. We must fight protectionism in order to allow the less developed countries in the world continued access to world trading markets. If they do not have that access to the markets or to the technology transfer that can take place in the developed countries of the world, the world community will face serious problems in ten or 15 years.

That, too, is only a small part of the problem. Today we are focusing on the purpose of this Bill which is to provide more money for the over-all development process. Money is a very important element in the supportive role which developed countries can play in the recovery of the less developed countries of the world. Under the provisions of this Bill, the International Development Association is requesting approximately $600 million. We should understand that this will be drawn down over a ten year period. It is called the Sixth Replenishment. As the Minister pointed out, it is expected that that replenishment will look after the needs of the IDA for approximately the next three to four years.

• (1750)

Canadians must participate in this program because the International Development Association is the most important agency in the world today to assist the less developed countries. Confidence in the international financial system depends on the willingness of developed countries to play a role through multilateral agencies like the World Bank and the International Development Association.

If Canada and other countries do not play that role, the commercial banks will start to withdraw as well. If they see the confidence of governments of developing countries slipping in their ability to survive in the present state of the world, they too will slip. There is more need today for co-operative work between the commercial banking sector and the multilateral international financial agencies. The lack of such co-operation will result in a severe recession, and a depression will possibly follow.

Canada has an option. The Minister did not refer to it directly in his comments. Under the International Development Association rules, there is an agreement whereby if the United States does not take its full share of the requirements of IDA, other countries do not have to pick up their share. They can cut back on a *pro rata* basis comparable to the United States.

The United States has cut back significantly. It has cut back its participation at this time to less than 50 per cent of that which it would have to do if it were to play its full role. Other countries, including Canada, could also cut back. Others have not. I do not believe that Canada should cut back.

We believe Canada should continue to play the role it has played in the international financing community because of the importance of this lending and the effect which withdrawal of this lending could have if the tendency initiated by the United States spread to other countries. The overwhelming consensus at the World Bank meetings in Toronto in September was that the amount the IDA is asking for is an appropriate amount. The United States did not agree. It said that the extra money would make the fund act too quickly to save countries from the consequences of their own improvidence. There is a belt tightening that is going on and is necessary in the world today.

The United States is uncomfortably aware that doubling the national contributions can have a very important impact on their internal financial problems, because the United States is a 20 per cent participant. That is an extremely large role for the United States to play relative to its size in the world community. That would amount to a $13 billion contribution, a very large amount of money.

Even though the United States has cut back almost all its contributions, if not all, countries have decided to pick up their pro rata share and have supported the International Development Association in this way. Having said that, I believe the Government of Canada should assess its position very carefully on an ongoing basis. Can we continue to play as large a role as we have in supporting these multilateral institutions? If our economic performance continues the same, if we continue to have a weak economy, particularly when we come out of the recession on a world-wide basis, we in Canada may have to cut

back. This places a greater emphasis on doing what we can in Canada to get our house in order.

I also mentioned the problem of procurement for the World Bank and IDA for the goods and services needed to complete the projects. Canadian companies are not getting their *pro rata* share. This has been a matter of continuing concern to those in the Conservative Party.

Over the years we have seen an increased role the Canadian companies have been able to play, going from about 1.3 per cent about ten years ago to the current level of about 2.7 per cent. That amounted to about $730 million in 1981, but it was not enough. It does not give us our *pro rata* share which is something just short of 4 per cent. Therefore we have further to go on the question of procurement and the importance of providing jobs in this country, not in the United States, Germany or Japan which are competing with us to supply these projects.

Finally, the Government must consider whether our aid and development money is being spent as carefully, with as little waste as possible and in the best interests of the receiving countries. There is on ongoing debate in Canada on this subject. As we are in a recession, spending of this magnitude is a very important consideration on the part of Canadians in seeing how the Government spends the taxpayers' money. Can we afford this kind of money?

When the Conservative Party was in Government in 1979, we authorized a full review of the role that multilateral agencies play in our aid programs, as well as the role which CIDA plays. This review was to commence in the early part of 1980. It has not yet taken place. We in the Conservative Party feel this review must take place so that people in this country who are concerned over the role and the performance of our aid program will have the opportunity to state their case and have it aired in a public forum so that there can be a full, hard-nosed debate on the merits of our aid program and what Canada should be doing. We want to have that open debate. I urge the Government to have this debate. It will be held shortly after the Conservative Party forms the next government. However, I urge this Government to move ahead with it soon because of the interests Canadians are showing in all these areas such as the role of the multilateral agencies, the non-government organizations, CIDA, the program projection I referred to, waste, the impact on receiving countries and so on.

Mr. Cosgrove: You mean you do not want the answer until the year 2000?

Mr. Wilson: The Minister says we will have to wait a long time. We will not have to do that. Call the election today and we will have that review of aid programs started by the middle of next year. We in the Conservative Party are still committed to that review and it will be carried out as soon as the election is completed.

In conclusion, it is my view that the World Bank and the International Development Association have an important role to play in the international financial community. It should continue to receive the support of Canadians. Some feel that more support should be given, others that considerably less should be given. The consensus reached by Canada and other industrialized countries of the world is that the amount requested in this legislation is about the right amount. Some feel that Canada's record of foreign aid performance can be improved upon. We agree. That is why we asked for that committee. We feel that if we are to control waste and all these other things I mentioned, there should be that open debate by a committee in order that the performance of Canada's foreign aid program can be improved considerably.

We must also keep under constant review the over-all level of aid and the balance between the multilateral agencies and the bilateral aid we make directly available to countries of our choice. All of these are important considerations. Taking all these factors into account, I want to say that the official position of the Progressive Conservative Party is that we support this Bill.

• (1800)

PROCEEDINGS ON ADJOURNMENT MOTION

[*Translation*]

SUBJECT MATTER OF QUESTIONS TO BE DEBATED

The Acting Speaker (Mr. Corbin): Order, please.

It is my duty, pursuant to Standing Order 40, to inform the House that the questions to be raised tonight at the time of adjournment are as follows: the Hon. Member for Halifax West (Mr. Crosby)—National Defence—(a) Government decision on movement of naval reserve headquarters. (b) Request that Prime Minister act on issue; the Hon. Member for Notre-Dame-de-Grâce-Lachine East (Mr. Allmand)—Charter of Rights—Legal costs faced by English school applicants in Quebec; the Hon. Member for Algoma (Mr. Foster)—Canada Post Corporation—Letter carrier walk services.

GOVERNMENT ORDERS

[*English*]

BRETTON WOODS AGREEMENTS ACT

MEASURE PROVIDING FOR REDUCTION OF INTEREST RATES

The House resumed consideration of the motion of Mr. Cosgrove, that Bill C-129, to amend the Bretton Woods Agreements Act and the International Development Association Act, be read the second time and referred to the Standing Committee on Finance, Trade and Economic Affairs.

Miss Pauline Jewett (New Westminster-Coquitlam): Mr. Speaker, we in this Party of course do support Bill C-129. In fact, we would say, thank heavens for the World Bank, and above all for the "soft window" as it is called, the International Development Association. We do not have the same faith as the previous speaker in the operations of the commercial banks when it comes to the understanding of and assistance—

Mr. Wilson: Where would we be if we did not have the commercial banks?

Miss Jewett: I will tell you in a moment if you will stay.

The commercial banks do not have the understanding of, nor have they really provided any assistance to, the developing countries. In fact, they have undermined them through their almost totally irresponsible behaviour throughout the 1970s in the expenditure of their petro-dollars. If the Hon. Member who has just spoken had been on the External Affairs Subcommittee on Canada's relations with Latin America, and had visited and talked to the people with whom the members of the Subcommittee did, he would not be quite so flattering and complimentary about the role of the commercial private institutions and, above all, the private banks, as far as the developing countries of this world are concerned, and indeed, as far as some of the developed countries are concerned.

It was the former Minister of Finance of Colombia, who was the only Minister of Finance of a vast number of developing countries, who refused the attempts of the private banking sector to give easy loans in the 1970s. He said, they were on their knees before us to try to get us to take out very, very large loans. The Minister of Finance at that time said he felt that going into such indebtedness would be a mistake. He was unpopular at the time, of course, but he proved to be right. All the Governments in that part of the world which we talked to agreed that the enormous overextension into loans at the instigation of the private banking sector, had been a very great mistake.

When the Hon. Member for Etobicoke Centre (Mr. Wilson) says that his main reason for supporting institutions like the World Bank or IDA is that if we do not, then maybe the commercial banks will not be as concerned about the developing world, I can only say to him that is absolutely the worst reason to argue for the support of international financial institutions.

The Hon. Member talks about the problems of the seventies and eighties in the international economic order. He talks primarily about the fact the banks may not be making quite as big profits as they made all during the seventies. He just seems to assume that, and perhaps the Government does as well, because we cannot persuade the Government that we should have at least a declaratory statute informing us where the major outflows of this private capital go. The Hon. Member never mentions the kind of profits the banks took out of the developing world. That is where they got most of their profits in the seventies. He never mentions that. Maybe the Hon. Member and the Government also feel that the banks and the multinationals as well, somehow are going to save the countries of the less developed part of the world. I say, thank heavens for the IDA, which is what we are discussing in the second part of this Bill, and indeed for the World Bank as well, which is the first part of the Bill and is pretty routine.

The most important part in relation to the IDA, which was touched on by the Minister and the previous speaker, but I think not fully enough, is that Canada and, indeed, all other members of the IDA are going to commit supplementary resources, to the IDA, Canada, in the amount of $200,600,000. This is being done for one simple reason, not that the United States has simply, as the Minister said, delayed its contribution, but that it has quite deliberately decided to spread its $3.2 billion commitment over four years instead of three. No word of criticism was heard about why the United States was doing this, but according to its own word it is doing this because the Reagan administration has been extremely suspicious of the countries receiving development assistance through the IDA, arguing that they are sloppy in managing their economies and that the reason for that is that they know they can fall back on aid. This is a sort of chastisement to the recipients. I wonder if the Reagan administration or the Minister, or the Tory speaker have ever looked at the results of that aid, particularly in the poorest countries. Eighty per cent of the loans from IDA go to countries with per capita annual incomes of less than $410. The economic returns on the loans average 18 per cent plus and that is just the quantifiable returns. Non-quantifiable returns, of course, would include the development of institutions within the country's policy reforms, and so on. Furthermore, several former IDA recipients are now IDA donors. Finally, IDA loans have never exceeded 2 per cent of total investment in recipient countries over-all. I think if we were a bit more open in our criticism of this cutback by the Reagan administration to IDA, if we did not allow them to get away with the crazy argument that the countries are sloppy in managing their economies, when economic returns have averaged 18 per cent plus, it would be more desirable than simply not saying anything.

IDA is absolutely fundamental. No commercial banks are going to get into IDA No other organizations except in the bilateral areas are going to get into something like IDA Even in bilateral assistance, it probably will become less rather than more in the future.

I was interested when the Minister talked about the commitment of the Minister of Finance (Mr. Lalonde) not to go back on the 0.5 per cent of GNP for Canadian aid by the middle of the decade and 0.7 by the end of the decade. Of course, because of the drop in GNP there will have to be extremely substantial reductions in Canada's aid program over the next several years, reductions which were already begun by the Minister of Finance in his economic statement the other day. It is not, therefore, too hopeful a scene, as far as Canadian development assistance is concerned. All the more reason, therefore, to be grateful for our contribution to IDA The idea, somehow, that Canada can only provide assistance to the less

developed parts of the world after we have looked after ourselves, forgets completely that our interests and the development of the developing world are mutual. They are interrelated. There are markets there for them and for us in the future. It seems to me that we do a disservice to the whole concept of development assistance, whether it is bilateral or through an agency like the World Bank, particularly the IDA. We do a disservice to that organization when we constantly say, as Liberals and Tories are saying, that we may have to reexamine our development assistance programs and the amount of money we are actually providing. It may be too much. We may not be able to afford it. That, to me, is just cutting off our nose to spite our face.

• (1810)

When you look at that part of the world we generally call the south and its enormous potential—I can speak immediately of South America, having visited there for some days, but for other parts of the world as well—it is so very shortsighted to think that there is any logic at all inthat kind of argument. The two go hand in hand; our development, world development, particularly developing world development. It is in both our selfish interest and in their interest, our mutual interest, that we not only support this Bill and the supplement I made particular note of in Clause 4(b), but it is also important to keep in mind Canada's individual financial developmental assistance programs with particular countries.

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

Some Hon. Members: Question.

Mr. Smith: Mr. Speaker, I believe some discussions have taken place between the Parties, and I understand that if we seek the consent of the House to go into Committee of the Whole and complete this Bill today, that that might be forthcoming.

Some Hon. Members: Agreed.

Motion agreed to, Bill read the second time and, by unanimous consent, the House went into committee thereon, Mr. Corbin in the chair.

The Assistant Deputy Chairman: Order. House in Committee of the Whole on Bill C-129, to amend the Bretton Woods Agreements Act and the International Development Association Act.

The Deputy Chairman: Shall Clause 1 carry?

Some Hon. Members: Carried.

Clause 1 agreed to.

The Deputy Chairman: Shall Clause 2 carry?

Some Hon. Members: Carried.

The Deputy Chairman: On Clause 2, the Hon. Member for York North.

On Clause 2—

Mr. Gamble: Mr. Chairman, we heard from the Minister as he introduced this Bill that the requirement for these funds totalling an additional $1.066 billion arose as a consequence of our obligation to acquire shares in accordance with the provisions of the Bretton Woods Agreement. It is significant Mr. Chairman, if we examine the terms of that agreement, and in particular the Second Schedule thereof, that, with respect to the issue of the acquisition of shares and additional shares that you will find under the provisions of the general operative Clauses relative to additional subscriptions there is no obligation imposed upon any member country to acquire additional stock in the Bank. We were also told that the quantum of acquisition in terms of dollar value really represented an obligation to take down 7.5 per cent in actual cash, with the balance of 92.5 per cent to be allocated and taken down contingently with the issuing of notes of the Government of Canada.

If we examine the Clause specifically we find that:

> The Minister of Finance may provide for payment out of the Consolidated Revenue Fund to the International Bank for Reconstruction and Development in the manner and at the times provided for by the Agreement therefor set out in the Second Schedule, of a sum or sums of money, not exceeding in the whole an amount equivalent to the subscriptions required or permitted from Canada, that is to say, two billion, one hundred and seventy-eight million, two hundred thousand United States dollars—

It is this additional requirement for funds, Mr. Chairman, to which I draw the attention of the House. This requirement increases by a total of $1.066 billion the funds to which Canada had originally subscribed. While it is true that of the additional subscribed shares referred to by the Minister only 7.5 per cent need be paid for in cash, there is nevertheless an outstanding obligation to pay for the balance.

We have heard from all Members of this House who have spoken, that they favour the provisions of this anticipated piece of legislation. We have been told that despite the fact we have severe economic circumstances facing us today, our obligation to the Third World over-ride the considerations which we as Members of Parliament have for our constituents and our country. We are dealing, Mr. Chairman, not with an inconsequential amount of money, but with an amount in excess of $1 billion. It was not long ago in this House when the Minister of Finance came before us and claimed, among other things, that we had severe economic problems. He said on page 5 of his prepared text that the recession has been deeper and longer lasting in Canada than the Government anticipated when the June budget was presented. We are going through the most severe economic turmoil since the 1930s. Yet tonight in this House we are presented with a Bill which calls on the taxpayers of this severe economically depressed nation to cough up an additional $1.066 billion, and I hear not a word of complaint from anyone speaking with respect to this issue. If any additional evidence was needed to prove that Members in this House are either silent by obligation or have lost contact with reality, it is surely this Bill and the way in which it has been received.

• (1820)

We are not dealing with ordinary financial circumstances in Canada; we are dealing with circumstances which are dire, and which, according to the Minister of Finance, are as severe as any since the 1930s. He went on to indicate that the thrust of Government policy should include, among other things, as referred to on page 12 of the printed text of his speech, the reduction in official development assistance of some $245 million. He also referred to the reduction in defence spending of $230 million. No papers accompanied the text of the speech of the Minister of Finance to disclose where the funds have come from and where we will look for the additional funds necessary for the project outlined by the Minister for the creation of additional jobs in Canada. The paragraphs of his speech which referred to that matter appear on pages 11 and 12 of the text where he speaks of creating 60,000 new jobs over a period of 18 months and 13,000 additional jobs in the housing field. According to page 11, the total would appear to be 400,000 jobs.

Let us analyse the effect of the obligation upon the Government of Canada to lay out $1,066,000. The effect is that we will have subscribed for stock in an international financial institution which is referred to as the International Bank for Reconstruction and Development. That bank will allocate the expenditure of those funds. The Government will have no control over whether one dime of those funds is spent in Canada to acquire products or services that will be used in the developing world. It will have no control, Mr. Chairman.

This is a further illustration of the remoteness with which funds contributed by the taxpayers of Canada can be dealt with, not by this Parliament, not by the Government of Canada, but by a foreign controlled financial institution.

I submit that we have an absolute obligation to deal with this Bill as an intrusion into the control mechanism that should be in place whereby the Government and this House should direct funds that are available for the creation of jobs in this economic climate. This has not been done, however.

I submit to the House that this Bill, including the Clause to which reference has been made and others to which reference will be made in this Committee, creates an opportunity for a genuine analysis of our foreign-aid programs, including those administered by CIDA and those administered in this fashion by the International Bank for Reconstruction and Development.

It also bothers me to hear that the 92.5 per cent of the obligations undertaken by the Minister of Finance in the event of the Bill being passed, will be disclosed in the accounts of this country as a conditional liability. That will amount to 92.5 per cent of an additional $1,066,000,000. Recognizing the practice of the Government in the past, an issue which has been dealt with in this House, I seriously doubt that there will be any amount on the national accounts with respect to this quantum of money, other than a contingent liability for $1. That process in itself deserves examination. Having regard to the comments made by the Minister, I am concerned that this method of issuing debentures, and of issuing demand notes for part of the liability undertaken by the Government of Canada, is out of step with reality when we examine our national accounts.

What we must look for when we deal with this substantial sum, is not the 7.5 per cent thereon, but the entire amount of the obligation. Accordingly, I point out to my colleagues that the comments made by the Minister might have been made for the purpose of placating Hon. Members who might otherwise have been concerned about such a gigantic expenditure. This reliance upon a deferred liability which is contingent, is not sufficient to remove the obligation upon the Government of Canada, once these securities have been issued, to honour them. Accordingly, we are dealing not with the apparent inconsequential sum of 7.5 per cent of the total amount, but rather, the entire amount of $1,066,000.

It is important to note that when Canada originally undertook its obligations with respect to Schedule Second payments, as of 1970 the aggregate amount of that obligation, if we examine Schedule A of the Second Schedule, was $325 million. Today, the total amount is $2,178,000,000, an increase over the last call of $1,066,000,000, as I have already said. This call is being made at a time when, without a doubt, the Canadian public could stand an injection of that kind of money into the various projects it has in mind.

It is my intention, Mr. Chairman, not only to speak against this Bill but, given an opportunity and the support of enough Members who will call for a recorded vote, to vote against this Bill.

I think it is time that the eloquence that accompanies the statement of the need, apparently, of other people in the world, is supported by action on the part of those who believe that the obligations of the individual Member to the Third World are paramount. I also believe that it is incumbent upon Members of this House who genuinely believe that their responsibility, in these times particularly, is to their constituents, to see that they have an opportunity to express those views clearly by putting their constituents and Canada first.

I hope that before this matter is concluded enough Members of the House will be sufficiently concerned about the nation and about our economic plight to ask that the matter be put to a vote. If it is, let Members stand and disclose the position they would take with respect to an issue which calls upon Parliament to expend an additional $1,066,000,000.

Mr. Cosgrove: Mr. Chairman, I should like to respond briefly to the comments of the Hon. Member who just spoke. I think the thrust of his remarks could be capsulized as "charity begins at home". Even if that were the case, and it is not, charity must begin at home, but it should not end at home. In prudence, I think any householder looking at a budget not only has to consider his obligations to that household, but also those of that household to its neighbours. It is not a question of charity. It is a question of interdependence. This has been touched upon by all Hon. Members who have spoken today. I reiterate that developing countries in their development engage

Canadians and Canadian products in interchange and interdependence. Without this, the one-third of our GNP attributable to our trade efforts abroad stands in jeopardy. I simply make that point.

• (1830)

The questioner referred to the $1,600 million. He said that we should address that amount, not 7.2 per cent of it. The Government has to stand behind that guarantee. There is no question about it. I will put it another way: if he prefers to use that in a way in which Canadians might think it is a charge and a drain in terms of money actually being spent, let me say with respect, that it is not. It is approximately $30 million for the next five or six years. That $30 million annually goes to support actual dollars out. For the $1,600 million, it is approximately $1.25 per Canadian per year to support, as I said in self-interest, economic interchange and to provide funds desperately needed by people, in some cases to stay alive.

Mr. Gamble: The Hon. Minister just indicated that Clause 2 does not in fact provide what the words indicate. As I read the Clause, and I recommend it to the Minister, it reads:

> The Minister of Finance may provide for payment out of the Consolidated Revenue Fund to the International Bank for Reconstruction and Development in the manner and at the times provided for by the Agreement therefor set out in the Second Schedule, of a sum or sums of money, not exceeding in the whole and amount equivalent to the subscriptions required or permitted from Canada, that is to say, two billion, one hundred and seventy-eight million, two hundred thousand—

If indeed the suggestion is that a simple sum of about $30 million be subscribed for, why does the Clause not say it?

Mr. Cosgrove: I answered that question in my introductory remarks, and I thought the Hon. Member referred to it in his remarks. He just explained that only 7.2 per cent of the actual money authorized is being called for. The balance remains as a guarantee, a contingent liability nonetheless, and an obligation. I do not argue that point. All I am saying is that in terms of dollars to be expended as a result of that take-down, it is roughly $30 million a year over the five year period.

Mr. Gamble: Having regard to the words in the Clause, "in the manner and at the times provided for by the Agreement therefor set out in the Second Schedule", where does there exist any obligation upon Canada to take down these shares?

Mr. Cosgrove: On the question of rights and obligations, I am advised that that issue has been one on which solicitors for the Government of Canada and other governments supporting the Bank and Bank officials have differed.

Clause 1 really bears in on that very point. Subsection 2(2) of the Agreement is changed to read, "exercising any rights" to carry out obligations. In the final analysis it is a bilateral agreement, supported by many bilateral arrangements through the Bank. If indeed the Government or Parliament decided that it did not want to exercise its commitment or a commitment, of course it would not be done. The Bill is here. The Government's intention has been expressed. The purpose of this whole exercise is to seek the support of the majority of Members of the House and to recognize the undertaking, if at no higher level, at a moral level.

Mr. Gamble: I point out to the Minister that pursuant to the provisions of the Second Schedule under which these payments are apparently to be made, and in particular Article 2(3)(c) thereof, there is a complete statement which deals with obligations. That Clause ends with the words dealing with additional subscriptions, that "no Member shall be obliged to subscribe any part of the increased capital". According to the Minister, this Clause is designed to accomplish the intention of the Government to subscribe for additional capital in the Bank. He has said repeatedly that the actual cash requirement was 7.5 per cent of the total amount and that the balance of the subscription was to be evidenced by notes which could be called upon by the Bank. Then he went on to say what happened with the notes, that the notes were then used for the purpose of raising money from commercial banks to advance to developing nations.

If the Minister is speaking today of an obligation only to take down 7.5 per cent in pay-in cash, why does Clause 2 not specifically refer to the cash requirement needed, rather than provide that the Minister may provide for payment out of the Consolidated Revenue Fund of the entire amount spelled out in Clause 2?

Mr. Cosgrove: The authority requested is for the total amount. The obligation of the Government, whether it is by way of cash, by way of callable subscription or contingent liability financing, is set out not in the Bill but in the Agreement signed between Canada and the Bank. The authority is for the top amount. The amount which is requested and for which authority is sought is contained in the Bill before the House this evening.

Mr. Gamble: Could the Minister then indicate clearly to the House that in the event the Clause is passed in its present form the entire liability of the Government of Canada to the International Bank for Reconstruction and Development will be $2,178,200,000?

Mr. Cosgrove: Yes.

Miss Jewett: Mr. Chairman, I want to make sure that until now, or prior to the doubling of our commitment, we have not ever been called upon to pay any of the callable capital. Have we ever been called upon to pay any of this 92.5 per cent which is callable?

Mr. Cosgrove: Mr. Chairman, I am advised by my officials that it has never occurred.

• (1840)

Miss Jewett: Mr. Chairman, the Minister will understand my concern. This is used as collateral for the private banks negotiating loans. As the Minister knows, I have pretty well lost faith in the private banks and their international lending policies. Perhaps the Minister can say something to reassure me that continuing with this practice of having this very large

amount of callable capital will not, in fact, put the very funds we are talking about in some jeopardy, given the experience we have had with the private banks in the 1970s in their lending policies.

Mr. Cosgrove: Mr. Chairman, the last guarantor under the provisions we are dealing with now in this part of the discussion is the member subscribers under bilateral agreements with the banks. In effect, what the Hon. Member is asking me to do is to guarantee that the banks will act in a certain way together with a guarantee that certain countries will act in a certain way. All I can point to is the experience that we have had under this Agreement, not only during the 1970s, which is a period the Hon. Member uses as an example, but as well during the three preceding decades. No call has been made either on the banks or on a government.

Miss Jewett: Mr. Chairman, I would share the previous speaker's view but not for the same reasons at all. I would be concerned if I thought this amount of money were likely to be called upon. I know the Minister perhaps cannot give any positive assurance that it will not, but I want to register the fact that the first moment any of it should be, I think then we would very seriously have to look at the reopening of that particular arrangement.

Mr. Taylor: Mr. Chairman, I have one or two comments and also some questions. I understood the Hon. Minister to say that $30 million will be paid now but that the total amount will be $2,178 million. If that is not correct, would the Minister so indicate when he is dealing with my comments?

We are talking about a lot of money. There is a growing feeling across the country that the priorities of the Government are open to question. At the present time we have many people in need. We have more than one million people unemployed. Many of those people have now exhausted their unemployment insurance and are either living on welfare or with the assistance of relatives. If they are living on welfare, it is a burden that has now been shifted on to the Provinces' shoulders with the federal Government paying some part.

Also in this country many of our native people are living in utter poverty. Sometimes 27 people are living in a house that should hold five. This is not a pipe dream, this is the truth. We have Indian children and Indian women who are not getting enough to eat. We have many white people having a difficult time making ends meet. They are existing on welfare or some other type of meagre pension.

It is time for the Canadian Government to start checking its priorities. I do not think anyone in Canada objects to helping those in need in other countries, but, Mr. Chairman, charity begins at home. If we close our eyes to the poverty and the misery of people living in this country, that is pretty sad indeed. If we cannot find sufficient money to help the Indian people, the white people, those unemployed, those without enough to eat—and let us not think that everyone in Canada does have enough to eat—then we should be thinking twice about sending $30 million somewhere else.

If I understood the comments so far, we are doubling our commitment in this program. Instead, we should be doubling our commitment to the people who provide this money before we start doubling an amount and sending it to places where we do not know what will be done with it. That bothers me and I am sure it bothers others in Canada. There is no indication who is going to get this money and where it is going to go. There are no checks and balances on this money and $2 billion is a lot of money. Surely if we are going to start giving away such a sizeable amount of money, we should have an agreement that provides checks and balances so that we know where that money is going and who is going to get it.

People from some Third World countries have told me that they would not give a dime to help Third World countries because the wrong people get it. Many of the people living in poverty do not get help. How much of this money is going to those who are doing the work or heading up the organizations? Maybe everyone is completely honest and sincere, I hope they are, but the Canadian people should be given details when we are providing this much money in aid.

Unlike the Hon. Member from the NDP who just spoke, I have a lot of faith in the banks. I find the banks to be pretty honest and above board. Sometimes I object to some of the things they do, but by and large the banks provide a service to the people of this nation. However, I would like to know what is being charged by the banks that give this service. What is the interest rate being charged? How does it compare with the banks in our own country, and what are they doing? In other words, it is not simply okay to say that we are going to give $30 million this year to this organization when hardly 1 per cent of the Canadian people knows where it is going, what it is for and what the checks and balances are on that amount. Again, how much overlapping is there?

The majority of churches in this country ask their congregations for contributions for other countries. Congregations provide a lot of money for this purpose. Some provincial governments match dollar for dollar. I know a gentleman in Calgary, an ex-minister of a church, who spends his entire time securing funds for which he can get matching amounts for medical supplies to help doctors and nurses in other countries aid the sick.

I want to say that helping other people is part of the Canadian way. Canadians want to have some assurance that this money is going where it will do the most good. If we have people hungry in our own country, then let us look after them. If there is not always enough to go around, then the logical thing to do would be to cut down the amount going outside the country. Again, are these amounts simply welfare payments to other countries? The Government should have an answer to this question. If they are, the Government is simply helping people to become parasites, waiting for someone else to look after them.

• (1850)

Some of these countries have resources which they are not developing. One country was high up on the agriculture list at

one time but received so many contributions that it is now way down the list and is depending on other countries more and more. The Government should be checking this type of situation. I object to following the thought that we will somehow help these people through their governments irrespective of their government's belief. I am not anxious to build up a communist state anywhere; I do not think it is any good for the people. However, when a country with a communist government gets this support and has control of it, and in some case it does, that government says: "This is our gift to you; keep us in office". It is not fair at all. We are building up a regime which might some day use its power to kill Canadians. Most Canadians do not want a communist state.

I want to raise another point. I was amazed when I heard a suggestion that the United Nations should be given the authority to tax Canadians. That would be a type of world government. If we ever get to that point, the smaller countries of the world would be submerged by international police forces. They would either have to pay or else. That is not the type of world I want.

I was a delegate to the European Parliament this last summer and I was amazed to hear one of the elected members start to talk about their parliament having authority to levy taxes on the 11 countries which belonged to that organization for defence purposes. They do not have that authority yet, but if they ever do, pity the poor countries like The Netherlands and Belgium which could be forced to do almost anything that the majority wanted, without any sovereignty. Sovereignty would go out the window. Our Government should be carefully watching to see that we are not playing into the hands of a world government, because I am satisfied that 95 per cent of the people of Canada are opposed to that type of philosophy.

I want to finish my remarks by saying that I am not satisfied with the information the Government has given. I do not know where this money is going or who is getting it. I think there is a responsibility on the part of the Government to give that information to the people. I could go to the Salvation Army and say, "You have spent so much money, where did it go?", and the Salvation Army could give me a dollar by dollar account of it. They could tell me which of the world's countries it went into, what is being done with it and how their organization is helping people to help themselves. I could go to some of the Catholic organizations and they would give me the same information. Why can this Government not do the same thing? Why does the Government not ensure that it get the information and then give it to the people? Then we would find a swelling interest in helping more, particularly in helping people to help themselves. In the future we should help other people in the developing countries and other countries to help themselves. The main point today is that we should help people in Canada who are hungry, our native people and other Canadians who are not getting enough to eat. Let us make sure that we look after them first, because charity begins at home.

Mr. Smith: As long as it does not end at home.

Mr. Cosgrove: Mr. Chairman, the Hon. Member for Bow River began by asking for confirmation of figures. The Bill seeks authorization for a further take-down of shares worth $1.6 billion over the next four to five years. In terms of the actual money which will be put into the acquisition or take-down of those shares by Canada, I would confirm $120 million over the four-year period. The rest is the area referred to by the previous questioner.

I was making the point that, in terms of per person commitment by the taxpayers of Canada over that period, something over $1 per person per year would go toward the actual dollar commitment in the Bill. However, the Hon. Member for Bow River is right when he identifies that decision of striking a budget, whether in one's family, in one's city or in one's country, as an extremely difficult one. It is a painful one. His criteria are ones to which I subscribe. Yes, charity begins at home, but it does not stop at home. Yes, if one is assisting people, whether at home, in one's city or wherever, the help should be of benefit to people so that they can help themselves.

I submit, Mr. Chairman, that I did not come prepared to speak at length about the reputation of the World Bank. I would have thought Hon. Members would agree that its reputation is a good one. I did hit upon it obliquely in my comments, the point being that the World Bank has such a good reputation in administering funds in this way under these two projects that its participation is sought by the private sector banks which feel that, by joining with the World Bank, because of its administrative reputation they will be guaranteed a good project. The funds do go to infrastructure, into energy projects, into water and sewage systems and, in large part, into development of agricultural systems. As I say, I am not prepared to speak at length about the reputation of the Bank, but I would assure the Hon. Member that it meets all the criteria that he has hit upon.

Mr. Gamble: Mr. Chairman, I wonder if the Minister would confirm to the House that, in the event Canada should decide at any future time, before the obligation on the deferred liabilities was discharged, to withdraw its membership in the Bank, it would be obliged to discharge its liabilities under those deferred obligations.

Mr. Cosgrove: Mr. Chairman, that is a very difficult question to answer on the spur of the moment. I begin by saying that the Government indicated its firm commitment to the worth-while objectives of the Bank and IDA. Our commitment, rather than being decreased in the Bill, we have sought to increase. I am encouraged that Hon. Members from all parties have indicated support for the Government's confirmation that this is a worth-while endeavour at this time, particularly because of the downturn in domestic economies, the world economy reflecting that. I would say it is unlikely, from any opinion I have heard expressed today, that there is any thought that there would be a withdrawal. Therefore, I believe the question is somewhat hypothetical.

However, in dealing with it as a hypothetical question, if one is withdrawing from the support of a bank, the person who is

withdrawing is a depositor, and that person, rather than being faced with contingent liabilities, may in turn be able to call for the government's deposit, for the share amount that it has contributed. However, I think it is a very hypothetical question, Mr. Chairman.

● (1900)

Mr. Gamble: Just so that the general public may have some cognizance of what this deferred liability is, would the Minister agree that Canada's position with respect to the 92.5 per cent contingent liability is much like that of an individual who guaranteed a friend's loan at the bank and might be called upon to honour that obligation at some point in the future? Is that the kind of debt that we are talking about today?

Mr. Cosgrove: Mr. Chairman, the answer is yes. We are supported in our undertaking that obligation by the fact that the majority of the industrialized world does the same thing under a formula that we all share in common and in which we all have confidence. We have confidence that the help which is sought is worthwhile in terms of humanitarian requests. Second, without this type of activity—the operation of the World Bank and IDA—both by Governments in co-operation with private sector banks and the total economy, if everyone accepted the hypothetical possibility of a call, there would be very difficult problems.

Mr. Gamble: I take it that the Minister appreciates he is tying the hands, or at least increasing the obligations, of future generations of Canadians. I submit to him that in the event that Canada decides in the future that it wishes to withdraw from the Bank for Reconstruction and Development, it has an obligation under these contingent deferred liabilities to meet every dollar which is outstanding under those obligations in the event that the Bank lends money to a foreign country as a consequence of Canada pledging the securities.

I want the Minister to recognize that this type of deferred liability for other Parliaments and other Canadians concerns some Members of this House. I realize that he suggested there is support in all parties for this Bill, but I hope he recognizes by now that there is not unanimous support for this Bill from all Members of the House and for the very best of reasons. We are not living in ordinary times. Some Members have come to recognize that these unordinary times are very difficult ones for Canadians. I would like to point to the Minister that I spent a great deal of time last week dealing with the problems of a single family whose business had become bankrupt. The husband in that family is recovering in a hospital from a mental collapse. By the twelfth of this month the family will lose their personal residence.

I am standing here and watching this expenditure of an additional $1.66 billion. I am told not to worry because only 7.5 per cent of that billion extra dollars will be laid out now and the rest is taking the form of a guarantee of deferred liability. I say to the Minister that in the event there is that kind of money available, either in cash or in guarantees, I would like some of it for the hard-pressed constituents of my riding. That is why I am standing here. That is why I am drawing this matter to the attention of the House. I hope there are other Members who recognize that they have the same kind of problems at home and would want to do something about them. Perhaps it would be beneficial to mention what is referred to in the non-budget speech of the Minister of Finance (Mr. Lalonde), who said on page 3 of his written text:

> We must persist in restraining Government spending. We must strive to contain the rise of the deficit—

He went on to say that we must, at the same time, reallocate our priorities. There is nothing in this country that demands the greater attention of this House than the individual concerns of our constituents and the people of Canada generally.

In light of the comments made by the Minister of Finance, I wonder how this Bill, to use the words of the Minister of Finance, restrains Government spending.

Mr. Cosgrove: Mr. Chairman, the example used by the Hon. Member in his question concerned a person in hospital. He also talked about a person losing a home. I know, in my brief experience in this ministry in association with the Bank, that it operates in Third World countries where the moneys are spent to provide the most fundamental and elementary living amenities for people. In other words, the people who are being served by these moneys possibly would not have any hospital services whatsoever.

As I have indicated, much of the money is spent in the infrastructure to make it possible for people living in primitive conditions to have a base upon which to build homes. It also addresses some very primitive living conditions in attempting to assist communities to achieve a minimum standard of health and living conditions for which these funds would be intended.

As I said in my opening comments, there is no question that Canadians are hurting. There is no Member in the House who would deny that.

To answer the Hon. Member's question, I believe he asked us to let Canadians know what the Government is doing. Technically, if Canada were to withdraw from the Bank, it would ask that its shares in the Bank be redeemed. The funds would be refunded to Canada. Technically, the Hon. Member's question means that Canadians would be reimbursed. I do not want to argue the question on technicalities. That is not how I, as a Member, would promote and encourage the support of the Hon. Member for this expenditure. The purpose of this expenditure is to serve and assist people who live in conditions that are even worse than those the Hon. Member has cited to us. That is why I would ask him to consider his support for this legislation.

Mr. Gamble: I am glad that the Minister has reverted to one of the questions which I had asked him earlier concerning our legal position with respect to liabilities upon our withdrawal. The Minister has just conjured up an image of our being paid for shares we have surrendered. I draw his attention to Article VI of the Agreement giving rise to our participation in this type of project which, in effect, deals directly with the issue of our subscription for shares in the Bank for Reconstruction and

Development. I would draw his attention, in particular, to Section 4(a) which provides:

> When a Government ceases to be a member, it shall remain liable for its direct obligations to the Bank and for its contingent liabilities to the Bank so long as any part of the loans or guarantees contracted before it ceased to be a member are outstanding;—

The liability will remain for so long as any of those loans to which I made reference, made by the Bank on condition that those loans be guaranteed, with some of the deferred liabilities which we have pledged to the Bank, have been used for the purpose of raising money from commercial banks. That is, in fact, the conclusion to which one would come. It is the same conclusion one would come to with respect to the very simple illustration I gave a moment ago of an individual having guaranteed the liability of a friend to a bank. As soon as that liability is paid off, the individual is discharged. Until that liability is paid off there is no discharge of the guarantee. The guarantor is fully liable until the payment has been made. I am suggesting to the Minister that this is the conclusion to be drawn from a reasonable interpretation of the Section to which I made reference.

• (1910)

The Minister has, however, gone into the whole issue of poverty in Canada compared with poverty in the Third World. That raises a very interesting subject for discussion. As a matter of fact, it was with respect to a desire to deal with this issue that I asked this House, the Prime Minister and the Minister of Finance whether it would be appropriate to refer the entire matter of our foreign aid, both bilateral foreign aid of the kind referred to here or direct foreign aid of the kind administered by CIDA, to the Standing Committee on External Affairs and National Defence, on which I serve, for a complete analysis and examination.

Of course, we had no such reference. It is very important, now that we begin to deal with the crucial difference between Canadians who are impoverished and those in the rest of the world who are impoverished, to ask ourselves whether it is not in part the responsibility of the wealthy in the poor nations who have gobbled up the national wealth of their own country and come looking to Canadians to bail them out and support them in the style to which they have become accustomed.

At the recent meeting of the World Bank and International Monetary Fund officials in Toronto, there was a congregation of representatives not only from the western industrialized world but from the Third World as well. As a result of that meeting, columnist Barbara Amiel wrote an article in *Maclean's* magazine making reference to the definition of the new International Economic Order, which was defined by some as a system whereby poor people in the rich countries give assistance to the rich people of the poor countries. She went on to say:

> Nothing could bring home the accuracy of the joke better than watching the joint meeting of the International Monetary Fund and the World Bank held in Toronto earlier this month, where senior diplomats from some of the poorest countries in the world seemed intent on setting new records for personal and national ostentation. Observers noted wryly that those countries with the largest delegations, longest stretch limousines and most elegant clothing also scored high on the closest-to-bankrupt index.

It is interesting that Miss Amiel should have noted, as she did, observations which I had made as a consequence of attending, with colleagues from all sides of this House, a meeting in Havana, Cuba in September, 1981 of the IPU. The Parliamentary Secretary to the President of the Privy Council was in attendance with me. He can testify as to the accuracy of the comments I am about to make. It appeared to me and those of us who discussed it that, while we boarded a warm and crowded bus for transportation to and from the convention centre, the representatives of the Third World nations who sat behind us and around us in the conference chamber were picked up in Mercedes limousines, without exception. They were also the best attired and, if I may say so, having regard to the physical condition of some of them, appeared to be the best fed.

I find it ironic that the diplomats representing the poorer nations of the world should come to us and ask for handouts while they treat themselves to the best that money can buy. I would be very impressed indeed to find a representative from the impoverished Third World coming to Canada and saying to us: "As you can see from my attire, we are in need of your help".

All I can say, as matters presently stand, is that I would be more inclined to favour the representations if they had stripped themselves of but a half of their own personal wealth and maybe emptied out some of the Swiss bank accounts they have managed to establish. It is outrageous that we not open our eyes to what is happening around us.

Miss Amiel wrote an article about this. I personally experienced the same feeling of revulsion. I see that the Parliamentary Secretary to the President of the Privy Council is back in the chamber. He might want to comment on that having regard to his experience. That was indeed the situation that existed in Havana, Cuba at that meeting.

Although I was not at the meeting of the World Bank or the IMF in Toronto in September, that was the observation made by a reporter watching the comings and goings of those persons who have come to us with outstretched hands. My answer to them is to first of all make some changes at home.

The Minister raised the issue, saying that it is unfortunate that there are in those countries people who are suffering? I say yes, but it is the responsibility initially of their own governments to do something which will rectify the poverty that exists at home. In the vast majority of cases those countries are governed by presidents for life, one-party, socialist-state type governments with no real democratic system, no opportunity for the free enterprise system that exists—or what remains of it that exists—in Canada to produce the wealth that is necessary to look after the needs of people in those nations.

It is contrary to good sense and good judgment for this Parliament to be propping up dictators and socialist governments which are using the funds that we pay first to look after their own self-interests as individuals and, second, to maintain

their hold on power and see that no opposition party, subject of course to a revolution, ever obtains the right that we expect and enjoy in Canada.

This whole issue of foreign aid and who should be the recipients thereof is a matter to which we should direct our attention. It is not sufficient simply to look to the results and say they are unfortunate and we have to prop them up by pouring in more money. The answer is that we must rectify the basic problems that exist. Those problems are gluttony and selfishness by the principal controllers of those nations and an unwillingness to permit free enterprise in their own country so that they can produce their own national wealth.

Clause agreed to.

Clause 3 agreed to.

On Clause 4—

Miss Jewett: Mr. Chairman, I want to ask the Minister in connection with Clause 4(a), the $601,810,000 commitment under the sixth replenishment in 1979, to tell us how much of that amount has been paid out under the procedures we used to operate on before the Speaker made the newer procedures.

Mr. Cosgrove: Mr. Chairman, of that total amount of $601,810,000, the first payment approved through main estimates under the procedure referred to by the Hon. Member was $177.1 million. The second payment, approved through Bill C-71 which flowed as a result of the Speaker's comments on that procedure, was $164.6 million. So the outstanding balance is approximately $260.1 million.

Mr. Gamble: With respect to the provisions of Clause 4(a), what is the commitment of Canada that is allegedly being honoured, to use the words of the Clause, by the payment of an additional $437,210,000?

Mr. Cosgrove: I am sorry, Mr. Chairman, I do not follow the Hon. Member's question.

• (1920)

Mr. Gamble: Mr. Chairman, Clause 4(a) provides:

> "4. The Minister of Finance may issue to the International Development Association, in such form as he may determine, non-interest bearing, non-negotiable demand notes
>
> (a) in an amount not exceeding in the aggregate six hundred and one million, eight hundred and ten thousand dollars for the purpose of honouring Canada's commitments in respect of the Sixth Replenishment of the resources of the International Development Association;

I point out that that is a commitment which is in addition to the existing commitment to the extent of $437,210,000. What is the nature of the commitment?

Mr. Cosgrove: Mr. Chairman, perhaps the Hon. Member could assist and tell us the basis for the last figure, the four hundred million dollars?

Mr. Gamble: Yes, it is possible I may have made a mathematical error. I deducted $164,600,000, which is the existing obligation, from the amount of $601,810,000, which is the amount referred to in Clause 4(a). I assume, if my mathematics are correct, that that is an increased obligation of $437,210,000. If I am incorrect, then perhaps we could clear up the mathematics before we go on to the substance of my question, which is, what is the nature of Canada's commitment referred to in the Clause itself?

Mr. Cosgrove: Mr. Chairman, I have answered that question for the preceding Hon. Member. The total commitment, being the substance of the question, is $601.8 million, and that is towards the Sixth Replenishment. Of that figure, the first payments were approved through Main Estimates, prior to the Speakers's ruling about that procedure, of $177.1 million. A second payment was approved through Bill C-71 of $164.6 million, leaving a balance outstanding of $260.1 million.

Mr. Gamble: Mr. Chairman, the words of the Clause are, "—honouring Canada's commitments in respect of the Sixth Replenishment of the resources of the International Development Association". I am asking the Minister, what our obligation is, or specifically, what is our commitment in respect of the Sixth Replenishment? How does that commitment arise? Surely it must arise under the terms of the International Development Association. And if so, where is it in that Association agreement?

Mr. Cosgrove: The Section really is the answer, Mr. Chairman. The answer to the question, where is the commitment, is not in the agreement. It is in the sum that is in the Section; that is, the Government is now asking for authorization of Parliament to carry out the terms of the agreement in the Sixth Replenishment in the sum of the amount set out in paragraph 4(a), and that is $601,810,000 which is the stipulated amount of shares which the Government has agreed to take down. That is the amount, and that amount is the amount in the Bill for which we are seeking authorization.

Mr. Gamble: I draw to the attention of the Minister the fact that Canada became a signatory to an agreement which is referred to as the Agreement of the International Development Association. Under the provisions of that agreement, in particular, Article 3(1)(c) thereof, there is no obligation imposed on any of the states signing that agreement to subscribe for any additional amounts. Yet, when you read the Clause it appears that there is such an obligation. It is not under the agreement, Mr. Chairman, and I asked the Minister to indicate to me where it was. He now explains that the obligation, or the commitment, to use the word of the clause, is one that is created within the framework of the clause itself. If that, indeed, is the fact, then let me, if I may, direct some comments to the way in which this clause is drafted.

I submit, Mr. Chairman, that it misrepresents the facts—innocently misrepresents the facts—to this House, that there is an existing commitment which this clause endeavours to meet. Yet the Minister has just told us that the only commitment is within the clause itself, and Parliament, accordingly, is freshly looking at the entire issue as to whether or not this not insignificant sum of $601 million should be approved by this

House, in addition to another not insignificant sum of $200,600,000, in this case under Clause 4(b), which is referred to as an amount designed to honour: " . . . Canada's commitment for supplementing the resources available to the International Development Association."

We heard from the Minister, and from others, who discussed this Bill on second reading, that the reason Clause 4(b) is inserted is that the United States has withdrawn from a commitment, that might have been imposed upon that Government, to additionally subscribe through the offering of demand notes, or otherwise, for stock to be administered by the International Development Association. We were told that in our magnanimous gesture we have taken up the challenge and, accordingly, have agreed not to follow the course of the United States in withdrawing approval for additional funds, but we are offering to take up what the United States in part, of course, has not taken up in terms of additional subscriptions. Those subscriptions under this clause are for non-interest-bearing, non-negotiable demand notes. I am sure every Hon. Member of this House knows what a demand note is. It is not a deferred note payable over four years, ten years, or even 100 years. It is a note which is payable on the date it is issued and can be used for the purpose of demanding payment forthwith.

What are we then talking about in total in this Clause? We are talking about nothing short of an additional $637,810,000 at a time of restraint and at a time when the Minister of Finance proclaims we must look at ways to pare the cost of Government. In a very short Bill, consisting of no more than four clauses, and indeed within a single clause of that short Bill, we have a provision for an additional requirement of federal funds totalling $637,810,000, and no one, with the possible exception of one other Member of this House who has spoken in opposition to this issue, seems to be in the least concerned. I find it astounding that these amounts of money are being handled by the House in this fashion when everyone of us sitting here knows how desperate some of our constituents are and how welcome would be an injection of but a small portion of the $637,810,000 which we are dealing with tonight.

• (1930)

I want to caution the Minister, Mr. Chairman, that what we are talking about here are demand moneys, not moneys to be paid in the future, but moneys with respect to which a demand can be made the day the notes are issued. This House is asked to vote on a provision which will grant to the Minister of Finance the right to issue to the International Development Association, in such form as he may determine—whatever he likes, this House is not going to be part of that determination—non-interest bearing, non-negotiable demand notes. Clearly these are notes payable the day they are issued.

In light of this substantial requirement for additional moneys which are paid out of the Consolidated Revenue Fund and contributed by the taxpayers of Canada generally, who we all know are hard-pressed to look after their own financial well-being, I would like to know why there is not some general concern shown about this issue by other Members of the House. I would hope that there would be some participation by those Members who are generally concerned about this kind of a payment.

The Deputy Chairman: Shall Clause 4 carry?

Some Hon. Members: Carried.

Clause 4 agreed to.

Bill reported, read the third time and passed.

* * *

INTERNATIONAL DEVELOPMENT (FINANCIAL INSTITUTIONS) CONTINUING ASSISTANCE ACT

AUTHORIZATION OF CONTINUING FINANCIAL ASSISTANCE

Hon. Paul J. Cosgrove (for the Secretary of State for External Affairs) moved that Bill C-130, to authorize continuing financial assistance to be provided to certain international financial institutions, be read the second time and referred to the Standing Committee on External Affairs and National Defence.

Mr. Crosbie: Mr. Speaker, I assume that this bill is going to be introduced by the Secretary of State for External Affairs (Mr. MacEachen). It is a very important matter involving international development financial assistance, particularly at this time of tremendous burdens and strains here in Canada. I am assuming that the Minister himself is going to be here to explain the philosophy which lies behind this Bill, what the Government plans are respecting international development assistance, and what the Government is asking the House to approve.

If he is not going to appear here to introduce this Bill, then I say it is an outrage, and an outrageous example of carelessness and lack of care as to what the Government is doing and what it is asking this House to approve. Is the Minister going to be here tonight? He is a fugitive now from finance; is he a fugitive from international development assistance as well? Where is the fugitive tonight?

Mr. Smith: Mr. Speaker, I regret the tone that the Hon. Member for St. John's West (Mr. Crosbie) has injected into this point of order. The Parliamentary Secretary will be representing the Minister. He is ably qualified to do so. He is fully familiar with this legislation and I look forward to his speech, as I am sure do all reasonable Members of this House.

Some Hon. Members: Hear, hear!

[*Translation*]

Mr. Jean Lapierre (Parliamentary Secretary to Deputy Prime Minister and Secretary of State for External Affairs): Mr. Speaker, on behalf of the Secretary of State for External Affairs (Mr. MacEachen), I would like to speak to the House this evening about Bill C-130, an Act to authorize continuing financial assistance to be provided to certain international financial institutions. This legislation will enable the Secretary of State for External Affairs to secure, through parliamentary appropriations, the public funds earmarked for development assistance which Canada contributes through various international financial institutions. Mr. Speaker, this piece of legislation is the result of the ruling made by Madam Speaker on June 12, 1981 on a historic point of order raised about the orderly procedure with respect to certain budget items in the 1981-82 estimates.

Naturally, international financial institutions are a very significant and effective element of Canada's multilateral development assistance program. As far as this legislation is concerned, they include the four regional development banks, namely the Asian Development Bank, the African Development Bank, the InterAmerican Development Bank, the Carribean Development Bank, as well as the concessional funds pertaining to each one, and also the International Fund for Agricultural Development and the Common Fund for Commodities. Canada gives a financial contribution to each of those institutions by underwriting their share capital and/or contributing to their concessional funds. Our payments are made directly or through non-interest bearing, non-negotiable demand notes. The main reason why Canada participates in international financial institutions is that their Third World programs are effective and profitable. Those regional institutions are indeed a particularly appropriate way of promoting regional co-operation and enhancing the self-sufficiency of developing countries. The framework of capital sharing and the nature of financial co-operation among international financial institutions is an excellent example of successful co-operation in the area of development. One of the significant characteristics of our participation in those institutions is the multiplier effect of our dollars thanks to the borrowings of banks on international money markets.

In addition, this complements the other Canadian assistance programs and allows us to diversify our assistance, both geographically and sectorially, and to support the multilateral institutional framework created by these financial institutions. Canada also benefits from the standpoint of its foreign policy and especially of its trade. Our participation is one of the key elements of our relations with less developed countries and reflects the approach of the government to multilateralism and North-South relations. Moreover, Canada's membership in these institutions enables Canadian businesses to bid for certain components of projects financed by these international financial institutions in developing countries, which very often result in major economic benefits for Canada.

Mr. Speaker, I believe that this bill is relatively clear and does not call for a lengthy debate. Under clauses 2 and 4, the Governor in Council may amend the schedule, thereby adding thereto or deleting therefrom the names of the financial institutions concerned. Moreover, clause 3 provides financial assistance to these institutions by way of direct payments, demand notes and the purchase of shares. Section 5 states that the sums required for the purposes of the Act must be approved by Parliament and limited to amounts appropriated. Section 6 provides for an interim appropriation valid until presentation of the Main Estimates, next Spring. These sums cover the following investments: the fourth and last payment in respect of the fourth general increase in the capital of the InterAmerican Development Bank, or an amount of $7,290,000, and the fourth payment in respect of the third general increase in the capital of the Caribbean Development Bank, which represents $883,000, as well as the following payments: the first, fourth and last payment in respect of the third reconstitution of the Asian Development Fund for an amount of $56,722,000; the fourth and last payment in respect of the fifth reconstitution by the InterAmerican Development Bank of its Fund for Special Operations for an amount of $18,156,000; a contribution to the Special Development Fund of the Caribbean Development Bank in the amount of $531,000, and finally, the first payment in respect of the third reconstitution of the African Development Fund for an amount of $33,900,000. Except for the payments to the Caribbean Development Bank, all these appropriations will be in the form of notes.

To conclude, Mr. Speaker, I want to remind the House that some of these allocations are necessary to meet the immediate commitments of Canada to the institutions concerned. This is why I invite my colleagues to act urgently in this regard because if Parliament delays too much or if we are victims of a filibuster by the Opposition so that this bill is not passed before December 31, Canada will not be able to meet its commitment to increase its Development Aid Program to .5 per cent of the GNP by 1985. I know that the Hon. Member for New Westminster-Coquitlam (Miss Jewett) is very anxious for Canada not only to reach this figure of .5 per cent, but also to exceed it, and I ask for her co-operation and for the co-operation of the Hon. Member for St. John's West (Mr. Crosbie) so that we may meet our international obligations. With this in mind, Mr. Chairman, I hope that the debate will be enlightening, but mostly, I hope it will be brief.

• (1940)

[*English*]

Hon. John C. Crosbie (St. John's West): Mr. Speaker, first of all I want to say that the fact that I am objecting to the Secretary of State for External Affairs (Mr. MacEachen) not being here to introduce the Bill is not meant to reflect on his parliamentary assistant who, I am sure, is a very capable

Member of the House. We were glad to listen to his introductory remarks.

The Department of External Affairs in this country now has three Ministers, not just one Minister, Mr. Speaker. We no longer have just the Secretary of State for External Affairs, but a triumvirate. Last January the Prime Minister (Mr. Trudeau) changed that Department so that now there is the Secretary of State for External Affairs, and the Minister of State (External Relations) (Mr. Lapointe). The gentleman who was the Secretary of State (External Relations) is now here. There is a third part of this triumvirate, the Minister of State (International Trade) (Mr. Regan). The former Minister is also here tonight. There are three Ministers now in the Department of External Affairs.

When an important piece of legislation involving the whole development assistance program of the Department of External Affairs comes before this House, I say that it is an insult to the House and to the people of Canada and, indeed, to the whole development community in Canada, that the Secretary of State for External Affairs shows such little care for this whole area, that he is not present to introduce the Bill.

He is already a fugitive, of course. He had to flee from the Department of Finance to the Department of External Affairs where he thinks he is going to have an easy row to hoe for the next two or three years. He is going to slack off on his oars, but he was never really tugging on his oars anyway. As Minister of Finance he was a disaster. We are lucky that he was not more active in that Department, because the damage he did cannot even be calculated. He now thinks he can go to External Affairs and need bother no more with this House; that we are just going to pass through. He has to know that this Party does not object in principle to this legislation, so the Minister thinks he can ignore it and have his parliamentary assistant come here to speak to us, even though he has two other Ministers with him.

What is the function of the Minister of State for External Relations? We are told that he is to look after the "Francophonie." We are told that he is to look after cultural matters. We are told he is to look after humanitarian matters. What is there left for the Secretary of State for External Affairs to do? Tonight, none of these gentlemen has come to this House to give us an adequate explanation of what this is all about.

Hon. Members opposite can chatter away, but the people of Canada want to understand why they are being asked to vote moneys like this $442,000 and $117,040,000. These are moneys that the people of Canada are being asked to provide for development assistance at a time when they are suffering more than they have suffered since the depression of the early 1930s, at a time when the winds are not very favourable to development assistance and external aid, when the public is fed up with it, when there is not any constituency for it except in the churches and the minority of people interested in helping the Third World. The Minister shows his contempt for the people of Canada by not coming to this House and giving a reasoned explanation why we should continue to assist outside countries when we have unemployment amounting to 1,400,000 people. The Minister does not deign to come while we are sitting in this House to explain why this is necessary or why 1,400,000 people are unemployed. He asks, through his parliamentary assistant, that we pass on the $117 million plus the $442,000 to be spent in the Third World, or loaned to the Third World, or to go to international agencies, without a word of explanation to the Canadian people.

People in the Minister's district in Cape Breton want to know why they have to contribute. People at the heavy water plants in Cape Breton want to know why they have to contribute to the Third World. The people of this country want to know where the great Prime Minister is, the great figure who went to Cancun, to the North South, where he towered over the whole world with largess of his heart, and his propaganda, to help the Third World. Where is he tonight? Where are his Ministers who are asking this House to pass this kind of money? He has fled to France. He was so shocked at the reception he got at the Liberal Convention that he has fled to France. He is over at Vimy Ridge.

An Hon. Member: Smile, you are on candid camera.

• (1950)

Mr. Crosbie: I am not smiling. I have nothing to smile about with this Government. You are not funny, you are not even laughable; you are sad.

Mr. Rossi: You were not there long enough to know.

Mr. Crosbie: I was there long enough to know how little you are doing to help the problems of the country. You jackals who guffawed and defeated a real budget are now on the hot seat. We know what you are attempting to do. I am prepared to talk all night. The more interjections I get, the more I get excited and the longer I will talk. This Bill is not sliding through. They thought this Bill would slide through. Well, they are not going to treat us with contempt and slide anything through. The Secretary of State for External Affairs better get through his head that we are not being taken in by him in that guise.

Let me remind you, Mr. Speaker, of a promise which the Government made. Of course it has made hundreds and thousands of promises which have been broken. There was another broken promise.

Some Hon. Members: Oh, oh!

Mr. Crosbie: Hon. Members opposite never stop to listen with their ears. If they would only listen, perhaps they would have some influence in their caucus; perhaps they would have some influence in getting things changed in Canada; perhaps they could do something to help the 1,400,000 who are unemployed. All they are interested in is rolling around in their own patronage pools while the country suffers.

In July 1981 the then secretary of state for external affairs, the Hon. Member for Windsor-Walkerville (Mr. MacGuigan), promised during a debate in the House that the Government would soon present a new development strategy to indicate the priorities and directions for Canadian policy over the next few

years in the field of development. That is what he said then, but the Government does not have any strategy. It had a five-year strategy which was announced in 1975, and in 1981 the then secretary of state for external affairs promised a new strategy. When will we have the new strategy for development assistance? He made that promise in July 1981. That was a year and four or five months ago. At that time he said that they hoped to have it available within a few months. Where is it?

What is happening in the interstices of that gigantic mob of the Department of External Affairs on which we had a Royal Commission report last December? It reported the Department to be in a shambles administratively; a horror, a nightmare. That was the condition of the Department as found by that Commission. Since then we have had two more Ministers added to it. We have had the International Trade and Commerce people moved down to External Affairs. We have had all the confusion in the Department. Now we ask: What is the strategy which we were promised over a year ago? Where is it?

This was a perfect opportunity for the Government to come in and tell the House what the development strategy is. In a time of economic hardship for Canadians, and in a time of economic hardships around the world, what is the new development strategy of the Government? Does it mean what it says about the Third World? Is this the same Prime Minister who supervised two reductions in the budget for CIDA in the last several months; who went to Cancun; who was to lead the western world; who was to persuade President Reagan to do the right thing for the Third World? Is this the same Prime Minister who just supervised two reductions in the amount the Government promised and voted for development assistance?

How can the Government, the Secretary of State for External Affairs and this parliamentary assistant expect Canadians to support contributions to foreign aid and development assistance, which this year will amount to almost $1.5 billion, when they are not prepared to come to the House to justify it? How long did the Parliamentary Secretary speak in introducing the legislation to the House? Was it three minutes, four minutes or five minutes? It certainly was not six or eight minutes. He gave us no information. He told us nothing new.

I would like to refer to a Canadian Press story which went out a few days ago. It read:

> Finance Department officials say the U.S. Government's reneging on foreign aid commitments to the world's poorest countries will add $200 million to Canada's foreign aid ill over the next three years.

There was no mention of that by the Parliamentary Secretary why is that? Our Government says that the United States Government is reneging on its foreign aid commitments, and we are having to pick up another $200 million because it is reneging. Is it not time that we heard about that? I do not think it was mentioned in the earlier debate on Bill C-129.

An Hon. Member: It was mentioned.

Mr. Crosbie: It has been mentioned that they are picking up the hot potatoes which President Reagan left behind? Let us have some more information on that. How much more will we have to pick up, if that is the case? What is the Government's strategy to deal with it?

Now that the Prime Minister has found President Reagan to be on an equal level with Winston Churchill, and heart to heart and of equal calibre to Franklin D. Roosevelt, can he not persuade President Reagan to go back and support the benefit assistance? Can we not have a few words? What efforts have been made to talk the United States into increasing or maintaining its contribution?

What happened at the conference in Toronto just a few months ago? Is there not a minister who will come before us now, with these two important bills, and tell us what went on at the World Bank and IMF meeting or what went on at the meetings of development assistance groups; what position the Government took; what shape they found the world to be in? Will they not express any concern about the huge indebtedness which the Third World now faces and the fact that it cannot meet its obligations any longer? Will they not tell us what steps will have to be taken to meet that, and why we should be concerned in Canada? Is it not the job of the Government to explain to people why we should be concerned; why it is in our interests to give development assistance to other countries; why it is in our interests to be able to sell our products to their markets, or why it is in the interests of us all to help one another? Will there not be a minister who will come to explain to the House why this is all necessary?

Mr. Thacker: No. Send the kids.

Mr. Crosbie: No, no, send the young fellow along. We were delighted to see the Parliamentary Secretary get some experience, but we think this is a topic big enough to require an explanation, and the Minister should be here himself.

I will indicate the comments which I hear about the country. I do not agree with them, but the people of the country do not understand why it is necessary for Canada to be spending $1.5 billion, or $1 billion, or any dollars on assistance to Third World countries. They do not understand. They look around at unemployment. In my Province of Newfoundland the unemployment rate is over 19 per cent. We saw some genuine concern about that today. We have the Minister of Employment and Immigration (Mr. Axworthy), a sleeveen who uses money for political purposes. He directs the funds to create jobs and to be spent only in Liberal districts. This is the only kind of concern we have seen expressed by the Government opposite about job creation in Newfoundland. A fifth of the work force in Newfoundland—and this is the official number—is unemployed. It is really 40 per cent.

Mr. Rossi: Do you read your mail?

Mr. Crosbie: The Minister concocted a letter and backdated it. It is not in my office yet. That is about where the mail is. The Minister is a sleeveen, a trimmer and a deliverer of falsehoods.

Mr. Rossi: Go to your office. There are some letters there.

Mr. Crosbie: I say to the Canadian people who are watching tonight that if my speech is interrupted it is because of some jackals over there who do not want to let anyone else speak in the House; certain Liberal Members who want to catcall out while I am making a speech. They will not shut me up.

The people of Newfoundland, 20 per cent of whom are on the official unemployment rolls, want to know why Canada should spend a billion and a quarter million dollars on assistance to Third World countries when they are unemployed. The ones who are running out of unemployment insurance want to know why this is being done and why the money cannot be used to put them to work.

Just because I support the Bill does not mean that I will explain why tonight. It is the job of the Government which introduced this legislation to explain it, rather than present the half-hearted, stultified, feeble introduction of the Bill we have seen tonight. No, we will not accept or buy that. Canadians have to be convinced again.

The only reason this Bill is here is because the Hon. Member for Calgary Centre (Mr. Andre) caught the Government in another piece of sharp practice, attempting to get funds through for these purposes in the estimates without legislative authority. The Speaker ruled that legislation had to be introduced; that the Government did not have the authority to make these expenditures; that it required Parliamentary approval. But did the Government learn anything from that? Did the Government learn to respect the rights of Members of the House of Commons when it was caught out in that matter by the Hon. Member for Calgary Centre; not at all. Why? What is the Government proposing in this Bill? What is the Government proposing in Clause 4 of Bill C-130? The Government wants us to give it the power to amend the Schedule. The Schedule lists the international financial institutions to which the Government can give money or can provide funds for. They are the African Development Fund, the African Development Bank, the Asian Development Fund, the Asian Development Bank, the InterAmerican Development Bank, the Fund for Special Operations, the Caribbean Development Bank, the International Fund for Agricultural Development and the Common Fund for Commodities. When we look at Clause 4 the Government wants us to agree that it should have the power to add the names of any other international financial institution that the Government recognizes as an institution to which the Government should be empowered to give assistance. We should give the Government the power to delete from this list the names of any financial institutions to which the Government no longer wishes to give money to. Who do these people in the Government think they are? Who are these emperors to whom we are supposed to surrender our right in the House of Commons to decide to approve or not approve which international institutions should receive financial assistance? The Government will just pass an Order in Council in the hereafter and add whoever it likes to the list of international financial institutions to whom the Government can give money, without coming back to this House, except through the estimates, to get money. We will not accept that, Mr. Speaker. We do not accept that. We are not going to accept the Bill with that Clause there.

• (2000)

This Bill provides authority for the Government to make payments on an ongoing basis. It provides authority to make transitional payments. I have already given the amounts. The payments are in the form of demand notes to be cashed over a period of years. These will appear in our estimates in the future once they are encashed. It means that we are authorizing these to be cashed or encashed, and the Government does not have to come back to us any longer for that authority.

That is how I understand the position, and my learned friend here from Edmonton South (Mr. Roche)—the public recognizes him more properly under his name, Doug Roche, who is an authority, renowned throughout the world for his interest in the Third World and development assistance—can better correct me if I err. However, I understand this is one of the first steps that has ever been taken to bring CIDA or the multilateral institutions to which we contribute under the legislative control of Parliament at all. They have never been under our wing except through the estimates. Any Member who knows how the estimates are dealt with knows that the estimates go to Standing Committees on which we have a majority of Liberal sheep. They sit there and say "Baa, baa, baa" to whatever the Government asks its members to do. No one else on the Committee has a chance to dig in, to get information through the iniquitous committee system we have here.

For the first time we have in the House a chance to debate CIDA and the whole development assistance program. Do we have a Minister here to answer questions about it or to pay any attention to the debate? We do not. We have a former minister. We have the Minister of Fisheries and Oceans (Mr. De Bané) here tonight. He does not like to be here during the Question Period. He was reprimanded last week and he has finally shown up for the Question Period.

Mr. De Bané: Mr. Speaker, I rise on a point of order. I wish to point out that my hon. friend is unfairly giving only one side of the story. I do not have his ambiguity. I cannot at the same time be meeting with fishermen in Prince Edward Island and be in the House of Commons. In a few days I will be in the Hon. Member's Province visiting St. John's. Obviously, he cannot criticize in such a fashion. I would gladly compare my attendance in the House with his.

Mr. Nielsen: You would lose.

Some Hon. Members: Hear, hear!

Some Hon. Members: Oh, oh!

Mr. Crosbie: The loud noise made by the seal flippers as demonstrated here tonight shows that those gentlemen really know how to put their flippers together.

Some Hon. Members: Oh, oh!

Mr. Rossi: You know you are never around.

Mr. Crosbie: If the Hon. Minister of Fisheries is out of the House on business visiting other parts of this country, I say, "Hail and farewell" to him.

Some Hon. Members: Hear, hear!

Mr. Crosbie: But, Mr. Speaker, does he have the speed of light? Last week he was here Monday night to vote. He was over there just like the rest of the trained sheep bobbing up, bowing and being counted. He was not in the Question Period on Monday afternoon. He was not in the Question Period on Tuesday afternoon. But Tuesday night when the vote came—and Members over there are all scared of any vote that might defeat them—there he was again bowing to the House.

Mr. Rossi: There were 24 missing on your side, John.

Mr. Crosbie: On Wednesday the Minister came in at twenty minutes to three. I have news for the Minister of Fisheries. Question Period starts at 2:15 p.m. The Minister snuck in at twenty to three. He sat down quietly, hoping that nobody would ask him a question. So much for the Minister of Fisheries.

Some Hon. Members: Oh, oh!

Mr. Crosbie: Here is a letter that has just been delivered.

Some Hon. Members: Read it, John.

Mr. Crosbie: I wrote to the Minister on September 13. I wrote to him on October 7 and he would not answer me. He is too busy. He is running around the country doing something or other. But when I asked him a question today, suddenly a letter appears dated yesterday.

Mr. Nielsen: It was not delivered by the Post Office.

Mr. Crosbie: I have not even received it yet, except that one of his own Members has just sent it over. That is how quick an answer you get. When I am through with that Minister, he will not be a little penknife, he will not be an axe.

Mr. Rossi: $900,000 to your riding.

Mr. Crosbie: Hon. Members over there believe their Ministers; I do not. I do not believe the Minister. He is not capable of telling the truth.

This is significant legislation because for the first time we are being given a chance in this House to have something to say legislatively with respect to CIDA. As far as I know, CIDA itself was not established through an Act of Parliament. I am correct because my colleague, who is our critic in the area of CIDA, one of the world-wide experts in this area, confirms that the whole organization of CIDA which supervises spending in excess of $1 billion a year in the Third World was never established here through a legislative act of this Parliament. We say that CIDA is not sufficiently accountable to this House. We say it is not sufficiently accountable to the people of Canada. Although we support the spirit and principle of the program, CIDA and this Government will have to do a lot of communicating with the people of Canada if it hopes to have the support of the Canadian people in its program of increasing our assistance to the Third World in the next few years.

There is another anomaly I want to point out. The Bill that we dealt with just before this one, I believe it was Bill C-129, the Bretton Woods Agreements Act, is handled by the Department of Finance. And now here is this Bill C-130, allied to Bill C-129, which deals with development assistance through these multinational associations. It is dealt with through the Department of External Affairs. Surely, all this kind of legislation should be dealt with by the Department of External Affairs. Why does the Government still have the Department of Finance handle a certain aspect of international development assistance and the Department of External Affairs handle the other?

When that question was brought up in this House on July 2, 1981, the then Secretary of State for External Affairs, the Hon. Member for Windsor-Walkerville (Mr. MacGuigan), the predecessor to the present fugitive from finance the Secretary of State for External Affairs (Mr. MacEachen), said that these matters should be consolidated within the jurisdiction of his department. We know that the Government never pays the slightest attention to poor old MacGuigan. He was not even an acceptable messenger boy. When he woke up in the morning he had to turn on the early news to hear what new foreign policy the Prime Minister (Mr. Trudeau) had laid out the night before. Now, of course, we have the Hon. Member for Cape Breton Highlands-Canso there—the wily old fox of the Liberal Party, laid in his lair at last. He does not even bother to turn on the radio because he does not care what foreign policy Canada has. He is quite satisfied just to have the Prime Minister announce it at any time. He is only going to bafflegab anyway. If you ask him a question, you will not get an answer, primarily because he does not have an answer.

Some Hon. Members: Oh, oh!

Mr. Crosbie: Such is life here in Canada in the twentieth century under the regime of Emperor Trudeau the First. So the then secretary of state for external affairs said, yes, he agreed these matters should be consolidated. This is now a year and—August, September, October, November—four months later. Are they consolidated? They are not consolidated. Is he the Minister? He is not the Minister. Is anyone the Minister? None of them is the Minister. Why? There is just a Royal Commission appointed to study the economic situation, the finances of Canada. Did the Minister know about it? No Minister knew of it. Why, apparently the Deputy Prime Minister (Mr. MacEachen) knew of it. Apparently he must have bumped into the Prime Minister somewhere, as he stumbled about the building looking for another refuge from the financial winds and tides, and the Prime Minister must have said to him, "Why, Allan, you will be glad to hear that I am just appointing one of the old loophole makers to head up a Royal Commission on Canada's economic prospects". Why, it

was the Deputy Prime Minister who brought in the budget last November to tie off all the loopholes inserted in the tax laws by Mr. Macdonald, Thumper to bumper, who is now chairing the Royal Commission, who will settle what Canada's prospects are for the future. Yes, not to mention the loopholes which were inserted by the present Minister of Energy, Mines and Resources (Mr. Chrétien) who was Minister of Justice, who was Minister of Finance, who was Minister of this, that and the other thing. He is the regular trash bin of the Government. He gets portfolios and they are sloughed off by someone else. He has sloughed into them. So, we do not have any Ministers.

• (2010)

However, in any event, the then secretary of state for external affairs said this, and mark my words, Mr. Speaker, "I think I am meeting success within the government". Yes, he is now Minister of Justice (Mr. MacGuigan). He was extremely successful with those suggestions in External Affairs. Why, they took him and put him in Justice, and he said that he was very lucky to be in Justice. "There is no money left now", he said, "and we can have a great time now. It will not cost any money to reform the sex laws", or whatever it is he is interested in. No, I do not think he is interested in sex.

Mr. Nielsen: Sports laws.

Mr. Crosbie: Support laws. If his laws and suggestions in the Department of Justice are as successful as they were in the Department of External Affairs, we will be in no danger of reforming the justice system in the next two or three years.

I hope I am not annoying any of the hon. gentlemen opposite. They have enough problems and enough on their minds. How will they cadge favour with the voters again in a couple of years' time? How can they pull the wool over their eyes as they go "baa-baaing" about their respective districts in two years' time, with the people, the 1,400,000 unemployed, who will ask them, "Why did you authorize all these extra hundreds of millions of dollars for development assistance? Why are you more interested in helping the Third World countries than you are in helping us?" Because the Minister would not come to the House to tell the Hon. Members. They do not even know the answers. Hon. Liberal Members opposite should be interested in getting the answers, because their electorates will want to know the answer to the question, "Why did you approve all this assistance, externally, when you were doing nothing to help us here at home?" They are not helping the 19 per cent unemployed down in Newfoundland. It is the first time in history that a bunch of sheep have ever been busy at the troughs. Well, that is where they are being busy.

Mr. Nielsen: It is usually donkeys at the trough.

Mr. Crosbie: Now, concerning this Bill before the House, we want to affirm the commitment of our party to assisting development of the Third World. We know that Canada is not a fortress of itself. We are even prepared to admit that the outside world plays a large part in our economic affairs. We say, however, that had we a Government which had any guts, gumption, principles or policies, our economy would be much stronger than it is. However, even were we there and the situation 100 per cent better, as it would be, the outside world, because of its depressed condition, would still be depressing the Canadian economy today. We know that we are dependent on the outside world; 30 per cent of our GNP depends on external trade. We know that in this country we cannot plan on having a rich or rewarding future unless the rest of the world is in a position to trade with us. We know that we do not want to be dependent on the United States of America as our one and only market. We know that 70 per cent of our exports now go there. We know that we must develop our markets with South America. We must develop our markets with Asia. We must develop our markets with Africa. We know that none of them can buy our products if they are not in a financial position to do so. We know that they need to be assisted, not just for humanitarian reasons, but for reasons of self-interest as well. That is why we are prepared to support the Bill in principle, despite the shabby treatment demonstrated by the Secretary of State for External Affairs toward Hon. Members in the House by his not being present here tonight. How many times are External Affairs the subject of debate in this House? Why, one can count on one hand the occasions since I have been in the House. I look at some of our veteran Members. I do not think there have been six debates on matters of External Affairs.

Mr. Roche: Three in ten years.

Mr. Crosbie: There have been three in ten years my hon. friend, the Hon. Member for Edmonton South tells me. Only three. Here is an occasion now. The Government, having been caught improperly trying to get these funds through by means of the estimates, had to come to the House to ask us to support the assistance it wishes to give the international institutions.

Is the Secretary of State for External Affairs here to present the Government's program, its plans for the future, the way it will help in the North-South relationship? What is the future course of the North-South dialogue? We have not heard about that since Cancun, Mexico. Could not one of these three Ministers come here tonight to explain matters to the House, taking 40 minutes or an hour to outline for us why we should support the Bill and why their own Members should vote for it, despite the suffering and unemployment which is now present in the country? No, they do not want to debate External Affairs. They do not want to debate development assistance. They do not want to debate the world outside. They do not want to debate what is happening in Canada. They do not want to lay it on the line. There is no sense of responsibility.

I think it is a very black mark against the man who just became Secretary of State for External Affairs a few months ago, and I have forgotten just when the change-around occurred, but not that long ago, when he does not take the opportunity to come to the House and explain his philosophy. He is supposed to be one of the great supporters, we have always heard, of the Third World development assistance and the World Bank. Well, where is he tonight? We do not know

where he is tonight. I suppose he is ashamed to come before the Canadian people after the record he has in the Department of Finance. Perhaps in this debate we will hear the development strategy.

The Minister of Fisheries and Oceans is here. He was Minister of State for External Relations. What did he do during the months that he lallygagged around the Department? What were his assignments? What did he learn, apart from travelling to French Africa, speaking there and tripping the light fantastic or tippling at the diplomatic cocktail parties, or whatever went on? Does he know anything about the development plan and development assistance, what the plan is for the future?

In the budget of June 28, the last of the fantastic MacEachen budgets, there was an announced reduction in official aid of $175 million over two years. In the economic statement of the new Minister of Finance (Mr. Lalonde) on October 27, it was supposedly reduced by a further $245 million over the next two and a half years. Does Your Honnour not think we are due an explanation as to where these reductions are, how they will be met and from what aspects of development assistance those large amounts will be reduced? Is the development community not owed that? Are the Third World countries not owed it? Are these Ministers appointed just to make statements, and is no one entitled to find out what is behind them or what they in actual fact mean? The reduction of $245 million plus $175 million amounts to over $400 million which, it has been announced, will be reduced from development assistance in the next two or three years. How? How will the Government do this without hurting the guts and essentials of the program? Will it be reduced from the multilateral or bilateral assistance program? Are we not owed an explanation?

I am glad to see that Hon. Members opposite are here now. I remember that last November, not a year ago, they all clapped every time the Minister announced he was cutting off another tax loophole. They clapped and cried, "Oh, marvellous, wonderful!" Then, 11 months later, with the same Government and Cabinet, another Minister of Finance stands up to announce that he is reversing these changes. What was unfair 11 months ago, and everyone clapped because it was unfair and would be changed, becomes fair 11 months later. What is unjust 11 months ago becomes just 11 months later, and the same people are there, clapping the same way with great enthusiasm. Such an exhibition of hypocrisy has never been seen by the Canadian people before.

Some Hon. Members: Hear, hear!

• (2020)

Mr. Crosbie: Such an exhibition of hypocrisy has never been seen by the Canadian people before. I say that it is enough to make any person in this country who watches public affairs throw up in disgust at any system that permits two Ministers in the same Cabinet to forget their responsibilities, and to come here in a period of 11 months to bring down two separate and opposite budgets, one reversing the other, while the same crowd of lackies and lickspittles clap and pound their desks in approval as all those 180 degree turns are being made.

If that is what this country is coming to, thank God that I am not in a Party that will countenance that.

Some Hon. Members: Oh, oh!

Mr. Crosbie: I am sorry to be rough on you gentlemen, but you deserve it.

We want to know from the Minister of Finance, the minister responsible for this Bill, or from the Parliamentary Secretary what are the details of the $245 million that the economic statement of October 27 indicates will be reduced over the next two and a half years from the funds provided for development and assistance. How does it affect this Bill? Do you not think that we should be told? What institutions will it affect? Will it be the Caribbean Development Bank that will get less, or the International Fund for Agricultural Development, or the African Development Bank, or the Asian Development Fund or the Common Fund for Commodities? Which one will have a reduction in payments made to it?

How does the amount that we are now being asked to authorize compare with those two statements that there will be over $400 million reduced in the Development Assistance Program over the next several years?

What happened to the people in the Government who were on the North-South Committee? I believe it was chaired by the Hon. Member from New Brunswick.

An Hon. Member: Gloucester.

Mr. Crosbie: The Hon. Member for Gloucester (Mr. Breau).

Mr. Dionne (Chicoutimi): You should be here more often.

Mr. Crosbie: I am here more often than you like, my friend. If you are not careful, I will be here every day giving it to you, so just be quiet.

The Hon. Member for Gloucester was the Chairman of the North-South Committee. They performed very capable work and tabled a fine report in the House. Perhaps that Hon. Member will explain to the House tonight what the new development assistance strategy of the Government is. The Secretary of State for External Affairs in July, 1981 said that there would be a new strategy which would be given to the House in a few months. Will the Hon. Member explain from the point of view of the investigation of his Subcommittee into this whole area of North-South relations how more than $400 million will be reduced from our spending in that area in the next two or three years and we will still meet our obligations? How will we meet the recommendations of his report when this has been done?

How will we meet the target that the Government so proudly proclaimed when it came to office and proclaimed the targets it was going to achieve in assistance in the next seven or eight years? We must be sensible about this. You cannot get

blood out of a turnip, Mr. Speaker. That is why most of the hon. gentlemen opposite would not bleed if you stabbed them. They are silent turnips. They are there on behalf of the chief gardener of their party. Many of them are agricultural gentlemen and they have me in their area of expertise. Turnips.

Some Hon. Members: Oh, oh!

Mr. Crosbie: We have to be sensible, Mr. Speaker. If we cannot get Canada moving again, if we cannot get our economy going, if we cannot get our GNP expanding—this year it will decrease 4 per cent or 5 per cent, which means that instead of there being more to divide among Canadians this year, we will have 5 per cent less—we will obviously not be able to afford a development assistance program in the future of the size we have now, or of any size.

We know, of course, that we could be seeing some growth if we had a Government that had any economic brains or had been operating with any sense of economic principles in the last ten or 12 years.

If we are to increase our development assistance, we must recognize the fact that the Canadian economy will have to do better. We are still prepared to support the principle of this Bill that we cannot forget the rest of the world where many are far more unfortunate than us. What makes you feel better about the present state of Canada is when you travel outside the country.

An Hon. Member: Resign.

Mr. Crosbie: The present state of Canada, my friend, is deplorable. Perhaps your constituents have not drawn that to your attention. My constituents do not encourage me to think that all is rosy in Canada when they are walking the streets unemployed, when they have nothing to do, or when they are losing their homes. Things are not rosy, but something which makes you feel better about the present state of Canada is when you compare it to the outside.

This summer, I was on a trip with the parliamentary committee to the Caribbean and Latin America.

Some Hon. Members: Again!

Mr. Crosbie: Mr. Speaker, I have been on so few trips—

Mr. Dionne (Chicoutimi): What about Gabon.

Mr. Crosbie: I hope that the parliamentary secretary will take me with him to Gabon.

One of the countries I happened to visit was Peru. When you visit a country like Peru and see the fantastic problems they have in that country, they so far outweigh our own problems that things become more balanced. Of course, most Canadians will not have the opportunity to visit Peru. However, if you visit Lima you would see a city which had half a million people perhaps 20 years ago and which now has 4.5 million people. You drive through areas where two million people are living without water and sewage, living without electricity and living in the most depressing conditions. There is no garbage collection and there is a mountain of garbage 50 feet high down the centre of the street. People have nowhere to go to perform their bodily functions except on the street or some corner.

I have been to India as well but the slums in Lima are the worst that I have ever seen. Therefore, on humanitarian grounds alone, I am a strong supporter of this Bill, apart altogether from the fact that it is in our self-interest to attempt to help other countries which are attempting to help themselves.

At the moment, Peru has an elected Government. It had an election in 1980 when their President, Mr. Belaunde, was elected. Peru now has an electoral system. There are tremendous problems of poverty and development. Peru has an inflation rate of over 50 per cent. Imagine trying to deal with an inflation rate of over 50 per cent when you have to look to an electorate to vote for you in two years' time. How would you correct a problem like that without ensuring that you will never see the inside of an elected assembly again?

Countries which are attempting to do something for themselves in a democratic way with the consent of the people in spite of all these obstacles, I think it behooves us to assist them as best we can. Of course, it may be very helpful for us in the future to develop trade with Peru. We already have non-government organizations which are very strong in their assistance there, particularly the Roman Catholic church and other church organizations which are attempting to help.

We flew to Tarapota, a town in the Amazon part of Peru on the other side of the Andes, which was celebrating its two-hundredth anniversary. We visited an agricultural technical college which Canada was supporting. It is obviously the right thing to support in that part of the world which must improve its agriculture and productivity. I have not seen many projects that Canada has helped finance in the Third World. I was proud of the fact that Canada helped to finance those projects.

We know, of course, that funds have been applied improperly. I will leave that subject to a more knowledgeable Member for our party, the Hon. Member for Edmonton South (Mr. Roche). We realize that projects could be administered better. We have suggestions for changes to the strategy and tactics. But we would like the Government to bring before the House an outline of how it will tackle these problems today. The Government has had sufficient time to do that now. It has had the north-south report for some time. It will have a report from the Subcommittee on the Caribbean and Latin America in a week or ten days. I think it was delivered today to the full Standing Committee on External Affairs and National Defence. There has been a lot of time. When is the Government going to take this whole area seriously, not pay lip service, not keep saying it is going to hit the objective of 0.7 per cent of the GNP by 1990 and then cut the estimates for the next two years by over $400 million in this area? They come into this House reluctantly and only because they were caught by an alert Member on our side, the Hon. Member for

Calgary Centre (Mr. Andre), and the Speaker when they attempted to slip through spending in the estimates never authorized by this House. They are now before the House very reluctantly.

• (2030)

We say that we are prepared to be co-operative. We agree with this Bill in principle. There is one clause we want changed, the one I mentioned in my earlier remarks, but we are not going to be pushed around. We do not want the Government to think we are not to be taken seriously just because we are supportive of continuing development assistance, that we are just going to lie around in this House and allow the Minister to ignore his responsibility.

The Minister should be glad to get his teeth into this area. He should be glad to have a chance to show the House of Commons his stuff in the field of External Affairs. It is not as if he were a new Minister. He was there before. He was there several years before the man who is now Secretary of State for External Affairs. Perhaps he has some legitimate reason for not being here tonight. If he could not be here, the legislative timetable should have been changed so that it coincided with his presence in Ottawa.

Do not let me hear any spurious excuses or some Member opposite stand up later and say that the Secretary of State for External Affairs is not in Ottawa today, he is in Timbucto, Afghanistan, Cape Breton or wherever he might be. My answer to that is, fine, but his Bills should have awaited his return before being proceeded with.

Suppose the Secretary of State for External Affairs is going to be away for ten months. What does the Minister of State for External Relations do? Why is he not here tonight demonstrating his stuff? The Member who is now that Minister is a former diplomat. I do not know if he was a diplomat. He was in External Affairs. He might have been one of the few undiplomatic ones that were in External Affairs, although from what I have seen of him in the House, I believe he is one of the diplomatic ones. Why is he not here tonight making his maiden speech as Secretary of State for External Affairs? Where is the garrulous former secretary of state, Gerry Regan, in case those in Nova Scotia have forgotten? Where is he tonight? He is the Minister of State for International Trade. Could he not take it over? Surely any Department that has three ministers—

Mr. Rossi: Is his time not up, Mr. Speaker?

Mr. Crosbie: They are asking whether my time is up. My time is never up. I have unlimited time. I can go all night. I can go on until tomorrow. If Hon. Members are going to aggravate me, I will set a record. I will go on for a month, cruel punishment that that might be.

Any Department which has three ministers should have a Minister here to speak on an important bill, unless they do not consider it important. Perhaps Bill C-130 is not considered important by this Government. Perhaps development assistance is not considered of the first importance by this Government. Perhaps the Third World is not considered important by the Government. Perhaps the North-South relationship is not considered important by this Government. Perhaps this Government just considers the North-South to be a public relations exercise like the six-five program and the Royal Commission headed by "Thumper" Macdonald. It will be the Government that gets the thump if it ever gets the gumption to call an election. They do not consider this to be very important. There are three Ministers and not one of them is in this House tonight. We have a parliamentary assistant, a fine young man from the Province of Quebec. We foresee for him a great future back in his own Province; no future federally but in his own Province. This is a serious—

Mr. Rossi: Don't tell me you are going to get serious for a change?

Mr. Crosbie: This is serious. I have been serious all night. The Member opposite does not know the difference between being serious and making a point. In order to get Members opposite to pay attention, you have to jolly them up a bit. This is extraordinary. We have three, six, ten, thirteen, seventeen or 21 Members on the Liberal benches here to listen to me. This is an honour, an honour, 21 Members opposite and on this side of the House 102.

Some Hon. Members: Hear, hear!

Mr. Crosbie: That's my little PR device. That is the way they made their six-five program. The public cannot really see what is happening.

I am coming to a conclusion, Mr. Speaker, because I want to see whether the Government is going to bring in one of its Ministers. I have something that I came across tonight. It is something we should all remember. I want to quote the Chairman of the Bank of Montreal, Mr. Mulholland, as reported in the Halifax paper of November 5. He said:

> The western world would face "a very real possibility of a depression" if credit was suddenly cut off to debt-ridden developing nations—

There is so much truth in that. Mr. Mulholland said:

> —there is so much economic interdependence in the world that if the more affluent countries interrupted the extension of credit to poorer nations international trade would immediately be adversely affected. This would produce a severe backlash damaging to western economies.

That, of course, is 100 per cent true. The western world has extended so much credit to these countries that we cannot now stop supplying them with credit, even though many of them are no longer credit worthy in the sense that they cannot pay back their present debts because none of them anticipated the horrendous level of interest rates they would be faced with. I believe that in South America on the average countries spend over 40 per cent of their total export earnings for interest on their international debt. There is no way they can prosper under those kinds of circumstances. If they cannot prosper, we cannot prosper. The United States, West Germany and Japan cannot prosper.

That is why we had to resist the siren call of protectionism, increasing tariffs and increasing ways of avoiding importing

goods. That way for Canada is dead. Thirty per cent of our whole GNP depends on external trade for this country. We cannot afford to be one of those who attempt to protect themselves. It could lead to disaster. Again I quote Mr. Mulholland as follows:

"When you cut those financial links to developing nations you close factories—"

He means that you close factories here in Canada. If we cannot sell our stuff abroad, the factories here cannot operate. We have seen that in the mineral industry in Schefferville and in other mining towns. He further said:

"We sure don't need a decline from where we are today" ... "You cut your own throat if you do that." It is in the interest of no country or banking system, he said, to force the developing world to balance its accounts through a reduction in imports—and without credit those nations cannot buy goods and services from Canadians who depend upon international trade for 30 per cent of their incomes.

This is the kind of thing our Minister should be explaining here tonight. Why should we have to explain this? If we are not prepared to help the outside world, and we are one of the world's wealthier countries even though we have gone back very far in the last four or five years, the whole international system of trade and assistance may collapse. Canadians could stand to lose 30 per cent of their income, by becoming an island unto ourselves. That is something for Canadians to keep in mind when we say we have to continue to do what we can to assist the outside world. Do these Ministers think that Canadians are going to support blindly any program they might want to institute in the field of international aid? They are not.

An Hon. Member: That's repetition.

Mr. Crosbie: Yes it is repetition, but I am trying to make a point. If I make this point often enough it might sink into some of the craniums of the Ministers who are here. I see the Minister of State for Finance (Mr. Cosgrove) is now here. I watched him earlier over television when he dealt with Bill C-129. I was hoping he would explain the Government's program and the whole scheme of things, where they are spending money and what is happening with the World Bank.

• (2040)

What does the Government think the World Bank is going to do? Is the World Bank in a strong enough position now to avoid the interruption and disruptions in world credit? What do they think of the present situation? How are they going to handle the huge credits we have with Poland, the $1.25 billion that Poland now owes Canada under its grain agreement which is in arrears month after month. How are some of these problems going to be dealt with? What is the role of the World Bank? Why should we give any support to the World Bank at all, or any credit to it? What should be the criteria for loans by the World Bank and other development associations?

Another burning issue of the day about which I get many letters from Canadians is the suggestion we should not have the Inter-American Bank give a loan to Guatemala because of what is happening there. Then I get a letter saying we should not have one of those agencies give a loan to El Salvador, or Cuba, or else we hear, Mr. Speaker, that the World Bank should not provide financing credit for South Africa, and on and on it goes. What is the answer to that? Surely, it is in the Government's interest to explain to the Canadian people what their policy is in those areas. This is a debate on this whole area. What is the Government's policy if one of the agencies we are now giving assistance to wants to make a loan to Cuba? Does the Government take the position that no, Cuba should not have a loan because we do not approve of its system? If the Inter-American Development Bank wants to make a loan to Guatemala, are we taking the position now that we should say to them, through our representative in the Bank, no, you should not make a loan to Guatemala? If that is not our position, why is it not our position? Why do we have a different position? Do we take the position, as I assume we do, that these banks are there to help countries develop, and that these international agencies cannot set themselves up as judges of their own internal system, that they cannot make decisions as to what country should have a loan and what country should not have a loan under some kind of criteria which it is up to the individual to make a decision by? After all, Mr. Speaker, if we cut off relations with countries in this world of whose régimes we do not approve because of their human rights record, or whatever, we would have relations with very few countries in this world. We would not have relations with the U.S.S.R. or Poland or Czechoslovakia, El Salvador, Guatemala, Cuba, and so on. We would be pretty well isolated in the world if that was our policy. Therefore, we need a clear statement of what the policy of the Government is.

This is a Bill which authorizes us over the next few years to provide funds for the development associations and banks, and I have already read them so I will not repeat myself. Surely we should have a responsible Minister to tell us what are criteria that Canada advises these banks they should use when they make development loans. Do we tell them there are any conditions at all? What conditions do we tell them there should be? Is it not likely that we are going to get letters, as I get them continually now, asking why we authorized money to go to those banks? We are making loans to "X", "Y" and "Z" with whom these particular individuals do not agree. What is the Government's policy? Are we not entitled to know? I say, yes, Mr. Speaker, we are entitled to know.

I assume this legislation is going to the Standing Committee on External Affairs and National Defence: is that right, Mr. Government House Leader? We can get answers, hopefully, to some of these questions there.

Mr. Pinard: Yes.

Mr. Crosbie: Good. Can I ask the Parliamentary Secretary then whether he could ask his Minister to prepare some kind of statement that deals with these points I am raising now when this goes to the Standing Committee on External Affairs and National Defence, because while some of my speech might be put in a fashion that is calculated to arouse some amusement, these are serious points on which we wanted information, to which the public is entitled.

The situation of the developing world, Mr. Speaker, is pretty bleak today. The World Bank itself has had to slash its own assistance program by quite a considerable amount. The Third World countries have to import oil and are in what you can only call desperate shape. Their total debt has gone from $96.8 billion in 1973 to $500 billion this year. We know that Canada cannot continue to devote increasing amounts to this area if its own economy does not grow. The principal objective, therefore, of the Canadian Government has to be to get our own economy going again, and our own economic system growing, so we can do more.

In closing, Mr. Speaker, I say to you that the Government has lost a great opportunity today. It has had two Bills, Bill C-129 and Bill C-130, which we are now considering. If the Government considers External Affairs and international assistance to be important, and it is one of the few occasions where we have had a chance to even touch on this subject in the House, it should have added to each of those Bills a major statement from the Minister of Finance or Secretary of State for External Affairs, and anyone else in the Government particularly concerned with these issues. The Prime Minister should have been here in this House discussing these issues. It is not good enough for him to go flying to Cancun when the eyes of the world are on Cancun, making noble statements to other world leaders, and I should not say "other" world leaders. I do not consider our Prime Minister to be a world leader. He is not in the class of the least of them. He is not in the class of the leaders of the Third World countries. They do a better job of solving their problems than this Prime Minister has done.

Our Prime Minister had these world leaders here a few months ago, but what has he done to follow up on the publicity he was then getting? He was going to insist that the United States and these other countries devote more time and attention to the North-South and to development assistance. He should be here tonight. If he could not be here tonight because he is in France, then he could have asked his House Leader to bring the Bill on when he got back because this is a subject close to his heart. "I am supposed to be renowned as an international statesman," he could have said, "and I want to be here in the House of Commons when the subject is discussed to outline my program for the future, how these world problems are going to be overcome and what Canada is going to do to meet them, how I am going to get Canada up again so it can do more." That is what should be happening to this legislation. Instead of that, we do not have the Prime Minister here, or the Deputy Prime Minister and Secretary of State for External Affairs, or the Minister of State for International Trade (Mr. Regan) or the former minister of industry, and they were only changed several months ago. We have a new Parliamentary Secretary who addressed himself to this Bill and a neophyte Minister of State for Finance who has only been in that portfolio for several months and obviously has not got much of a grasp on the situation either. That shows how important this area is to the Government, Mr. Speaker, and it is not good enough. Because we believe in helping others and because we believe helping others helps us in Canada, we are going to support the principle of this bill, but it is a terrible show, a mean show, a dispirited show. It is an insincere show. It is show that should disgust anyone in this country who is interested in the field of international development assistance. It is a rotten way to introduce this legislation to the House. It is dispiriting, and I hope the message is passed on to the Prime Minister.

Miss Pauline Jewett (New Westminster-Coquitlam): Mr. Speaker, I hope the Hon. Member for St. John's West (Mr. Crosbie) will be grateful to me, since not only do I agree with much of what he just said, particularly about the shortcomings of the Government, but it was as a result of my request that the Bill is now going to the Standing Committee on External Affairs and National Defence so that we can give it the kind of examination that the Government hoped to avoid. It is also for this reason, Mr. Speaker, that I shall not take more than a few minutes tonight. We will have a much better opportunity to discuss this Bill in very great detail when it comes before the Standing Committee.

• (2050)

Like the Hon. Member who just spoke, I was surprised that the Parliamentary Secretary did not have something more to say about the activities of the international financial institutions that this Bill addresses. Perhaps the subject matter of the previous Bill was more familiar to most of us because it concerned the World Bank and IDA, and I think most of us do have a fair bit of knowledge about what they do and about the per capita income of the countries assisted by the IDA. In fact, 80 per cent of those countries have a per capita income of less than $410 a year. However, I do feel, and the Minister should have been aware of this, that there is not as much familiarity, either on the Government side or on the opposition side, with the African Development Fund, the African Development Bank, the Asian Development Fund, the Asian Development Bank, even the InterAmerican Development Bank and its fund for special operations, the Caribbean Development Bank and the Special Development Fund, the International Fund for Agricultural Development or the Common Fund for Commodities.

Canada is putting a great deal of money into all these banks and funds, as the Bill indicates, and perhaps it is because the Government has just become so used to introducing measures privately through order in council or estimates and sort of sneaking them in that it does not realize that when it is obliged to come before the House, it is surely expected to give a fairly detailed account and some judgment about the operation of these agencies. Are we to conclude that the Government has not studied the operation of these agencies and that it is simply granting the funds without any study about how they operate or the criteria they use for the granting of loans? Are we to assume it is not interested or that it just simply does not know or think it is important? I really cannot believe that. I know many members of the Department of External Affairs and CIDA are interested, concerned and knowledgeable, but the

Government seems to have no wish to share that knowledge with us in the House of Commons. Indeed, it appears that it hopes even not to have to go to the Standing Committee on this and thereby deprive us of an opportunity to get the kind of information we want.

So I want to take my few minutes tonight to tell the Parliamentary Secretary in the Minister's absence—and like the Hon. Member who just spoke, I do think it is amazing that he would not have arranged for this Bill to be presented when he was present—to outline some of the main concerns I have so that when the Minister does come to the committee, and of course we will expect the Minister, the leading Minister before the committee, he will have some idea at least of the kind of concerns I have. Some of them have already been expressed by the Hon. Member for St. John's West so I will not repeat those; I will focuss on the other concerns I have.

Now, it has already been said that we cannot be entirely certain about what are the criteria for the granting of loans in these various institutions. In fact, as I understand it, they are fairly specific criteria, which include the IMF as well, and they are criteria that I think we as a country should very seriously re-examine. In a letter I wrote to the Secretary of State for External Affairs (Mr. MacEachen) on October 12, 1982, to which I received a reply dated October 28, I asked specifically about the desirability of Canada's supporting the granting by the InterAmerican Development Bank, an institution mentioned in the schedule to this Bill, of a loan to Guatemala. I gave the various reasons that many people give, that the chief purpose of this loan is to finance a rural telephone project. I said in my letter:

> It is very questionable that such a telephone system will be serving basic human needs or benefiting low income groups in rural Guatemala. Rural Guatemala is already served by an efficient and cheap telegraph system. It is more likely that such a communication system will be used mostly for the benefit of the government's security forces. The loan should be opposed by Canada for those reasons.

In his reply the Minister said:

> As you may know, Canadian policy continues to be that the introduction of political considerations into the decision-making processes of international financial institutions is contrary to their charter provisions and would seriously endanger their viability over the long term, to the detriment of all their members and of the international community as a whole.

In short, he said that there could not be introduced something that he called political considerations. The fact remains, however, that political considerations have in fact been introduced many times, both in the IDB, the InterAmerican Development Bank, and in the IMF whose charter has a similar provision. For example, when the United States pushed the IMF to make a loan of $85 million to El Salvador—which, by the way, all European countries except Italy opposed and which was approved one year after it was introduced with a further $300 million now under consideration—an investigation was carried out in the United States. That was reported in the Toronto *Star* on September 12, which said that the Dutch Executive Director had remarked that El Salvador's loan application differed from the usual in two respects. I should preface this by saying that most of those loans are to help countries out of balance of payments difficulties. First, this does not establish the existence, let alone the size, of a balance of payments shortfall. Secondly, it does not contain a staff proposal to the board. Yet this was granted. It was a political loan. They did not even establish the existence of a balance of payments shortfall which was supposed to be the reason for the loan being granted.

There is no doubt that Argentina's request for a loan has strong political implications. The loan request is a direct result of the Falklands war, which in turn, of course, affects the economic situation. Indeed, at this moment in time—and the Hon. Member for St. John's West will be interested to know this—Argentina pays out 100 per cent of its export earnings to finance its foreign debt. One hundred per cent. Clearly there is something very political about that need of Argentina's, and the same, as I have already indicated, is true of El Salvador in its request. I have already suggested that Guatemala does not have in mind the kind of economic considerations that the InterAmerican Development Bank, like the IMF, is supposed to be guided by, according to the Minister's letter.

So we need to have clarification not only of what the guidelines are but some discussions of whether or not Canada should be looking into broader or different guidelines. In that connection, it really came as a great shock to a lot of Canadians to discover that the loan to South Africa recently granted by the IMF of $1.7 billion U.S. is about the same amount as the increase in South Africa's military expenditures for the fiscal year 1981-82. To be more specific, the $689 million U.S. requested from the IMF Compensatory Financing Facility is the largest ever loan request made through that facility, and, coupled with the $394 million U.S. standby credit, approximates the 30 per cent increase in South Africa's defence expenditures for fiscal 1981-82, reaching almost $3 billion.

• (2100)

There are other examples, apart from South Africa, where it is clear that countries are spending massively on military equipment that, I think we all would agree, can be and usually is destabilizing or oppressive or repressive for the region in question. In the case of South Africa, gold devaluation substantially reduced its export earnings, so it asks for and receives a loan from the IMF which is about the same amount as its massive increase in military expenditures.

This is one of the things that I think we should talk about in the committee. If we are genuinely concerned about making international financing institutions viable particularly for the developing countries, surely there should be some direct link between the degree to which they can have a loan or grant and the degree to which they reduce these massive military expenditures that, copying the western world, many Third World countries are undertaking.

That is the first different criteria that the Standing Committee should examine. I hope when the Minister comes before it with his officials, he will already have examined the question pretty closely. It means that there must be some review of the loans granted over the years to the countries that have applied for and secured them from the various financial institutions we

are talking about tonight, and also, I might add, from the IMF.

The second area at which we might look more closely was hinted at by the Hon. Member for York North (Mr. Gamble). And, Mr. Speaker, I never in this world thought that I would agree with him. He spoke about the many countries that are the recipients of bilateral and multilateral grants and loans, and how some of the money does not percolate down to the population but that a great deal seems to be expended by the elite in those countries, rather than by the ordinary people. I am sure that all Members who sit on the Latin American Subcommittee have thought about this; indeed, we could not help but think about it. It causes one to wonder whether the granting of loans should be related in some way to the development of land reform in the recipient country, for example, or should be linked in some way to the efforts made by the recipient country to see to a more equitable distribution of income. Many countries that we visited are certainly trying to do that, and I am not saying it could be done overnight. It should be looked at, however, and like the matter of military expenditures, should be built into our criteria.

The third and final matter that it would be desirable to examine in committee is whether, in a country that is engaging in massive human rights violations—all countries have engaged in some, unfortunately, but some engage in massive human rights violations and Guatemala is a case in point—the money is going to end up causing greater human rights violations and oppression by that particular Government.

This is a difficult question, because we want to help people with basic human needs with development assistance programs and we want these financial institutions to do that. It may be, however, that we should be looking more closely at massive human rights violations as well as at the degree of distribution of income and the growth in military expenditures.

I hope the Minister and his officials will come to the committee prepared to look at the questions that I am sure other Hon. Members will raise tonight, and that they will have thought about them and be able to give a somewhat more satisfactory answer than the one I received in the letter from the Minister. In order to give a more satisfactory answer they will have to study the oepration of the financial institutions and give a report on the financial operation of each and go through some of the more recent and questionable loan applications that have been approved.

Although the IMF is not included in the Bill before us, I would be grateful if it could be included in the review that I ask the Minister and the Department to do for the Standing Committee.

The need for full discussion and more information has been pointed out by other Hon. Members. I can only emphasize that if we, as Members of the Canadian House of Commons, are to talk reasonably with our constituents on the long-term benefits of development assistance; if in the face of massive unemployment and lay-offs and the numbers of exhaustees in our ridings, we are going to be understood by them, then we have to make sure we know how the money is being expended. We have to know what the record of the multilateral institution is, along the lines that I have been requesting, and what results have been achieved from loans already granted. I have some knowledge of this and I am sure other Hon. Members have even more, but generally it is not sufficiently known. If we are to do our duty as MPs we must have more information, more illumination.

I agree that long ago we should have had a statement from the Government on its development assistance policy, but apparently that is not going to be forthcoming. With the week or so that is available, perhaps the Government could address the long-run objectives, as it sees them in this period of economic recession, of its development assistance policy, both bilaterally and through these multilateral institutions.

Mr. Douglas Roche (Edmonton South): Mr. Speaker, I do not think the Government nor the officials of CIDA are sufficiently aware of the gravity of the present situation of trying to maintain public support or policies of international development assistance when, as my colleague said in reference to Bill C-129, we are living in extraordinary times in this country.

The Hon. Member for St. John's West (Mr. Crosbie) dwelled, in his inimitable and illuminating way, on the shortcomings of the Government Ministers in not being present tonight to introduce this legislation. I will not repeat those comments although I certainly agree with them.

• (2110)

We are facing a situation in which there are two competing elements. The first is the domestic crisis of the country. Then there is unemployment, inflation, bankruptcies and fears which were never in the minds of Canadians before. I know of people in Alberta and in Edmonton South who are going bankrupt, just as Hon. Members from Ontario know of similar cases in their constituencies.

It is true that the number of hungry and malnourished people in the world is growing and that there is insufficient health, education and shelter facilities to provide even basic needs for growing numbers of people, now estimated by the World Bank, which is the subject of our discussions tonight, at 800 million people, or one-quarter of humanity.

What is the issue here tonight? What is the issue that this absent and derelict Government does not address? The issue is how we will meet a double responsibility to Canadians and to the dispossessed of the world. How will we do this at a time when we live in extraordinary times which are calling into question the future of international development programs?

It is a tribute to the Progressive Conservative Party and its sense of responsibility that the Hon. Member for Etobicoke Centre (Mr. Wilson) spoke for us on Bill C-129 which dealt with millions of dollars for the World Bank and that the Hon. Member for St. John's West addressed comments on Bill C-130 which is now before us. Both these spokesmen committed

our Party to supporting these bills, even though the Ministers would not give us the backs, let alone the fronts of their hands.

I do not want to be too hard on the Minister of State for Finance (Mr. Cosgrove). After all, he was here and was asked legitimate questions tonight, especially in Committee of the Whole. He was asked the kinds of questions which Canadians are asking—where is the money going, why should we support the World Bank, why should we support international institutions at this moment when there are such pressing needs at home? I would have thought that the Minister of Finance (Mr. Lalonde) would have been present. I do not know where he is. It is his Bill. Even with his briefings, I would have thought the Minister of State for Finance would have referred the House, in answer to some of the key questions about where the money for IDA goes, to the World Bank's own report on where it was going. Mr. Clausen, the President of the World Bank, told an international development meeting in Tokyo two weeks ago why he was asking for support. I attended that meeting at which Mr. Clausen used the case of India, the second largest country in the world, with more than 700 million people. With its rate of growth it will probably become the largest country in the world by the year 2020. He said that India had become self-sufficient in food. What does this mean?

I should like to refer to one of the projects of IDA which was paid for by funds contributed by various nations. It was worth $220 million and, according to The World Bank Annual Report 1982:

> The project—including construction work on six dams, expansion and remodeling of 217 kilometers of canal systems, and the construction or improvement of 672 kilometers of rural roads—will assist the ongoing development of two major irrigation schemes in Madhya Pradesh state and help increase agricultural production and raise the standard of living of local farmers. Total cost: $439.2 million.

I could quote many examples to show how the money used by the World Bank goes to help people become self-reliant. Why do we want them to become self-reliant? We want them to become self-reliant for humanitarian grounds, so that the world will be a more decent place and so that they can plug into the modern world and trading systems. Also we want them to become self-reliant because there is a mutual interest today between developed and developing countries, between the North and the South. There is a mutual interest in restoring the credit base of Third World countries and in reviving world production to serve as an engine of growth in both the North and the South. This is the basic rationale which the Progressive Conservative Party is supporting.

I hope the CIDA officials who have been monitoring this debate for the last several hours will carry back to their organization some of my comments tonight about the jeopardy in which they themselves are with respect to trying to maintain programs of international development. The Minister was not here to present his own Bill, and the Government refuses to produce a new strategy for international development.

There was a strategy for international development from 1975 to 1980. It contained 21 points. The North-South Institute, which is an independent professional organization, examined all 21 points and reported, at the conclusion of the five years, that the Government had failed in 16 of the 21 points. As bad as that failure was, the Government does not even produce a strategy for the years 1980 to 1985. No wonder we ask where the Government is going and what is happening in the entire area of international development assistance.

In the course of my remarks tonight I want to indicate—and I should note parenthetically what a rare occasion it is to have the opportunity to debate this subject matter—that we spent a lot of time, as the Hon. Member for Gloucester (Mr. Breau) knows, studying very seriously the North-South question in the North-South Task Force. We made many recommendations as well, but I think that in all objectivity he will recognize that they have not been fully implemented or even implemented in the way we thought they should have been. I will be glad to hear his comments in the course of this debate, but he knows that the study was a serious one.

The situation to which Canada is relating is extremely serious, not just on humanitarian grounds, but in connection with our ability to have trading relationships with increasing numbers of people who want to come onstream with self-reliance. He knows, as well as I, that Canada is far behind the United States, Japan and the European community in terms of maintaining trading relationships, with developing countries on both the import and export sides. The trade levels of these three countries which I have just named compared with developing countries are around 25 to 35 per cent, whereas Canada is only at between the 12 and 15 per cent level. We have a long way to go. The North-South issue presents an access for us or a way to increasing trade, the kind of trade which many Canadian businessmen today, such as the 2,500 who have contracts with CIDA, have begun to discover.

• (2120)

How many times do we have to say and underline the fact that it is in our interests as a nation trying to relate to the conditions of interdependence in the modern world for us to maintain our development assistance programs in such a way that we are serving the needs of humanity and the needs of Canada? That is what this issue is all about. That is why this whole debate tonight should have been launched with a major paper by the Government to tell us what is happening with respect to Government policy. How do the officials at CIDA expect to know where they are going to go? I know the question marks and the morale question that CIDA has. I shall come back to CIDA in a few minutes.

Let me talk for a moment about a question that is often raised, that if we have had development assistance for the last 25 years, how come we still have these terrible problems of poverty—that the whole thing does not work? To begin with, in one quarter of a century we have had a lot of declarations, global reports, international conferences, new institutions and new concepts. It would be a whole speech in itself just to relate everything that has gone on. But what it has done for us is to have given us an understanding of how our planet works, how the training, the energy and the environmental interdependent

systems of our planet work. Out of that momentum of ideas and activity, we have to ask ourselves, why has the development problem not been solved? Why do the experts keep telling us that 800 million people live in absolute poverty? This figure will rise to one billion by the end of the century. Why do 40,000 infants and small children die every day from malnutrition, disease and inattention in the developing world? The short answer to those questions is that although a great deal has been done to achieve self-reliance in the developing countries, the problem is worsening at a faster rate than the implementation of solutions.

I have had the opportunity of seeing at first hand what the situation is. I have seen areas where food production has tripled with the use of fertilizers and machinery. A few moments ago I referred to India with reference to the IDA appropriation that we put through this House earlier tonight through Bill C-129. India has become self-sufficient in food as a result of this kind of development. I have seen vast co-operative networks for marketing, long rows of new industrial plants, a rising middle-class, clean and well dressed children in schools. I have also seen the bodies of children who died from dysentry. I have seen filthy, stinking slums stretched out as far as the eye can see. I have seen village after village with no electricity, no water and the evening supper heated on a fire of cow dung.

Out of all this, what have I learned? I have learned that the development problem can be solved. The situation is not hopeless. There are enough resources. Economic progress in the bottom sectors of the economy is possible. It is not facts, theories, money or strategies that we are short of; it is the political will. The political will among us in the North must as well be in those leaders in the South. We must understand that it is not just good ethics but it is also good economics to support development partnerships in this modern world.

We have used the word crisis so often in connection with the developing countries, but the word seems to have lost its meaning and serves no one. Yet what other word can be used to describe the mounting number of children who are dying because development programs in their countries have been cut back because the balance of payments have become unmanageable as a result of the higher price developing countries pay for imports of such things as oil together with the lower prices they receive for the export of their commodities. You see, Mr. Speaker, how these questions are interlinked. I have traced it right back to the village level. I have spoken to doctors in Kenya, one of the better off countries in Africa. I have spoken to the flying doctors, as they are called, who go into the bush country. They showed me that children were dying because the development programs were cut back. Why did this happen? Because Kenya reduced its own development program as a result of the cash crisis, the deficit that country accumulated as a result of the higher prices of imports, namely oil and manufactured goods which came from the north, which passed on inflation, whereas the export of Kenya's goods through the manufacturing countries was not subject to inflation and so Kenya got a lesser return. That is the principal reason the gap is widening between the North and the South. That is a question that has to be dealt with.

Too often I think we tend to deal with it in negative or pessimistic terms as if the whole thing were terrible. I have said that the problem is out-running the solutions because of the deficits involved. We have made references earlier tonight to the cumulated deficit exceeding $500 billion in the least developed oil-importing countries. What about the progress that has been made? I think we ought to recognize that as a result of the participation of countries like Canada in economic assistance programs which the developing countries of the South have, since all this got started two decades ago, they have doubled their average income, they have halved their rates of infant mortality, and they have almost doubled their average literacy rate—to over 50 per cent. These efforts during the first two development decades have produced some positive results. However, the situation continues to get worse. Even though the situation is worsening, the developing world can at least take credit for the fact that 150 million hectares of new land have gone into production, which is more than all of the present crop land in North America, western Europe and Japan combined. Add to that the doubling of land under irrigation, and we have the reason why only one-tenth the number of people died from famine between 1950 and 1975 as were estimated to have perished from starvation in the much less populaced world of 1875 to 1900.

In these years development has too often been measured by the size of new airports rather than the number of years a child can stay in school. However, the experts—and here again we should recognize the World Bank, the subject of our concern tonight—have led the way in coming to what I would call a latter day understanding of the needs and values of community development that if you put money into servicing the needs of people at the village level, that has a far greater economic impact than even some of the mega-projects that have been funded in the name of foreign aid. We are now seeing that the number of years a child can stay in school, the number of projects that will help to fund health, nutrition and education, all of that is not just humanitarian but it has made a major contribution to economic growth.

The fact that the development process is now getting down to the poorest in some areas has given rise to a new ray of hope. Just as this moment of hope arrived, the cost of oil and other manufactured goods for the developing countries went out of sight for them and set back all the development programs, with the result that both the south and the north have fallen into situations of real concern.

I am not going to take the time of the House tonight to trace what Robert McNamara calls the reverse circuits of interdependence by which nations such as Brazil, Mexico and many other developing countries that are so-called better off and have grown the fastest have become in great danger of going bankrupt as a result of their inability to pay the interest or repay capital on increasing amounts of loans which they have acquired. That is one aspect of the situation that the World Bank and the IMF, the International Monetary Fund, have

had to address, and which they did address at their meetings in Toronto. Some people are quite critical of the World Bank and the IMF, but I am not one of them because I think that both institutions, as the North-South task force recommended, are employing modernization programs and expanding their bases. The World Bank expanded its base, doubling its base of capital, and is now able to secure more money on the commercial markets which it then loans to developing countries, and particularly, to the least developed through the IDA section of the World Bank. It is able to do these things because these institutions are adjusting themselves. That is the fundamental reason these two Bills tonight, which address themselves to a certain expansion of the operating facilities of both CIDA and the inter-regional banks and the World Bank, ought to be supported.

• (2130)

However, there is a certain anomaly here. Those who have watched the debate may be under the impression, with the many figures hurled around, that there is some sort of gigantic expansion taking place in Canada's official development assistance program, but such is certainly not the case. First, we must recall that only a few days ago the Minister of Finance took $245 million out of the forthcoming CIDA budget. The percentage of Canada's official development assistance is now only 0.43 per cent of the gross national product. It is a long way from the 0.5 per cent which the Government has committed by 1985, and it is certainly that much farther from the 0.57 per cent which the North-South task force recommended be achieved by 1985. The enlargement of official development assistance is simply not taking place. There is a certain transfer over to some increase in multilateral assistance, but that will be at the expense of some bilateral programs.

That brings me to some suggestions I want to make to the officials of CIDA and to the Government for their consideration as to how they will maintain a program which is responsive to the needs of the South today and which conjoins the situation in which Canada finds itself, this extraordinary situation wherein all development assistance is questioned. In short, I think it is time we woke up to the fact that the new era in North-South relations has arrived and that it is time to recognize that all the arguments of self-interest, global stability and human justice now converge on the new reality of the interdependent world, namely, that the present global crisis of the international economic system affects both North and South. It is certainly time we gave some recognition to a basic fact that in 1981, three quarters of the total increase in international trade of manufactured goods was represented by imports by developing countries from the North. I say to Your Honour and Hon. Members in the House that we must realize what the statistic is telling us. We are in a recession in the north. We are in a crisis. We are living in extraordinary times. A way out of that crisis is to increase our sales and our exports of goods to that vast section of humanity which is now trying to come onstream called "the developing countries". Here, even in the midst of this crisis, in 1981, and I want to repeat this, three quarters of the total increase in international trade of manufactured goods was represented by imports by developing countries from the North. That is the signal which ought to encourage us to take some realistic steps, even recognizing that the steps we are taking are less than half of 1 per cent of our gross national product. In the interests of global stability, in the interests of Canada enlarging its own trading relationships in the world, and certainly in the interest of pure human justice, I think we must maintain strong programs and have a strategy for them and an explanation for the Canadian people.

I would propose that CIDA recognize that one of its problems, I would even say its chief problem, is that it has mixed up its motivation as to what it is attempting to do. It is not explaining it. Moreover, its 1,106 projects reach into no fewer than 89 countries on the ground that this provides an entry for Canadian business. We must recognize that Sweden, which is the best aid deliverer in the world, operates in only 20 countries. The development community of Canada is appalled by this misdirection of aid money into so many countries that it loses its effectiveness, and the business community of Canada is simply unimpressed because the figures are far too small to make any kind of imprint in a serious way on Canadian business. Even for all the tied aid that is under so much discussion, the value of it to Canadian business under the bilateral program, according to the last study I saw a couple of years ago, and even in the study which the Government would not release, was that tied aid was equivalent to only 0.23 per cent of our gross national product, so business still is not impressed by the argument.

Rather than carrying on in the way we are, with so many projects in so many countries, I think the time has come when the Government might act quickly with two moves to save CIDA, its reputation and its support. The first of these would be to cut at least in half the number of projects and countries and switch bilateral aid to lines of credit. Under a line of credit, a designated country would be able to use those Canadian goods and services that it really needs, rather than having unwanted projects foisted on it by Canadian officials instructed to move specific Canadian goods, even if the country involved does not need it and it does not fit into its priorities. I have seen many such examples.

If the Government took that first step and moved to lines of credit for most of its bilateral assistance, that would enable a second step to be taken, namely the reduction of the oversized bureaucracy of CIDA. CIDA has more than 1,000 employees in its headquarters here. I guess my friends up there in the gallery will not be happy to hear this, but I think that figure should be cut at least in half, and I hope you do not think I am exaggerating here tonight. If you want to save the support of the Canadian public for international development assistance, you must get rid of that oversized bureaucracy in Hull. The administrative costs of CIDA amounts to $47.73 million—

Mr. Deputy Speaker: Order. I call the Hon. Member's attention to the fact that remarks should be addressed to the Chair.

Mr. Roche: I certainly heed your admonition, Mr. Speaker, but I was so intent on communicating my message to these officials, who I know want to take it back to CIDA, that I inadvertently looked up at them in the gallery. They are such handsome fellows and I know they are trying to do a good job, and I will let it go at that.

In any event, before Your Honour kindly interrupted me, I said that the administrative costs of CIDA amount to $47.73 million. This could be cut in half without damaging the proper implementation of aid. By switching bilateral aid to lines of credit, we would eliminate the need for Canadian bureaucrats to trip over themselves in supervising Canadian projects to Third World countries, those countries which have become quite capable of planning and supervising their own affairs.

We do not have a strategy because the Government refuses to give us one. It is no wonder we are asking questions concerning the value of all this. However, I will tell you what the strategy ought to be, Mr. Speaker. Here is the strategy: to go to lines of credit for bilateral assistance, to cut the bureaucracy there, which we would not then need so much, to put more emphasis on the concept of self-reliance in our aid program, to increase our participation in multilateral aid development programs and to provide more matching funds to non-governmental organizations. That is only 7 per cent or 8 per cent of the total CIDA budget now. Dollar for dollar, the non-governmental organizations, of which there are about 100 that are drawing $89 billion of CIDA funds in matching grants, do a better job in getting into community assistance. I have seen it with my own eyes. The non-government organizations of this country are getting short-changed. I would suggest that there is not one party or even one Member of the House who is not in support of the basic recommendations that was made by the North-South task force, that the non-governmental organizations of this country which are doing such a great job should get a better share. Many of those organizations consist of volunteers who go directly into the communities.

• (2140)

I would like to discuss a major part of our strategy. If CIDA is to be turned around, if international Government assistance is to be turned around, there must be the independent study and analysis which was recommended by our Party in 1979. That study would have lead to a proper strategy which would have taken us through these 20 years, to the end of the century. That independent study would have helped to answer these legitimate questions which are being put on the floor of the House of Commons as to whether aid actually does help the poorest people whom CIDA and we all wish to help.

Another part of the strategy that I will put forward deals with measures to encourage greater private investment in developing countries. We have to encourage Canadian business to enter into joint partnerships and invest in those countries where there is future business waiting, particularly in the energy fields. I would point out very clearly that as part of our strategy as well, no aid whatsoever would go to countries that are themselves conducting military operations in other countries.

These are constructive comments on a positive strategy which I have outlined here today. Since I do not have the responsibility for running a $1.5 billion program—I wish I did—I only hope that members in the Government who have that responsibility will say why it will not lay out a program and strategy that will make some sense and develop some support from all sides of the House.

I want this to be regarded as a serious intervention, Mr. Speaker. I have tried to make my remarks as free of rhetorical exposition as possible, but I think that the time has come to make some serious suggestions with respect to immediate Government policies on the international financial crisis that both of these Bills are trying to address. I would like to put these suggestions before the House in point form so that the Government will take note of them. I hope it will consider these suggestions I wish to make with respect to addressing ourselves to the international crisis of liquidity, to the deficits that are impairing the development of programs and to those international deficits that the World Bank and the IMF in Toronto are trying to address.

I would like to address myself to those deficits that are themselves having an impact, or rebound, on countries such as Canada which are, as part of the North, unable to find the markets and produce goods for those expanding markets because people are unable to become sufficiently self-reliant.

These are some of the steps I wish to suggest. First, there should be urgent action in setting up an international energy financing facility either within or without the World Bank. This would be an energy affiliate of the World Bank, or some such step that has been advocated before, that will not interfere in private investment in energy sources in developing countries. However, that international energy financing facility would help to finance energy investment for the oil importing countries that are prone to these high deficits and that are throwing the international financial community into such disarray.

Second, there should be more interaction with the Governments of these countries requiring them to have regional national energy plans. There should be established an energy nexus with food, so that we may see the relationships much more clearly.

Third, the developing countries should establish, with our co-operation and our export of sufficient food, a reserve of nine million to 10 million tonnes to provide food security as a safety net for those populations that do get caught in crisis that cannot be managed by themselves domestically.

Fourth, we should strengthen the developing countries' capacity to feed themselves through domestic food production expansion programs.

Fifth, we should use effectively the forthcoming GATT meeting. Not much has been said tonight about the forthcoming ministerial meeting of GATT. I believe that the Canadian Government ought to lead the way at that meeting to suggest

that there ought to be a firm declaration on the standstill of further protectionism, that the GATT nations at the ministers' meeting would employ a standstill on further protectionism. As well, they should finish the Tokyo round of the safeguard clause. We should go for a long-term program for trade liberalization. Those are things to which the ministers should address themselves at the GATT meeting.

Sixth, there should be a doubling of the IMF quotas, just as the capital base of the World Bank has been doubled.

Seventh, there should be a revised policy of conditionality for IMF lending and an automatic provision for refinancing, a consolidation of fund facilities and greater pressure on surplus countries to adjust.

Eighth, a special facility should be established in the IMF for the orderly refinancing of the accumulated debts of the worse-off countries so that they would be recognized as suffering from what I would call debts of duress caused by the failure of the international system to adjust to their needs and problems, which are not caused by internal mismanagement but by the failure of the international financial system to address itself to questions of liquidity that are caused by high imports, low exports and the resulting deficit crisis that infringes upon the lives of people.

Ninth, there should be a new agreement on SDRs to the surplus countries that are unwilling to adjust. They would lose their SDRs to those deficit countries willing to carry the burden.

Tenth, there should be a special concessionary window in the World Bank to supplement IDA Seven. We have talked tonight about the supplement for IDA Six. If the United States maintains its hesitancy to proceed into further growth of international financial institutions, then a supplementary window for IDA Seven, which is almost upon us now, will have to be considered.

Eleventh, there should again be a doubling by us or by the World Bank, which has already doubled its base, with a paid-in contribution of cost-free capital to allow the Bank to function better.

I will conclude with my last point which is that the World Bank should set up a group of thinkers to advise it independently so that the future of international development assistance, the World Bank and international institutions can be modernized and harmonized for the needs of the modern world.

[*Translation*]

Mr. Herb Breau (Gloucester): Mr. Chairman, this evening I intend to be brief because I know that other Members want to speak on this bill which, at first glance, does not appear to be either complicated or very long, but which is still quite significant.

[*English*]

There are many things I would like to say during this debate. While this Bill is not a very complex one and only provides appropriations for Canadian contributions to some international banks or financial institutions, it does open up the whole question of Canada's commitment to official development assistance.

Many comments have been made with regard to our commitment. I believe that it is a commitment that is respected throughout the world. There is no time this evening to respond in an intelligent way to all of the questions that have been raised because there are some points which have been made that I believe deserve to be answered.

• (2150)

I am very happy that in this time of recession there seems to be widespread consensus, at least expressed in this Parliament, that Canada should continue to have a strong and sincere commitment to official development assistance, not only because we are human beings and therefore for humanitarian reasons, but because it is to the practical advantage of Canada to develop relationships, whether they are economic, political, social or cultural.

I believe it is important for us to discuss with the Canadian public these issues. I was very happy to hear the comments this evening by the Official Opposition External Affairs critic, the Hon. Member for St. John's West (Mr. Crosbie) and the Hon. Member for Edmonton South (Mr. Roche). They were positive in nature, to the effect that they want Canada to do more. I agree that Canada should do more. Even though these are hard times, there are many people whu would be glad to trade their good times for our hard times.

While the Canadian Government appropriates about $1.5 billion for development assistance, Canadians generally spend a lot of money on things that are less important. For example, we spend about $5.5 billion on liquor and over $6 billion a year on cultural entertainment. To suggest that we have to reduce our activity because of economics is to forget that we have a lot of things we can share with the rest of the world.

I hope the fact that I am not speaking for very long will not be construed as a lack of interest in this issue or with regard to this Bill. I know there are other Members who will want to say a few words. I do not want to delay passage of this Bill.

Mr. Dan McKenzie (Winnipeg-Assiniboine): Mr. Speaker, I certainly want to say more than a few words on Bill C-130, an Act to authorize continuing financial assistance to be provided to certain international financial institutions.

I have had considerable experience with CIDA and foreign aid, going back to 1975 when the Liberal Government tried to conceal information regarding loans to Cuba. They provided public information that the loans were being made at interest rates of 6 per cent and higher. However, I obtained internal documents which showed that they were concealing the interest rate being charged on loans to Cuba, which was zero per cent and 3 per cent.

Also we are well aware of the low interest loans to Russia for the building of their gas pipeline. This Liberal Government is borrowing money at 17 and 18 per cent and lending it to Russia at 12 per cent. This is a great loss to the Canadian

people. In addition, loans are being made for the building of statues in other countries.

In 1975 I presented a motion to the Standing Committee on External Affairs and National Defence calling for a full-scale investigation into foreign aid. I did this because of all the secret documents which had come into my hands with regard to hidden loans and hidden percentage with regard to Cuba. This, of course, was defeated by the Liberal Members on the committee. The last thing they wanted was an investigation into CIDA. I certainly commend you, Mr. Speaker, because you were the lone Liberal to vote with the Conservatives in that committee calling for a full-scale investigation into CIDA. I guess I also have to give a little credit—

Mr. Deputy Speaker: With all respect to the Hon. Member, I call to his attention the position of the Chair. The kind of allusions he has made are usually not made in this House.

Mr. McKenzie: It is too late, Mr. Speaker, I have already made them. I will contratulate you once again on speaking up for the Canadian people instead of following the old Liberal Party line.

I want to speak briefly on the growth of international financial institutions. We have already alluded to the mounting debt problem which is confronting the developing nations.

The World Bank and the other IFIs are merely adding to the problem of mounting Third World debt by ever-expanding lending programs. In fact, World Bank lending to developing nations has increased to about $12 billion a year, which is 12 times what it was in 1968. On top of this already explosive growth, the pending general capital increase for the World Bank will allow lending to double in the 1980s.

The United States' share of this increase will be $8.8 billion, beginning in fiscal year 1982, if the Reagan administration decides to go forward with this initiative as negotiated by the Carter administration. This is something the Government should be studying.

This doubling of the World Bank lending capacity represents about a 2,000 per cent increase in growth within two decades. This is not something we can just slough through this Chamber tonight and into committee without proper debate. The reason I am talking tonight, and I will call it ten o'clock, is that other Members will want to go into this in more detail next week.

A troubling aspect concerning this enormous growth in lending by the IFIs is the mounting criticism that the need for ensuring that quality projects are supported is being sacrificed by a desire to achieve increased quantity of lending.

The May 26, 1980 edition of *Forbes Magazine* contained an article on World Bank President Robert McNamara and his bank. In his article, Forbes states:

> Somewhat like a go-go banker who pushes his subordinates to create impressive numbers rather than sound loans, McNamara sets high loan quotas and insists that they be met. It's not that poorer nations don't have plenty of unfilled needs. The question is: How effective are the banks projects in helping generate the income and the foreign exchange needed to pay back their costs?

I go back to 1975. The Liberal Government had negotiated a loan with the Kenyan Government to build a school. The Canadian Government was going to contribute $2 million. Therefore a $2 million cheque was sent to Kenya. When it arrived in Kenya, no one knew what to do with it. They did not want it as they were not ready to build the school. The cheque floated around before finally coming back to North America ending up in a bank in New York, drawing no interest. We can see the importance of having a full-scale debate and allowing Members to discuss the foreign aid problem, how CIDA works, and $2 million cheques floating around the world.

Forbes quotes one World Bank manager as having said:

> We're like a Soviet factory. The push is to maximize lending. The quantity-control mechanism means that in May and June (before the end of the fiscal year) the pressures to lend are enormous and a lot of people spend sleepless nights wondering how they can unload projects. Our ability to influence projects in a way that makes sense is completely undermined.

That is the problem we had with CIDA. Of course a lot of this was corrected, but not all of it because unfortunately we were in government only nine months. The Conservative Minister in charge of CIDA did a lot of tightening up with proper accounting controls.

The United States Treasury officials frequently maintain that these criticisms are overstated. It appears to us that there is a growing body of evidence and a growing number of knowledgeable voices stating that in fact these institutions are expanding too rapidly and wasting resources in the process. May I call it ten o'clock, Mr. Speaker?

* * *

• (2200)

BUSINESS OF THE HOUSE

Mr. Nielsen: Before you see the clock, Mr. Speaker, there have been some discussions with respect to the business of tomorrow and next week. I understand that perhaps the House Leader for the New Democratic Party will be able to bring us up to date on his feelings with respect to these discussions.

Mr. Deans: Thank you very much. I certainly do appreciate the opportunity to bring everyone up to date on my feelings. I have been waiting to do this for some time. I have been having discussions with my caucus who are somewhat divided on a matter of great principle. Unfortunately, it would appear as if the deliberations, the discussions we had, will not bear fruit tonight.

Adjournment Debate

PROCEEDINGS ON ADJOURNMENT MOTION

[*English*]

A motion to adjourn the House under Standing Order 40 deemed to have been moved.

NATIONAL DEFENCE—GOVERNMENT DECISION ON MOVEMENT OF NAVAL RESERVE HEADQUARTERS. (B) REQUEST THAT PRIME MINISTER ACT ON ISSUE

Mr. Howard Crosby (Halifax West): Mr. Speaker, on July 30, 1982, my colleague, the Hon. Member for Victoria (Mr. McKinnon) and myself made a startling revelation in the House of Commons, namely, that the Minister of National Defence (Mr. Lamontagne) would announce the transfer of the Canadian Naval Reserve Headquarters from Halifax on the Atlantic coast to Quebec City on the St. Lawrence River, 1,000 miles inland from international waters. The public reaction was swift, and outside the Minister's own constituency of Langelier in the province of Quebec, virtually unanimous. That is to say, Canadians in the east, centre and west condemned the transfer as both inefficient and ineffective and, more importantly, unfair and unjustified on grounds of national defence and our commitment to NATO. Nonetheless, Mr. Speaker, the transfer was confirmed a few days later by the Minister of National Defence.

What can you expect from a Minister of National Defence who promotes the expenditure of $3 billion on a first-class air fighter interceptor used for coastal protection, then moves the base for the F-18 fighters 500 miles inland to a base at Bagotville, Quebec. The economic havoc the closure of Chatham base will wreak in northern New Brunswick might have been justified if our air defence was strengthened. Instead, it was weakened. The Minister's error is now underlined by the fact that United States authorities have expressed serious concern over the shortened range of the F-18 fighter and its reduced refuelling capability.

The brutal fact is that Canada's national defence is in a chaotic state and the minister must bear both the blame and the shame. The National Defence budget was cut by $200 million in the June budget. Then in October, the Minister of Finance (Mr. Lalonde) announced a further reduction of $230 million. These reductions must be added to the $200 million that will be contributed by the Armed Forces and National Defence personnel to the Government's six and five wage restraint program. That is over $600 million taken away from National Defence expenditures.

Let me consider the state of our national defence program. Can we defend ourselves from attack, and are we honouring our NATO commitments and our international responsibilities, not to mention our duty to our own defence personnel? Here are some practical matters to think about: if a foreign naval force mined Halifax Harbour and approaches, we would have to call upon the United States to provide a mine-sweeping vessel. When our destroyers do make it out of the Halifax Harbour for NATO exercises, they often have to return because of problems like cracks in their aging boilers. The Sea King helicopters are hardly safe on the ground, let alone on air patrol and must undergo continuous inspection because of mechanical failures.

Let me speak just briefly, Mr. Speaker, about our commitment to NATO. Canada has committed itself to a 3 per cent real growth in NATO expenditures. Instead, we have seen the NATO force diminish in size and capacity over the decade from 1971 to 1981. I want to speak particularly about the effect of cutbacks in defence expenditures and the lack of interest in the matter of national defence as it affects our naval force. Our Navy is left with vessels which are obsolete and outdated. The only hope for the future is the replacement vessel program which centres around the Canadian patrol frigate program. We fear today those cuts in defence expenditures will affect that program and that one ray of hope will be lost to our naval forces. Other elements of the Canadian Forces have suffered harm, Mr. Speaker, but none more than the Navy.

• (2205)

Let me return very briefly to the decision of the Minister of National Defence to transfer the Naval Reserve Headquarters from Halifax to Quebec. His justification was that the Francophone element should have greater participation in the Naval Force, and that the Navy itself should have a greater presence in the province of Quebec. I, for one, sympathize with the legitimate desires of the Francophone population of Canada, but that should not be mixed in with serious considerations of National Defence. At the present moment enlistment is at an all-time low; people are staying in the Armed Forces. So there is no point in transferring the Naval presence to the province of Quebec for an enlistment program which will be nonexistent over the next few years as Canada attempts to get out of this dreadful recession.

What is more important, and what lies at the heart of this subject, is our concern for national defence and our defence forces. We as a nation have to recognize that there are real threats in this world to our country, in fact, to any democratic country. If I may repeat almost 20 years later the words of President John F. Kennedy: Let those who think that there is no threat in this world travel to Berlin and see the situation which exists in that great city. There is indeed, Mr. Speaker, a threat to all democratic nations and our only defence is to have capable Armed Forces, and there is no element more important in our Armed Forces than our naval element.

It is important that the Minister of National Defence not play politics with our Navy and National Defence. It is important that all Parliamentarians stand up and be counted on the issue of national defence and ensure proper financing for our Armed Forces, proper protection for the people of Canada, so that they can live with the assurance that we are taking our place in the nations of the world and that we are concerned with our future and the future generations of

Canadians who will be affected by any attempt to destroy our way of life.

Let me conclude on a positive note, Mr. Speaker. It is our sincere hope that the Government will see its way clear to give proper support to the Canadian Armed Forces, particularly to the Canadian Navy, that it will no longer deal with the matter on a political basis, but will recognize the responsibility of Canada and Canadians to national defence.

Mr. Garnet M. Bloomfield (Parliamentary Secretary to Minister of National Revenue): Mr. Speaker, it is unfortunate that such comments as those of the Hon. Member's with respect to the move of the Naval Reserve Headquarters from Halifax to Quebec City have resulted in such a negative perception among some members of the public, such that we are moving virtually the entire Navy up the St. Lawrence. Clearly, nothing could be further from the truth.

For quite some time, and as recently as two years ago, Vice-Admiral Allan, then Maritime Commander, expressed his concern with regard to the low level of Francophone representation in the Navy. Within the Naval Element of the Armed Forces, only 13.8 per cent of the non-commissioned and 9.7 per cent of the officer ranks are Francophones.

The Chief of the Defence Staff agreed with the concerns expressed by the Commander of Maritime Command and gave direction to try to identify ways and locations in which the profile or presence of the Navy could be heightened in the province of Quebec in such a way that Francophones would consider the Navy as a viable career alternative. After careful study several specific recommendations were brought forward by our military advisers. The ultimate aim was to increase the participation of Francophones in the naval service by providing an opportunity for some to live and to serve in a truly Francophone environment, rather than the then current policy of establishing French language units in Halifax, which are little more than Francophone enclaves in an Anglophone world.

To achieve these goals, the Department of National Defence identified the Naval Reserve Headquarters, a small unit within Maritime Command, as a relatively high profile unit that could be moved into Quebec with little or no direct impact on the over-all operations of the naval element. This unit is responsible for the co-ordination and control of the training procedures of the 18 Naval Reserve Units across Canada. It has been located in Hamilton and in Ottawa; before the move to Halifax. The move will not result in any loss of operational efficiency for Maritime Command. If it does in fact result in an improvement in the representation, recruitment and retention of Francophones in the naval service, then it will be deemed a success. Clearly, the initiative is essential if Francophones are to assume their rightful part in Canada's naval service.

• (2210)

I think it is important to point out to you, and it is unfortunate that most media observers missed this point, that the decision to relocate the Naval Reserve Headquarters to Quebec City was openly endorsed by the Presidents of the Maritime Defence Association of Canada, the Naval Officers' Association of Canada and the Navy League of Canada. These organizations were made aware of this proposal some time ago as a result of a series of visits to reserve units and supporting organizations by Naval officers. Their support of this initiative has been a significant source of encouragement to us. In addition, the Minister informs me that he has received correspondence from former Chief of Defence Staff, Admiral Falls, who also fully endorses this decision.

I hope that the foregoing will place this decision in the appropriate perspective.

CHARTER OF RIGHTS—LEGAL COSTS FACED BY ENGLISH SCHOOL APPLICANTS IN QUEBEC

Hon. Warren Allmand (Notre-Dame-de-Grâce-Lachine East): Mr. Speaker, on August 4, before the House adjourned for the summer, I put the following question to the Prime Minister (Mr. Trudeau):

> Madam Speaker, since 1978 the federal government has helped citizens and groups finance legal actions against provincial legislation which contravened Sections 93 and 133 of the Constitution. With the new Charter of Rights and the Canada clause, will the government now provide financial assistance to individuals in Quebec who are seeking admittance to English schools this fall under the Canada clause? The Prime Minister understands that, if the Charter is to be effective and meaningful, citizens must have means to enforce these rights in the courts, even to the Supreme Court of Canada.

In August, parents wanted an answer to that question because they were preparing to enroll their children in schools in Quebec. They were not sure whether they could enroll them in English schools under the Canada Clause in the new Charter or whether they would be subject to the provisions of Bill 101. Fortunately, several weeks later the Quebec Superior Court ruled that the Canada Clause prevailed over Bill 101.

Everything looked bright for a few days but soon after that the Quebec Government announced it was going to appeal the case to the Quebec Court of Appeal, and I am sure that after that it will go to the Supreme Court of Canada. My question stands.

In answer to my question the Prime Minister said he could not "give a blanket guarantee" that the Government would advance legal costs in all cases, but that he would see whether something could be done in particular cases. I was not asking that the Government fund all cases of this nature, Mr. Speaker. What I wanted was a statement from the Government that it would fund those cases which would set precedents of interpretation for the Charter of Rights, especially the Canada Clause, and that it would assist those citizens and citizens' groups that would otherwise not go to court.

If we look at the history in Manitoba, where repressive and discriminatory legislation was enacted against Francophones at the turn of the century, but where action was not taken to the Supreme Court until a few years ago by Mr. Forest in that province, we will see that if that action had been taken at the

right time in Manitoba, its history would have been very different.

At the turn of the century the Francophone population in that province was 50 per cent, but because of that discriminatory and restrictive legislation the Francophone population declined to the point where it is a very small minority in that province today. Although Mr. Forest won his case with the help of funding from the federal Government, one could say that it was too late. Eighty years had passed since the wrongdoing of the provincial Government of the day. We do not want that to happen again.

If the Charter of Rights is to be meaningful, and if we are to get the interpretations by the courts that are necessary, then the citizens of this country must have the means to go not only before the courts of first instance, but also before the courts of appeal and the Supreme Court. Otherwise, the Charter becomes a meaningless document.

• (2215)

I repeat that I am not asking for assistance in every case. I am asking for assistance in cases which would be precedent-setting.

This past week we had a very successful Liberal convention at which resolution 272 was passed by the plenary session. It read; "Be it resolved that the Federal Government take such measures that may be necessary to fully implement the Canada Clause in the Charter of Rights". That resolution was passed with almost unanimity by the plenary.

Another resolution which was passed by the workshop on the Constitution and language rights, but was not sent on to the plenary because it was not designated as a priority by the workshop—it was a unanimous decision as well and I was present—reads; "Be it resolved that the Government ensure that minority language rights are fully respected since there is sufficient evidence to demonstrate that federal public servants are not complying with the official languages law". That was also fully supported by the convention. These two resolutions were fully supported by the Liberal Party, asking its Government to give support to its citizens, not only in Quebec but the Francophone minority throughout the country.

I pointed out in my question to the Prime Minister that in 1978 the Cabinet adopted a policy to assist legal actions under Section 93 and Section 133, which were the principal ones guaranteeing language rights at that time before the Charter. Certain cases have been funded in Quebec. There were three. One was taken by the Protestant School Board of Greater Montreal, another by the Quebec Home and School Association and another by three small shop owners with respect to signs. The amounts given in those cases averaged between $10,000 and $20,000. Of course Mr. Forest was helped in Manitoba under that policy. Right now there is another citizen in the west who is of the Francophone minority and is being helped. But what is being done there has not been extended, so far, to the enlarged or extended rights given under the Charter of Rights and Freedoms.

As I said earlier in my remarks, if those rights are to be meaningful to citizens, they must have the means to go to court to have them interpreted in a proper manner. I ask the Government to come out in favour of what the Liberal Party has asked.

[*Translation*]

Hon. Serge Joyal (Secretary of State): Mr. Speaker, I would like to reply to the Hon. Member for Notre-Dame-de-Grâce (Mr. Allmand) in his mother tongue.

[*English*]

I cannot more fully agree with him.

[*Translation*]

Indeed, when the Hon. Member for Ottawa-Vanier (Mr. Gauthier) asked the same question only a week ago, emphasizing at that time the special situation in which Franco-Ontarians find themselves concerning application of Section 23 of the Canada Clause in the case of language minorities in Ontario, I rose in the House to tell him that he had my full support. I was at the workshop at the same time as the Hon. Member for Notre-Dame-de-Grâce last saturday. I was also there Sunday morning when the resolution received unanimous support of the assembly, and I must say, Mr. Speaker, that since then, I have discussed the matter with my colleague, the Hon. Minister of Justice (Mr. MacGuigan), and that we have assessed the conditions under which some assistance might be granted. I note that many of the views expressed by the Hon. Member for Notre-Dame-de-Grâce are shared by the Hon. Minister of Justice and myself. With your permission I should like to give you a very brief summary of the conditions under which financial assistance could be extended to certain groups of citizens in relation to the application of Section 23 of the Canadian Charter of Rights and Freedoms, namely the right for official language minorities to attend English schools in Quebec and French schools in other provinces. Mr. Speaker, these conditions would be subject to the following criteria. First, it would have to be a *prima facie* case with a valid legal basis, supported with serious arguments. The second criteria for offering financial assistance is that the result would have to benefit not an individual, but a group of citizens so that the advantage sought would not be an individual benefit, but a collective one.

A third criterion was mentioned by the Hon. Member in the course of his speech, namely, a case or cases that would set precedents of interpretation for the concepts contained in Section 23 of the Charter, which are still somewhat vague. For instance, the concept and I quote:

When the number warrants—

What does that mean: where the number warrants? Does it mean twenty-two or eighteen parents claiming their right to have a French school, or twelve parents in an isolated community? The concept remains vague, and I think the courts would do well to study the matter and provide a specific answer.

Another example, still in the same area, is the concept of educational facilities referred to in Section 23. What is an educational facility? This is another concept that could usefully be examined by the courts. Other criteria that could also be applied include that of non-duplication in a bill on the same subject that might be debated in a provincial legislative assembly. For instance, I do not think it would make sense to take legal action at a time when a province is about to enact the objectives of Section 23 in its own legislature. Another criterion is that such action should basically be concerned with the objectives of Section 23 and should not be used as a delaying tactic or otherwise affect the credibility of the courts.

These are a few criteria which could be considered basic criteria. I can inform you, Mr. Speaker, and I am saying this also for the benefit of the Hon. Member for Notre-Dame-de-Grâce-Lachine East (Mr. Almond), that I have promised the House to report on the subject, at the request of the Hon. Member for Notre-Dame-de-Grâce-Lachine East and especially of the member for Ottawa-Vanier (Mr. Gauthier), by the end of this year, so that the problems encountered in Manitoba will not recur elsewhere in the years to come. Consequently, I can give the Hon. Member the assurance that his request is being given careful consideration by the government, and by the end of this year, I shall be in a position to report to the Hon. Member and to the House on the Government's decision, which I hope will be favourable.

Mr. Deputy Speaker: I am sorry to interrupt the minister, but his time has expired.

• (2220)

[*English*]

CANADA POST CORPORATION—LETTER CARRIER WALK SERVICES

Mr. Maurice Foster (Algoma): Mr. Speaker, on June 17, 1982, I put a question to the Minister of Consumer and Corporate Affairs (Mr. Ouellet) who is responsible for the Post Office. My question reads:

> In view of the statement earlier this year by the president of the Canada Post Corporation with regard to providing improved postal service, including new letter carrier walks across the country, can the minister advise when these additional letter carrier walks will be provided to rapidly-growing communities such as Elliot Lake, Ontario—

In the Minister's reply he said he would bring the matter to the attention of the President of the Corporation. I hope he has made that representation on my behalf, but so far we have seen no action.

The present situation in Elliot Lake is that of a very rapidly growing community of some 18,000 people. A whole now town is being constructed. Over 1,000 homes have been built in the new town and another 800 or so will be built during the coming year. However, over 1,000 householders have to drive to a postal office and line up at a wicket to receive their mail through the general delivery system. This is most inefficient and it is a very cumbersome manner in which to handle the situation. I am told that some 625 people line up at the wicket at the Elliot Lake post office each day. This requires a lot of staff to serve the customers.

There are nine full-time letter carriers and one part-time letter carrier. I am told that if their work was re-organized with only one additional half-person year of work, they would be able to provide a full letter carrier walk service to the new town at its present size. All the work has been carried out. The routes have been measured. The preparations have been made but the President of Canada Post just cannot get around to designating one additional half-person year of work to carry this out.

• (2225)

The president just raised the price of postage by another two cents and earlier this year there was a massive increase. At that time he referred to better service, better morale among the postal workers and more productivity, but he certainly has not achieved these goals as far as the patrons in Elliot Lake are concerned, and certainly not in that part of the community which is growing very rapidly.

I would like to suggest to the Parliamentary Secretary, who is responding for the Minister, that these recommendations be taken into account in view of his statements earlier this year about improved service, increased postal costs and so on, because the present system is very costly to patrons; to some 600 or 700 people who must get into their cars each day and drive several miles to the Post Office to line up at the wicket, all for the sake of one half man-year of work. It must be the most inefficient system for the Post Office and the people working there. It is certainly non-productive for the postal workers, simply because the Government cannot get around to providing this additional half person year of work so that the letter carrier walk service could be put into place.

It seems to me that if the President of Canada Post wants to stand and make these glowing speeches about how he will improve the postal service, he should look at places like Elliot Lake instead of sitting in his ivory tower out at Confederation Heights designing grand schemes. He should get busy and provide the additional finances for the service to be improved. Certainly, the present system is a shame, a disgrace and is totally unacceptable. I simply hope that the Post Office, the President of Canada Post Corporation and the Government will take some action on this situation and correct it immediately.

Mr. David Berger (Parliamentary Secretary to Minister of Consumer and Corporate Affairs): Mr. Speaker, I thank the Hon. Member for Algoma (Mr. Foster) for his additional comments on this subject.

I am pleased to report that Canada Post Corporation is aware of the need for expanding letter carrier service in growing communities across Canada, such as Elliot Lake, and is taking action on the matter. A few months ago the President of the Corporation announced that 75,600 new homes and businesses across Canada would be served by 170 additional letter carriers. Delivery to most of these addresses became

effective on April 1, but it seems that this has not yet benefited Elliott Lake. This particular expansion represented a $5.5 million investment in provision of faster and more accessible mail services.

Another matter which perhaps may be more relevant to Elliott Lake, according to the notes I have been given, is a collective agreement with the Letter Carriers Union which provides for productivity sharing on mail routes. The increased productivity will free up a substantial number of new person years which will be allocated to the expansion of letter carrier services. This agreement applies to grade seven staff offices across the country. Elliott Lake has such an office, and I am told could benefit from the agreement early next year. I would therefore hope that the Hon. Member's wait, and that of his constituents, will not continue much longer.

I see, Mr. Speaker, that you are indicating the time which has been allotted to me is coming to an end. I would just like to undertake to follow up on the question of the Hon. Member and on the information which I have been given, and to do anything I can to help him see a quick resolution to this problem.

Mr. Deputy Speaker: The motion to adjourn the House is now deemed to have been adopted. Accordingly, this House stands adjourned until tomorrow at two o'clock p.m.

At 10.30 p.m. the House adjourned, without question put, pursuant to Standing Order.

HOUSE OF COMMONS

Wednesday, November 10, 1982

The House met at 2 p.m.

• (1405)

[*English*]

REMEMBRANCE DAY

REFLECTION ON SACRIFICES

Hon. W. Bennett Campbell (Minister of Veterans Affairs): Madam Speaker, I have the welcome duty of reminding Hon. Members that tomorrow is Remembrance Day. Services of commemoration will be held across our country as Canadians pause to reflect on the sacrifices that were made in their name. Also, as is traditional, a few days ago Canada held a service of commemoration at the Vimy Memorial in France. On that occasion the Prime Minister (Mr. Trudeau) paid tribute, on behalf of all Canadians, to those soldiers who, 65 years ago, won everlasting glory at Vimy Ridge.

On Remembrance Day itself, thousands of Canadians will gather around the National War Memorial in our capital. This memorial has stood as a symbol of our nation's homage for over 40 years. This year, for the first time, the War Memorial bears the inscriptions 1939-45 and 1950-53, reflecting the ceremony last summer when the memorial was officially rededicated to include those who served in the Second World War and Korea.

However, the inscription I will best remember this year was the one I read during our pilgrimage to Dieppe, France, last August, to mark the fortieth anniversary of that costly raid. I had the privilege to be in the company of many of the 5,000 Canadians who landed on those Dieppe beaches in 1942, as well as distinguished representatives of the House of Commons, the Senate and veterans' organizations from across Canada. Together we attended a service at Puys where, as Hon. Members are aware, the Royal Regiment was decimated 40 years before.

A plaque on the Puys Memorial contains words that reveal the true meaning of Remembrance Day; they could be used to describe all the 100,000 Canadians who died in World War I, World War II and Korea. The plaque reads:

> You who are alive on this beach, remember that these men died far from home that others, here and everywhere, might freely enjoy life in God's mercy.

Some Hon. Members: Hear, hear!

Mr. Dan McKenzie (Winnipeg-Assiniboine): Madam Speaker, yesterday the Government and the Official Opposition agreed to adjourn the House of Commons after Remembrance Day eulogies, as a special tribute to our fallen comrades. I am very disappointed that the New Democratic Party refused to participate in that gesture to honour those who made the ultimate sacrifice for their country. It would have been an additional recognition on behalf of Canada's veterans.

On behalf of the Progressive Party of Canada I am proud to offer our feelings on this Remembrance Day. We join in the resounding praise of the dedication, bravery and courage which Canadian veterans gave our country. Through the many conflicts in which we, as a country, have been involved, our veterans have offered the ultimate sacrifice for freedom, their lives.

For that sacrifice we owe our veterans more than our thoughts just once a year. We owe them the security and freedom of life that they fought for and won. We owe them the day-to-day confidence which comes from knowing that, if they need it, aging, disabled veterans can count on Canada the way we counted on them. To this end, Canadians in general are very supportive of any Government action directed at guaranteeing veterans a respectable standard of living.

• (1410)

Much has been done through the combined efforts of veterans' organizations such as the Army, Navy and Air Force Veterans, the Royal Canadian Legion, the War Amputations of Canada, the United Veterans' Organization, and the federal Government. We must also strive to guarantee that our aging disabled veterans can look forward to even better service in the future. To this end we must be united in our efforts to act expeditiously in all matters pertaining to veterans, including their benefits, general well-being, and related services. We should use any and every means at our disposal to fulfil these responsibilities.

Members of Parliament will be travelling to their homes to join in the ceremonies at eleven o'clock on November 11. These ceremonies in local villages, towns and cities will, for a brief period, join us all in a spirit of remorse, yet pride, in the brotherhood of spirits and mind, but, most important, will join us in the renewed belief that any war cannot be tolerated, that we cannot afford the cost to life that today's wars inflict.

For the 740,000 Canadian veterans in Canada, we must all combine to pay tribute to their past and pay careful attention to their future. For those no longer with us, we can only be thankful for their contribution, and we will remember them always.

Some Hon. Members: Hear, hear!

Hon. Stanley Knowles (Winnipeg North Centre): Madam Speaker, we wish to thank you again for giving us the opportunity to have this occasion when we can speak of those who served this country in many ways over many years.

Remembrance Day

We think in particular of those who lost their lives in World War I and World War II, and in the Korean War. We are also conscious of others through the years who have lost their lives because of what has happened to them following their service. We pay them tribute for what they have done. We give them our thanks. We welcome the opportunity every time the month of November comes around to pay our tribute to them. We also express our thanks to those who have worked for us in the years gone by; we thank them for what they have done to increase the provisions of the legislation which we have now, helping to build a country which will carry on in this way.

We are also conscious of the fact, Madam Speaker, there are some veterans still alive today who, for many years, will be expressing their tribute in one way or another. Today we give them a special word of praise, and we thank the Minister for making this opportunity possible.

At the same time, there are some of us who are deeply concerned about what is ahead on the question of wars, not only for this part of the world but for all the world. We hope one of these days we can find some other way to solve some of the problems so that our nations are not completely torn apart. We are grateful for the efforts of the people of this country, and of various Governments, who are concerned about world affairs. It is indeed a very important effort. Many centuries ago some people declared that their swords should be turned into ploughshares. That is our view, also. Our main concern is to build a world of peace for all those who are in it.

Some Hon. Members: Hear, hear!

[*Translation*]

Mr. Maurice Dupras (Labelle): Madam Speaker, I would like to join the previous speakers in saying a few words about Remembrance Day, a time for commemorating the sacrifices made by our soldiers in the two World Wars and the Korean War, in the name of democracy. As Chairman of the Standing Committee on Veterans Affairs, I wish to pay a special tribute to those who served with me during the war from 1939 to 1945 and who lie buried in European soil. They volunteered their services and gave their lives for their country and for democracy. Madam Speaker, we must realize the price these young men and women paid so that future generations would be able to enjoy the kind of life and the democratic system of government we have today, and we should stop and think about the tremendous sacrifice these soldiers made so generously. Once again, Madam Speaker, I wish to join the previous speakers in paying tribute to these men and women.

• (1415)

MOTIONS UNDER S.O. 43

[*English*]

METRIC CONVERSION

CONDEMNATION OF IMPLEMENTATION AND COST

Mr. Bill Domm (Peterborough): Madam Speaker, the Government recently tabled Supplementary Estimates (B) for the 1982-83 period which show an increase of 105 per cent in the costs attributed to the Metric Commission's mandate, a rise in budget from $12,268,000 in 1982 to $25,996,000 in 1983. Therefore I move, seconded by the Hon. Member for Bow River (Mr. Taylor):

That this House condemns the Government's continued forced implementation of metric and urges instead that the Government channel this 105 per cent increase in government spending into needed job creation programs.

Madam Speaker: Is there unanimous consent for this motion?

Some Hon. Members: Agreed.

Some Hon. Members: No.

* * *

TRANSPORT

DEMAND FOR MINISTER'S RESIGNATION

Hon. Ray Hnatyshyn (Saskatoon West): Madam Speaker, the Minister of Transport (Mr. Pepin) has refused to answer correspondence in connection with the Asquith-Saskatchewan Subdivision Branch Line, which is being torn up by the Canadian Pacific Railway, and further has refused to meet with the representatives of the Asquith Rail Line Retention Committee speaking on behalf of the residents of the area, who are justly concerned over the implication of the removal of their branch line.

The Minister's special assistant has publicly acknowledged that communication by the Minister has been, to say the very least, lousy. The Minister can run, but he cannot hide. I therefore move, seconded by the Hon. Member for Kindersley-Lloydminster (Mr. McKnight):

That since the Minister of Transport has failed his responsibilities of office in not having the intestinal fortitude to hear representations by aggrieved citizens adversely affected by policies of the Minister's department, this House demands that the Minister resign his portfolio forthwith.

Madam Speaker: Is there unanimous consent for this motion?

Some Hon. Members: Agreed.

Some Hon. Members: No.

[*Translation*]

REMEMBRANCE DAY

REQUEST THAT NOVEMBER 11 BE DESIGNATED NATIONAL HOLIDAY FOR PEACE

Mr. Raymond Savard (Verdun-Saint Paul): Madam Speaker, I rise on a matter of urgent and pressing necessity, under the provisions of Standing Order 43.

Considering that November 11 is Remembrance Day and that Canadians have a growing desire to live in peace, at home and abroad, I move, seconded by the Member for Lac-Saint-Jean (Mr. Gimaïel):

That November 11 be made a national day to honour peace, and be declared a holiday throughout the country, so that future generations will be marking, from year to year, the desire of Canadians to live in peace.

Madam Speaker: The House has heard the Hon. Member's motion. Under the provisions of Standing Order 43, this motion requires the unanimous consent of the House. Is there unanimous consent for this motion?

Some Hon. Members: Agreed.

Some Hon. Members: No.

* * *

[*English*]

AIR TRANSPORT

CANADIAN PARTICIPATION IN EUROPEAN AIRBUS PROJECT

Mr. Ron Stewart (Simcoe South): Madam Speaker, the Government's plan to join in the manufacture of the European A-320 airbus will cost Canadian taxpayers $500 million up front and, unquestionably, millions more as the project continues, especially if our national airline is forced to buy these commuter planes in violation of international agreements. Therefore I move, seconded by the Hon. Member for Western Arctic (Mr. Nickerson):

That, before a decision is made to join the consortium, the issue be brought before this House for full debate, and that we not jeopardize further our relations with our major trading partner and ally to the south.

Madam Speaker: Is there unanimous consent for this motion?

Some Hon. Members: Agreed.

Some Hon. Members: No.

* * *

HUMAN RIGHTS

PROTECTION FOR DISABLED AGAINST DISCRIMINATION

Mr. Neil Young (Beaches): Madam Speaker, I too rise under the provisions of Standing Order 43. In view of the Government's stated commitment to bring before this House amendments to the Canadian Human Rights Act which would prohibit all forms of discrimination against disabled Canadians, and since the Government has shown to date that it is not willing to fulfil this promise, I move, seconded by the Hon. Member for Oshawa (Mr. Broadbent):

That this House instruct the Minister of Justice to bring before this House amendments to the Canadian Human Rights Act to prohibit all forms of discrimination against Canada's disabled, including disabled veterans; that those amendments conform to the recommendation in the "Obstacles Report," and that this be done prior to the end of this session of Parliament.

Madam Speaker: Is there unanimous consent for this motion?

Some Hon. Members: Agreed.

Some Hon. Members: No.

* * *

• (1420)

CORPORATE SHAREHOLDING LIMITATION ACT

CALL FOR REFERRAL TO SUPREME COURT

Mr. Don Blenkarn (Mississauga South): Madam Speaker, under the terms of Bill S-31, now before the Senate, the Bill attempts to exercise federal jurisdiction over the movement of goods and persons on provincial highways. Legislation and regulation in connection with the highways of Canada have always been exercised by the provinces. I therefore move, seconded by the Hon. Member for Parry Sound-Muskoka (Mr. Darling):

That the Minister of Justice immediately refer to the Supreme Court of Canada the question of whether the Government of Canada has jurisdiction to regulate the shareholdings of persons involved in corporations transporting persons and goods on provincial highways.

Madam Speaker: Is there unanimous consent for this motion?

Some Hon. Members: Agreed.

Some Hon. Members: No.

* * *

AWARDS AND DECORATIONS

TRIBUTE TO WOMEN'S PIONEER WORK

Mrs. Thérèse Killens (Saint-Michel): Madam Speaker, under Standing Order 43 I seek the unanimous consent of the House to propose a very important motion which touches the lives of women in this country.

Tonight, in a ceremony at Government House, the Governor General will present the Persons Awards to Nancy Adams of Saskatchewan, Sarah Binns of Ontario, Dr. Hilda Hellaby of the Yukon, Lilliane Labelle of Québec, and Edith McLeod of Ontario, in recognition of their outstanding contribution to the lives of Canadian women. These women have worked in rural life, the union movement, the church, for the handicapped,

natives, and in the voluntary sector. Therefore I move, seconded by the Hon. Member for Timmins-Chapleau (Mr. Chénier):

That the Members of this House acknowledge the pioneer work of these women and agree that from their example this House will continue to work tirelessly within all areas affecting women to achieve the goal of equality for all Canadian women.

Madam Speaker: I am sure the House will want to show its appreciation by applause.

Some Hon. Members: Hear, hear!

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THE PRIME MINISTER

Mr. Gordon Towers (Red Deer): Madam Speaker, I rise under Standing Order 43 with reference to press reports that the Prime Minister, as head of ship of state, has called upon Canadians to row together or get out of the boat. I therefore move, seconded by the Hon. Member for Winnipeg-Assiniboine (Mr. McKenzie):

That, if Canadians cannot bail fast enough to save the ship, the head of ship of state be the first to test the water.

Some Hon. Members: Oh, oh!

Madam Speaker: The Hon. Member for Western Arctic.

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EXTERNAL AFFAIRS

MEANING OF FRANCE-QUEBEC "PRIVILEGED RELATIONSHIP"

Mr. Dave Nickerson (Western Arctic): Madam Speaker, news coming from the Convention of Francophone Socialists in Paris indicates that the Prime Minister of Canada has accepted the French contention that a special privileged relationship exists between the Government of France and the Government of the Province of Quebec. Therefore I move, seconded by the Hon. Member for Simcoe South (Mr. Stewart):

That immediately upon his return the Prime Minister explain exactly what he means by a privileged relationship and whether this principle is to be applied to other provinces. Is, for example, Ontario to have a special trade privileges with Great Britain, or Alberta to have them with the U.S.A.?

Madam Speaker: Is there unanimous consent for this motion?

Some Hon. Members: Agreed.

Some Hon. Members: No.

FORESTRY

SUGGESTED ESTABLISHMENT OF COMMUNITY ADJUSTMENT TASK FORCE IN BRITISH COLUMBIA

Mr. Ray Skelly (Comox-Powell River): Madam Speaker, whereas the restructuring and down sizing of the forest industry in B.C. has led to the loss of tens of thousands of jobs; whereas the lost jobs have occurred largely in single industry communities with the resulting wreckage of the economies of those communities; whereas forest firms such as MacMillan Bloedel have been laying off employees for the last 18 months and will probably continue to do so for the next two years, and whereas the Canadian Employment Commission has responded, after the fact, with generally hopelessly inadequate programs, I move, seconded by the Hon. Member for Skeena (Mr. Fulton):

That the Minister of Employment and Immigration immediately strike a community adjustment task force in the Pacific region that would consult with industry on plans for the reorganization and down scaling of industry and to develop co-ordinated plans that would be effective and specific to the communities harmed by this downturn in the forest industry economy.

Madam Speaker: Is there unanimous consent for this motion?

Some Hon. Members: Agreed.

Some Hon. Members: No.

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ST. LAWRENCE SEAWAY

EFFECT OF FUEL TAX AND INCREASED TOLLS

Mr. Joe Reid (St. Catharines): Madam Speaker, we have seen the disastrous results of federal greed in the oil and gas industry and now we see it with respect to the St. Lawrence Seaway. Thanks to ever rising Seaway tolls, a discriminatory transportation fuel tax, and the absence, still, of a coherent shipping policy, the Seaway is expected to post an $8 million deficit this year. Canadian shippers are in a neck-and-neck race with foreign shippers and other transportation modes to gain shipping contracts, and at every turn they are being tripped up by the federal Government. I therefore move, seconded by the Hon. Member for Perth (Mr. Jarvis):

That the federal Government remove the discriminatory transportation fuel compensation recovery charge, reduce the 1983 toll increase to 6 per cent in keeping with the six and five formula, and initiate a shipping policy without further delay, before the St. Lawrence Seaway system joins the ranks of Maislin, Massey-Ferguson and Dome Petroleum.

Madam Speaker: Is there unanimous consent for this motion?

Some Hon. Members: Agreed.

Some Hon. Members: No.

• (1425)

[*Translation*]

CORPORATE SHAREHOLDING LIMITATION ACT

REQUEST FOR WITHDRAWAL

Hon. Edward Broadbent (Oshawa): Madam Speaker, I rise under the provisions of Standing Order 43. Yesterday, the Government made a spectacular about-face in the Québecair case, thus acknowledging that Bill S-31 made no sense at all, and I therefore move, seconded by the member for Winnipeg North Centre (Mr. Knowles):

That the House ask the Government to withdraw this bill forthwith.

Madam Speaker: Is there unanimous consent for this motion?

Some Hon. Members: Agreed.

Some Hon. Members: No.

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HOUSE OF COMMONS

REQUEST THAT ADMINISTRATION STUDY BROADCASTING OF DEBATES IN BOTH LANGUAGES

Mr. Gérald Laniel (Beauharnois-Salaberry): Madam Speaker, I rise under the provisions of Standing Order 43. Whereas it is entirely unfair and unacceptable that Francophone Members of the House of Commons have no access in their offices to the French telecast of the debates, while the English telecast is available, I move, seconded by the Hon. Member for Quebec East (Mr. Duquet), who sits on the Standing Committee on Management and Member Services:

That the Administrator of the House of Commons be authorized to examine the appropriate action to be taken in order to make the broadcasting of the House of Commons proceedings available in the offices of all Members of Parliament in both official languages, and that he report to the Speaker of the House.

Madam Speaker: Is there unanimous consent for this motion?

Some Hon. Members: Agreed.

An Hon. Member: The Hon. Member for Quebec East (Mr. Duquet) is not in the House.

Madam Speaker: The House has heard the motion presented by Mr. Laniel and seconded by Mr. Gendron. Does the House agree to adopt this motion?

Some Hon. Members: Agreed.

Motion agreed to.

ORAL QUESTION PERIOD

[*English*]

CHARTER OF RIGHTS

"BLACK BOOK" USED BY CROWN COUNSEL—GOVERNMENT POSITION

Hon. Ray Hnatyshyn (Saskatoon West): Madam Speaker, my question is directed to the Minister of Justice, but first I would like to take this opportunity to congratulate him publicly on his appointment to the portfolio. Also I would like to ask him some questions concerning where he stands on important and fundamental issues in the country.

The Minister will know that the Government has spent, or will be spending, at least $35 million in connection with the Charter of Rights and Freedoms in Canada, attempting to publicize the advantages to Canadian people of the new Charter. Yet, legislatively and in the area of policy initiatives, the Government has in many instances been diametrically opposed to the spirit and letter of the Charter of Rights. One example is the question of the "black book" which has been bank-rolled by the Government. There has been participation by the Department of Justice in the preparation of the black book to be distributed to Crown counsel across the country, in which they are instructed on how to circumvent the operation of the Charter of Rights.

Now that the Minister of Justice has had a chance to consider his position in his new portfolio, does he sanction the use of these black books across the country, or will he prohibit their use by Crown counsel on the federal side? I would at least like him to indicate whether or not he is prepared, in the spirit of freedom of information to which the Government is apparently committed, to make these black books public so that the people of Canada and parliamentarians could see precisely what instructions are given to Crown counsel.

Hon. Mark MacGuigan (Minister of Justice): Madam Speaker, I thank the Hon. Member for his congratulations. I would like to tell him that the so-called black book is not a federal book at all. We began to work with provincial Attorneys General to try to work out such a common book of instruction to counsel. We found that we were not able to agree with many of the provinces on their interpretation of the Charter. Therefore, the joint project was separated into two projects—the provincial black book and the federal "white book". We have a separate set of instructions to federal prosecutors. I will certainly consider whether or not it would be appropriate to make it public. I have some doubts about that since I think the important part of the work of federal prosecutors in the courts involves a lot of discretion. I am not sure that we would want to indicate in a litigation circumstance of an adversary nature the exact tenor of the instructions they had received, which might put the federal counsel in prejudice.

• (1430)

GOVERNMENT INTERVENTION IN LEGAL PROCEEDINGS

Hon. Ray Hnatyshyn (Saskatoon West): Madam Speaker, the point I am making to the Minister is that there was more than a hint of hypocrisy in the Government's position with respect to the Charter of Rights and the rights of every individual in this country.

By way of preface to my supplementary question, I want to point out to him that, with the exception of language rights, there has not been any instance where the federal Department of Justice has intervened in the courts in support of either the Diefenbaker Bill of Rights or with respect to the new Charter of Rights. I think it is a shame that the Government is not promoting the rights of individual citizens.

Will the Minister tell the House whether or not he is now prepared, as a matter of directive and policy in his department, to consider supporting the Charter of Rights position before the courts? Also, will the Minister at least consider the suggestion that an independent institute be established to which litigants, who have worth-while cases involving constitutional matters in support of Charter of Rights matters, would be able to apply and receive either assistance by way of counsel or monetary assistance for their own counsel before the appeal courts?

Hon. Mark MacGuigan (Minister of Justice): Madam Speaker, I am sure the Hon. Member knows that in cases of this kind decisions are made on a case by case basis as to what position federal counsel should take. Very frequently there are cases where we decide not to challenge a decision of a lower court, not to intervene in any way, and those are obviously situations in which we are satisfied with the decision as it was reached, or at least are not sufficiently dissatisfied so as to take the opposite side.

I cannot honestly tell the Hon. Member whether there is any case in which we have appeared to support a litigant or not. There is such a diversity of cases. I will try to find out whether or not that is the case. But that really is not a test.

Nevertheless, in addition to what we are doing in court, Madam Speaker, we have a vast project under way involving the scrutiny of 23 volumes of federal statutes and 16,000 pages of the 1978 count of the consolidated regulations, to attempt to see in advance as far as we can, without pre-empting the decisions of the courts, clear cases of conflict between the new Bill of Rights and the Statutes or Regulations of Canada.

Mr. Hnatyshyn: Madam Speaker, the only consequence of that action is that it will at least be a make-work project for lawyers.

USE OF WRITS OF ASSISTANCE

Hon. Ray Hnatyshyn (Saskatoon West): Madam Speaker, I have a final supplementary for the Minister of Justice. As he will know, his colleague, the Solicitor General, has been going up and down the country over the past couple of years supporting a proposition for the removal of the moratorium on the use of writs of assistance. These writs are clear intrusions into the privacy of Canadian citizens, giving unlimited right to the police of this country to break and enter into the homes of Canadians. That is clearly against the charter, the principle of unreasonable search. Has the Minister considered his position with respect to writs of assistance, and has the Minister of Justice told the Solicitor General to refrain from promoting this idea which is contrary to the Charter of Rights?

Hon. Mark MacGuigan (Minister of Justice): Madam Speaker, we certainly have a dialogue in our Government with the public on what the state of the law should be. I can tell the Hon. Member that there have been no new writs of assistance issued since 1976, I think, and the ones that exist are used now only in the enforcement of the Narcotic Control Act and the Food and Drugs Act, and I understand only where reasonable cause exists on the part of an officer to believe that the premises actually contain some drugs. The matter is under further examination, but we have certainly eliminated the worst abuses in the law as it stands. We will be considering this further over the months. If the Hon. Member has any submissions to make to the Standing Committee on Justice and Legal Affairs, we will certainly be very pleased to have a dialogue with him on those.

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NATIONAL SECURITY

ACTIVITIES OF FORMER ROYAL CANADIAN MOUNTED POLICE CORPORAL

Hon. Allan Lawrence (Durham-Northumberland): Madam Speaker, my question is for the Solicitor General. It relates to a matter on which he has now been briefed concerning the security incident, apparently code named "Long Knife", details of which have been widely published in the past few days. Because this former corporal of the RCMP security service appeared in disguise last night on a national television program and virtually confessed to having sold out a double agent in Montreal to an agent of the Soviet KGB for payment of $3,500, will the Minister give an explanation of why this man was never charged but is able now to continue to profit from his apparently traitorous activities?

Hon. Bob Kaplan (Solicitor General): Madam Speaker, I have indeed looked into the matter. I can report to the House that the Government was advised of the circumstances relating to this case for the first time by the RCMP in 1977. At this time it was advised there was insufficient evidence to found a prosecution either under the Official Secrets Act or under the Criminal Code.

I would also remind Hon. Members that the matter was referred to indirectly by the McDonald Commission, which was fully aware of it, but that the McDonald Commission, with all of its recommendations about prosecutions and references to Attorneys General, made no recommendation that any prosecution be launched in connection with that matter.

I have not seen Mr. Sawatsky's book yet, I do not think anybody has, but I have read the excerpts. I saw last night's television program. I have directed that the matter be referred to the Department of Justice for consideration and advice to the Attorney General.

TRIAL OF BRITISH CIPHER CLERK—POSSIBLE CONSEQUENCES TO CANADA

Hon. Allan Lawrence (Durham-Northumberland): Madam Speaker, my supplementary question also relates to a security matter. This morning in a British court a British cipher clerk was convicted on seven charges of selling information to the Soviet bloc. He was sentenced to 35 years in prison. This is a great distinction from the policy of this Government, which has never yet charged a Canadian civil servant, although there have been many cases of traitorous activity over the years by civil servants in this country.

The Canadian Government uses the Cheltenham Communications Centre, not only for monitoring communications but also for the transmission of certain high level secret coded information. Would the Solicitor General assure the House that his British counterpart has assured him that there has been no breach of any Canadian security matter, and that no reforms are to take place now as a result of the revelations in a British court?

Hon. Bob Kaplan (Solicitor General): Madam Speaker, I want to answer the premise before dealing with the question. When a possible piece of betrayal or treachery comes to the attention of the Government of Canada in connection with an individual, whether a public servant or not, I would remind Hon. Members that, while it is important justice be done in the case and that the individual be brought to justice, there are other considerations. In particular, the bringing forward of the case could very well compromise some ongoing activity of the security service, some legitimate activity, which is not made public for very good reasons, and it could betray sources which have furnished useful information to the security service. The important thing in that connection is that the penetration, if there has been one, or the betrayal, if there is one, be detected, that it be stopped, and that it be countered.

So far as the matter that took place in Britain today is concerned, I would want to assure the House that there is the closest co-operation between the security service of the RCMP and friendly security services of other countries. Penetration of any of them is a matter of common interest. There are policies in place, of which my hon. friend is aware. I can assure him that they are still in place to assure that intelligence service share information which is of benefit to all of them.

IDENTITY OF INDIVIDUAL CONCERNED

Hon. Elmer M. MacKay (Central Nova): Madam Speaker, may I simply ask the Solicitor General why, from March 22, 1982, since presumably he had notice that these questions were on the Order Paper touching upon these very matters, including the one specifically referred to in the McDonald Commission report, the Government has not seen fit all these months, at least to name this traitor, and if the Government is not going to prosecute him, to see to it that something be done so he could at least receive the opprobrium, or otherwise, of Canadians for this treasonous act? Why is the Government protecting people such as this?

• (1440)

Hon. Bob Kaplan (Solicitor General): Madam Speaker, I would like to remind Hon. Members at this point, since my friend has characterized conduct as a treasonous act, that the matter is now before the Department of Justice. Until a prosecutorial decision is made, I think it is very unhelpful for Members of this House, or for the media, to characterize this behaviour in a way which might even prevent a fair trial from taking place. The matter has been referred to the Department of Justice. I have nothing further to say about it. I hope that other Members will bear in mind the damage that they can do to justice by making unjustified statements prematurely, or at all.

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[*Translation*]

HOUSE OF COMMONS

PRESENCE IN GALLERY OF MINISTER OF INVESTMENT AND ECONOMIC CO-OPERATION OF EGYPT

Madam Speaker: I have the honour of drawing the attention of the House to the presence in our gallery of His Excellency Professor Wagih Shindy, the Minister of Investment and Economic Co-operation of Egypt.

Some Hon. Members: Hear, hear!

[*English*]

PRESENCE IN GALLERY OF DELEGATION FROM THE PEOPLE'S REPUBLIC OF CHINA

Madam Speaker: I have the honour of drawing the attention of the House to the distinguished presence in our gallery of a delegation from the People's Republic of China, from the Ministry of Foreign Economic and Trade Relations, of whom the Group Leader is Mr. Shing Loo.

Some Hon. Members: Hear, hear!

* * *

EMPLOYMENT

NEED PROGRAM—CREATION OF JOBS

Hon. Edward Broadbent (Oshawa): Madam Speaker, my question is for the Minister of Employment and Immigration. The Minister confirmed at a press conference this morning that his new NEED Program will produce some 60,000 short

run jobs over the next 18 months, which means approximately 20,000 jobs over the next six months. Considering that his own Department has estimated that there will be approximately 400,000 Canadians coming off unemployment insurance benefits in the next six months, this will mean that only one out of 20 will have a chance to get one of these new jobs which the Government has created. How does the Minister justify such a policy and such an insignificant program in terms of the need? What will he say to the other 19 out of 20 who are coming off benefits and who will not be able to get a job?

Hon. Lloyd Axworthy (Minister of Employment and Immigration): Madam Speaker, I would like to begin by indicating that the Program that was announced in the economic statement two weeks ago was designed as a Program to attract further money into it. I am very pleased to report to the House that, at the conclusion of discussions across the country, we obtained a commitment from every provincial Government that they would join us in this effort.

I can also indicate to the House that, as of today, a couple of provinces have already indicated that they are prepared to put money in on a matching basis, which means that we will have substantial additional funds for that Program.

Second, I would refer the Hon. Leader of the New Democratic Party to the study produced by my Department. I wish he would read it, rather than read a résumé prepared for him by a research staff which is in obvious need of some retraining. What we did point out in that particular study is that, while people are exhausting benefits, many of those who exhaust those benefits find jobs within the first seven or eight weeks after they have exhausted them. Therefore, we have used this Program to target the hardest hit cases in order to provide them with the alternative of going to work rather than welfare. That was the design of the Program. That is what the Program will meet.

Mr. Broadbent: I say to the Minister that, unlike Ministers of the Crown, people on this side of the House actually read their own reports and do not rely on résumés.

EFFECT ON UNEMPLOYMENT INSURANCE EXHAUSTEES

Hon. Edward Broadbent (Oshawa): Madam Speaker, since the Minister has referred to his own report will he confirm that, in the report that he has just alluded to, a majority of those coming off unemployment insurance benefits will get no other benefit and will not get a job from his NEED Program even if we have additions made by provincial governments. Will he confirm that? Will he have the honesty to say that in the House of Commons?

Hon. Lloyd Axworthy (Minister of Employment and Immigration): Madam Speaker, it is a simple matter of record and it is in the report. When we presented the report we indicated that we are trying to identify a very serious issue. We prepared the report so that we can have a proper public discussion and share information with other levels of Government and the Opposition to develop a program that would combine the best efforts of all those who are concerned about the problem.

We indicated that about 35 per cent to 40 per cent of those who finished their benefits do find alternate employment. Another 30 per cent or 40 per cent in that category have alternative forms of income, go back to school, or are parts of families where there are other wage earners. A group of about 10 per cent are those who have no alternative but to go on welfare or find alternative employment. We have targeted our Program specifically to that group.

I point out at the same time that we are also spending close to $560 million on other employment programs that are designed to help young people and women who are not in that category. We also have training programs that are providing places for a quarter of a million Canadians. This Department and the Government are providing a wide range of alternatives for those affected by the recession, because we do care.

Mr. Broadbent: Madam Speaker, the fact remains, for all those who were listening with care to what the Minister had to say, that over half of those coming off unemployment insurance benefits will not have any specific job program allocated for them. That is the reality, if you look carefully at the implications of the statistics that the Minister was rattling off.

CALCULATIONS OF PROGRAM'S EFFECT

Hon. Edward Broadbent (Oshawa): Madam Speaker, since the Minister just told the House that a number of provinces have agreed to join with the federal Government in job creation programs—a fact that all Members of the House will be pleased about—will he tell us the extent of the involvement? I have indicated that, according to our calculations, only one out of 20 coming off unemployment insurance benefits will qualify for the Program as funded by the federal Government. Can the Minister give us a figure now in regard to what he has been told by the provinces as to what that ratio will be? Will it be one in ten, or one in 15? How much improvement will that additional provincial funding make?

Hon. Lloyd Axworthy (Minister of Employment and Immigration): Madam Speaker, it is well known in the House that we should not place any reliability on calculations made by the NDP because they never add up. We are basically saying that, after those discussions which took place over the past two weeks, we gained commitments from each of the provincial governments to join with us in beginning to discuss how we would engage in joint projects. Their specific allocation was obviously going to be determined by the amount of allocation we made as a federal government, province by province. I announced that fact this morning.

I believe Mr. Miller, for one, will be indicating in the Ontario Provincial Legislature this afternoon what his Government is prepared to offer in addition to that program. We have similar commitments from other governments in the same area.

Our notional judgment is that we could provide, in the first round, an additional $200 million for that Program, depending upon which province or region we are talking about. Therefore we will be able to extend the number of job opportunities by another 20 per cent or 30 per cent in that area. We do not say that we have to stop there.

This is the beginning of a Program. If we can demonstrate that it will work and that there is a willingness to participate and join in a partnership with provincial governments, municipalities, and the private sector, we can take the Program even further. This is just a beginning, and I ask the NDP to provide us with the kind of support which they should so we can make the Program a success instead of giving that kind of criticism before the Program even gets, started.

* * *

FINANCE

TIMING OF POSSIBLE TAX REFORM

Hon. Michael Wilson (Etobicoke Centre): Madam Speaker, my question is directed to the Minister of Finance. The outcry following the November budget and the tax reform that was involved in that budget is the clearest indication that we can have that the tax changes introduced in that budget, which had such a damaging effect for small businesses and others, will have a damaging effect on the economy as well. Obviously the possibility of future tax changes similar to those brought in under the November budget would very much undermine the ability of the private sector to function, which the Government is looking to, to lead us out of this recession.

Why did the Minister recently say that now is not the time for tax reform and that he was going to wait until just after the recession to strike again?

Hon. Marc Lalonde (Minister of Finance): Madam Speaker, I think it is quite obvious. I believe that across the country people in the business sector generally feel that they would rather spend all their energies trying to get the economy moving again rather than paying accountants and lawyers to advise them on brand new schemes of tax reform. I have indicated that I would be ready to discuss and examine modifications where they would appear to be justified. I was not considering embarking upon any wholesale reform of taxation at the present time. I think that would be adding to uncertainty and creating exactly the kind of environment that my hon. friend does not want.

INTRODUCTION OF TAX LEGISLATION

Hon. Michael Wilson (Etobicoke Centre): Madam Speaker, if the Minister would bring in the tax legislation from the November budget, perhaps we could ease the uncertainty that is there among those very same individuals today.

• (1450)

Surely the Minister realizes that the spectre of further tax changes similar to these which have already been withdrawn from the November budget because they were so damaging to the country, would undermine the confidence of the very people toward whom the Minister is looking to bring us out of the recession today. Will the Minister assure the House that those changes which have already been withdrawn will not be reintroduced? At the same time, will he also say that the legislation was not simply ill-timed, as he has recently said, but was also ill-advised and counterproductive?

Mr. Nielsen: The ironclad spectre.

Hon. Marc Lalonde (Minister of Finance): Madam Speaker, I made a statement in the House two weeks ago, announcing a number of changes. These changes will be incorporated in the legislation which will be introduced in the House.

Mr. Nielsen: When?

Mr. Lalonde: As far as the second part of the question is concerned, I still maintain that most of those changes which were proposed by my predecessor were fair and just changes. However, the economic environment has significantly changed in the meantime, and we had to make adjustments. Those adjustments are what I have made. However, in terms of equity, I am fully behind the decisions taken by my predecessor in that respect. I think he was right in recommending them to the House. The economic situation has changed, and we must adjust.

* * *

CANADA MORTGAGE AND HOUSING CORPORATION

LEVEL OF INTEREST RATES CHARGED TO HOME OWNERS

Mr. Don Blenkarn (Mississauga South): Madam Speaker, my question is directed to the Minister responsible for Canada Mortgage and Housing Corporation. The Minister will know that one of the things preventing people from buying houses, and builders from building houses, is the threat that interest rates, while relatively lower today, may be very much higher when mortgages come due a year or two years down the road. There have been press reports indicating that the Minister is considering the use of Canada Mortgage and Housing Corporation facilities to ensure, in some fashion, that interest rates will remain within a relatively easy ambit for people over a relatively long term. Is that action being taken or being proposed by the Minister, and would he let us in on what he is intending to do with respect to insuring interest rates over a term of CMHC approved housing?

Hon. Roméo LeBlanc (Minister of Public Works): Madam Speaker, the Hon. Member's question is in fact the subject of considerable discussion with the industry and within CMHC, obviously. As the Hon. Member knows, interest rates have dropped quite dramatically since the budget of last June.

However, the problem, as identified by many builders and by the officials of the Corporation, is that a number of people are hesitant to commit themselves to such an important decision because of the volatility of interest rates, or the potential return of higher interest rates. In order to overcome this problem, many experts have been considering this proposal. The industry, with which I have held meetings, has given considerable support to the idea. My people are working on it and I am sure the Department of Finance officials are also involved because there could be implications down the road. I want to make it clear, however, that if the proposal is found to be desirable and supportable, it is not at all my intention to involve it in a future budget but, rather, to try to bring it forward as quickly as possible.

REQUEST FOR COMMITTEE STUDY

Mr. Don Blenkarn (Mississauga South): I thank the Minister, Madam Speaker, for his answer. The Minister will recall that this Party made that very suggestion to the Government in the debate on Bill C-89, and it is one which we are happy to see the Government explore. In that light, would the Minister form a special committee of this House to inquire whether that kind of insurance would once again give people the confidence that, when they buy or build in this market, they will not wind up in a position a year or two from now where they will find they have lost their entire investment because of interest rate fluctuations? Will he have that matter brought before a committee of the House so that we can co-operate with the Government and see the fulfilment of what we consider to be a good idea? That is why we advanced it.

Hon. Roméo LeBlanc (Minister of Public Works): Madam Speaker, I must say to the House that I have sufficient modesty to accept good ideas no matter where they originate.

On the second point, I am sure that if the proposal is supported and is proposed in whatever form it finally emerges, it should be the subject of discussion with those who are interested in housing problems, and I think that means those Hon. Members on all sides of the House.

* * *

ENERGY

PREPARATORY FUNDING FOR WEST COAST OFFSHORE DRILLING

Mr. Jim Fulton (Skeena): Madam Speaker, my first question was to be directed to the Minister of Energy, Mines and Resources but it looks as though he has left the Chamber. Therefore, I would like to direct my question to the Minister of Finance who, I believe, can answer it. Yesterday his colleague, the Minister of Indian Affairs and Northern Development, made it clear that the oil and gas industry has priority over aboriginal title, national parks, environmental protection and rational land use planning in the Yukon.

I wonder if the Minister of Finance knows that the question of the offshore jurisdiction in British Columbia is presently before the Supreme Court of Canada and that, despite this glaring fact, and the fact that the environmental moratorium which has been in place in British Columbia for many years is still there, a great deal of funding is going toward drilling activity in B.C. waters. In fact, funding has now gone for seismological, hydrographic, and weather and wave studies for drilling platforms. Would the Minister explain why he and his Department and other Departments can operate outside of the law in this situation, and spend millions of dollars of taxpayers' money, when there is no legal ground on which to stand? Would he also agree that full public inquiry is required to look into the environmental and safety aspects of this situation and to ensure the same kind of treatment as that now afforded to the oil industry on the West Coast?

Hon. Marc Lalonde (Minister of Finance): Madam Speaker, the Hon. Member is totally wrong both in the latter part of his question and in the first part of his question.

COST OF WAVE STUDIES

Mr. Jim Fulton (Skeena): Madam Speaker, my supplementary question is directed to the President of the Treasury Board. Could he explain why his Government has allowed $985,000 to be allocated for wave studies for offshore drilling platforms in B.C. when this jurisdictional matter, as I pointed out to the Minister of Finance, is before the Supreme Court of Canada and there is an environmental moratorium in place? Would he explain to the people in this country how he and his Government can provide such funds when there is no legal ground on which it can be done? Would he, in fact, support a full public inquiry into the matter and support funding going to public interest groups which are interested in getting a proper evaluation of the offshore question in British Columbia?

Hon. Herb Gray (President of Treasury Board): Madam Speaker, surely my hon. friend is not opposed to having research carried out on behalf of the people of Canada in this important area. I would think that, instead of criticizing, he would support this worthy endeavour.

* * *

METRIC CONVERSION

INCREASE IN COMMISSION'S BUDGET—COST OF IMPERIAL MEASUREMENT PHOTOGRAPHS

Mr. Bill Domm (Peterborough): Madam Speaker, given the fact that the Metric Commission's budget has risen over 100 per cent this year to a grand total of over $25 million, I want to ask why the Metric Commission has ordered eight photos of its Commissioners or Directors at a cost exceeding $2,000. These eight photos were taken by Fernand Leclair of Albert Street in Ottawa, and are to hang in the offices of the Metric Commission, for self-glorification. Would the Minister of Consumer and Corporate Affairs please give justification to

the House for the necessity of this $2,000 expense and also advise us, if he would be kind enough, why the Metric Commission requested, on the same purchase order, that each picture be of a size 16 inches by 20 inches, which is against its own mandate?

Some Hon. Members: Oh, oh!

[*Translation*]

Hon. André Ouellet (Minister of Consumer and Corporate Affairs): I would have preferred the Hon. Member to ask me about the program he referred to earlier in his motion under the provisions of Standing Order 43, which allow him to make statements without having to wait for answers from ministers. I can inform the Hon. Member that more money is being spent under the metrication program because we have decided to reimburse workers who have to buy new sets of tools as a result of the implementation of the metric system. The increase in expenditures clearly proves that the metrication program in Canada is a success, and these additional funds will be used to help Canadian workers do a better job.

[*English*]

EMPLOYMENT ON CONSULTING FIRM

Mr. Bill Domm (Peterborough): Madam Speaker, given the fact that everyone has been asked to show restraint, and the fact that we have a Metric Commission which spends $3 million on salaries for its own employees and over $2 million in contract work, would the Minister advise the House why he has allowed the new Deputy Executive Director, Claudette Gariepy, to employ five consulting firms, of which the principal owner of one of the firms involved, Multi Resco Incorporated, is reported to be the brother-in-law of the Metric Commission's Deputy Executive Director, Claudette Gariepy?

• (1500)

[*Translation*]

Hon. André Ouellet (Minister of Consumer and Corporate Affairs): Madam Speaker, I think the Progressive Conservative Party's tactic of attempting to tarnish reputations is not particularly praiseworthy in the hon. member. He is asking specific questions during oral question period which could very well be put on the Order Paper. We shall look into it. Madam Speaker, I can assure the hon. member that the people working on the Metric Commission are honest and that they do not deserve this kind of treatment.

* * *

[*English*]

GOVERNMENT EXPENDITURES

PROJECTED CUTS IN PUBLIC SERVICES

Hon. Walter Baker (Nepean-Carleton): Madam Speaker, my question relates to the question put by the Hon. Member for Peterborough and other Members with respect to Government expenditures, and particularly the statement made in the House by the Minister of Finance when he said the Government had asked the President of the Treasury Board "to look again at the departmental expenditures to ensure that no fat is left in the system and, even beyond this, that outlays are being pared down to the lowest level compatible—". That speaks to some dramatic cuts in the provision of public services.

Word is that the Minister will be reporting to the House soon. Within the framework of the Question Period, will the Minister indicate where these cuts are to take place generally, what progress he has made with respect to work that has been assigned to him by the Government, and when will he be reporting to the House?

Hon. Herb Gray (President of Treasury Board): Madam Speaker, I am actively engaged in the review in question. I hope to make a report to the House in the form of a statement sometime in the next several weeks.

* * *

SUPPLY AND SERVICES

PURCHASE OF IMPORTED GOODS BY FOREIGN-CONTROLLED FIRMS

Mr. Bill Kempling (Burlington): Madam Speaker, I have a question for the Minister of Supply and Services. The Minister recently spoke to the Richelieu Club. He made reference to foreign-controlled firms in Canada. He said:

> These companies have to be made to understand the needs of the Canadian economy, the need to encourage a supply system, the need to develop a domestic manufacturing infrastructure . . . We have to use whatever levers are available to us to get them to do more business with Canadian companies.

We applaud that effort on the part of the Minister, but we would like to know how he is going to accomplish this. Is it going to be by regulation, friendly persuasion, taxation, or by statute? How does the Minister propose to do this?

Hon. J.-J. Blais (Minister of Supply and Services): Madam Speaker, the Hon. Member ought to have identified as well the paragraph which preceded the one that he quoted, in which I pointed out that the multinational corporations were responsible for 72 per cent of total imports into Canada. Therefore, there is a huge field of action in terms of trying to encourage import replacements. I was not talking about regulations. I was talking about friendly persuasion, increasing the level of co-operation between all parties, including the multinational corporations, providing them with information relating to the impact of their own supplying process and the ability that they have to create jobs within Canada by increasing the level of industrial and manufacturing activities. In the Hon. Member's

area, that is an aim I am sure he espouses and will want to encourage.

IMPORTATION OF WORD PROCESSORS AND METRIC TAPE

Mr. Bill Kempling (Burlington): Madam Speaker, I appreciate what the Minister said. Speaking of my own area, I would have to ask him now whether he is aware that the Canada Centre for Inland Waters is in the process of purchasing word processors that are made outside of Canada, when there are two excellent manufacturers in Canada which have a world reputation in the manufacture and supply of word processors. Is the Minister aware of that? Does this philosophy that he puts forth apply to Government procurement? Can he explain to the House why the Metric Commission bought and distributed a measuring tape made in Japan? How can he explain that to us?

Hon. J.-J. Blais (Minister of Supply and Services): Madam Speaker, unfortunately I do not control the procurement practice of all the emanations of Government, including Crown corporations. I can assure the Hon. Gentleman that, in those areas where I do effect control, we are maximizing Canadian content to the highest possible degree. I am glad the Hon. Member has brought this matter to the attention of the public. Undoubtedly those in Crown Corporations who are listening to this Question Period will see the interest which the Hon. Member has in Canadian procurement from Canadian sources, and will want to support the efforts of my Department in securing increased Canadian value added.

* * *

THE ECONOMY

REQUEST THAT GOVERNMENT INTRODUCE PRODUCTIVITY INCENTIVES

Hon. George Hees (Northumberland): Madam Speaker, my question is for the new Minister of Finance. I would like to begin by congratulating him for taking on a very tough portfolio during a very difficult period, and I assure him that I wish him well.

As the OECD in its July economic survey devoted to Canada said, and I quote:

> During the 1970s, Canadian manufacturing had the poorest productivity performance of all of the 16 OECD countries with the absolute value of output per employee in 1980 some 23 per cent below the OECD weighted average.

My question to the Prime Minister is: in view of that situation, will he give serious consideration to introducing productivity incentives to be paid in direct proportion to increases in productivity in order that we may lower costs and selling prices and thereby increase sales and jobs, making it possible for people to find a job, taking them off the unemployment insurance rolls and enabling them to begin paying income tax once again? In my view, this process will make it possible to have the program start paying for itself very soon after it is initiated.

Hon. Marc Lalonde (Minister of Finance): Madam Speaker, I would first thank the Hon. Member for his good wishes, but he has gone a little bit too far by calling me Prime Minister in his question. I rejoice with him about the evolution of some factors in the economic indicators, particularly the fact that today the bank rate has gone down 36 points. The bank rate in Canada has gone down for 13 weeks in a row. That augurs well for interest rates in the next few months.

As far as his specific question is concerned, indeed Canada has a lot to catch up with in terms of productivity. Our record in the last few years has not been good. We have to do a lot better in the future than we have done in the past. I am certainly ready to examine his proposals in terms of a forthcoming budget. If he has some more specific way of putting his proposal into effect, I would like him either to write or talk to me. I would like to pursue this matter with him. His suggestion of increasing productivity is one that will indeed be a very high priority in any future budget, in fact in any economic step that the Government takes in the next few months.

Mr. Hees: I thank the Hon. Minister of Finance. I did not realize that I had elevated him so quickly. I thank the Minister for his constructive attitude expressed toward my question. I look forward very much to discussing this matter with him in the next few days.

* * *

TRANSPORT

TRANSPORTATION OF HAZARDOUS MATERIALS BY ROAD

Mr. Ian Deans (Hamilton Mountain): Madam Speaker, my question is for the Minister of Transport. The Minister will no doubt be aware of the serious accident which occurred on the Queen Elizabeth Highway between Hamilton and Niagara Falls in which a transport carrying flammable and dangerous materials went off the road, not only tying up traffic but being a cause of considerable potential damage. The Minister of Transport for the Province of Ontario said that he cannot promulgate his regulations governing the transportation of hazardous materials until the federal Government brings forward its regulations. When will the federal Government put its regulations out for discussion, and when will they in fact become law?

• (1510)

Hon. Jean-Luc Pepin (Minister of Transport): Madam Speaker, I have been in touch very recently with Mr. Snow, and the Minister of Transportation of Ontario has shown a lot of understanding of the difficulties of my department in writing these regulations. It has come to a point now where a judgment is developing in my Department that it might be a good idea to finalize the first unit of the regulations that have been Gazetted, and this may be the road I am going to take. I shall have to make my decision in the coming hours on that

particular subject. As for the finalization of the whole batch of regulations, I am afraid we expect to spend another year or so before this is done.

TIME REQUIRED TO DRAFT REGULATIONS

Mr. Ian Deans (Hamilton Mountain): What is it about establishing or writing the regulations that requires such a long period of time? What will you know in two years that is not currently available by way of general knowledge as it affects the transportation of hazardous material? Does the Minister understand that on that particular highway we are looking at a disaster? One day the accident which occurs will not simply be a truck in a ditch. It will involve hundreds of other vehicles. Surely to God we do not have to wait another year or so for regulations protecting people against the transportation of hazardous materials.

Hon. Jean-Luc Pepin (Minister of Transport): Mr. Snow is obviously much better informed than my hon. friend on that subject because he does understand. There are a great many reconciliations which have to be made to regulations which exist now at the federal and provincial levels and regulations in the United States, with which we trade so much. There are regulations by international bodies which we also have to take into account. My hon. friend should get first-class information on that particular subject, and I will arrange that.

To come back to the specific accident which happened yesterday, the truck involved in it did, just by way of illustration, not have a placard, and the rules which are ready for implementation now do include those concerning placards. In other words, if that part of the Section, which is ready to go now, had been made law, it would have influenced that particular aspect of the accident. That is why I am considering dividing the package and implementing the first unit as soon as I can.

* * *

CORPORATE SHAREHOLDING LIMITATION ACT

TARGET OF PROPOSED LEGISLATION

Right Hon. Joe Clark (Leader of the Opposition): Madam Speaker, my question is for the Deputy Prime Minister and it relates to Bill S-31 which was introduced in the other place. The Government indicated yesterday that its target was not Quebecair. Will the Deputy Prime Minister tell us who its target is?

Hon. Allan J. MacEachen (Deputy Prime Minister and Secretary of State for External Affairs): Madam Speaker, the purpose of the Bill is contained in the provisions. It is now in the other place. When it comes to the House of Commons there will be full opportunity to debate the Bill and make all the points on that occasion.

APPLICATION OF LEGISLATION TO PRIVATE SECTOR

Right Hon. Joe Clark (Leader of the Opposition): Will the Deputy Prime Minister tell us whether the Government is drafting similar legislation to prohibit private individuals or corporations from owning more than 10 per cent of the holdings in any company involved in interprovincial or international transportation? In other words, does it intend to apply the same authority against, for example, Power Corporation, as it is now attempting to apply against provinces or their emanations?

Hon. Allan J. MacEachen (Deputy Prime Minister and Secretary of State for External Affairs): Madam Speaker, I have no information on any such drafting which is going on at the present time. I do not think any such drafting is taking place. The Minister of Transport may want to correct me, but I have no knowledge of it.

RATIONALE FOR GOVERNMENT APPROACH

Right Hon. Joe Clark (Leader of the Opposition): Will whatever Minister has knowledge of the matter explain to the House of Commons why it is the Government's view that ownership by a province or its emanation of more than 10 per cent of a company dealing interprovincially or internationally, is somehow more threatening than ownership by private individuals or large corporations? Why is it singling out the provinces? What is the rationale?

[*Translation*]

Hon. André Ouellet (Minister of Consumer and Corporate Affairs): Madam Speaker, I think it is rather surprising that the Leader of the Opposition should ask a question that was already asked in the House a few days ago. I would invite him to consult *Hansard*. We explained why we wanted to act in the case of possible ownership by provincial governments, and how we could ensure that Canadian corporations are acting in the public interest.

* * *

PETITIONS

MR. MAYER—WORK STOPPAGES AFFECTING EXPORT GRAIN MOVEMENT

Madam Speaker: I have the honour to inform the House that the Clerk of the House has laid upon the table the 331st Report of the Clerk of Petitions stating that he has examined the petition presented by the Hon. Member for Portage-Marquette (Mr. Mayer) on Tuesday, November 9, 1982 and finds that the petition meets the requirements of the Standing Orders as to form.

[*English*]

BUSINESS OF THE HOUSE

WEEKLY STATEMENT

Mr. Nielsen: I rise on a point of order, Madam Speaker, concerning House business. Since we will not be sitting tomorrow or Friday, could the Government House Leader, for the sake of the record, inform us as to the business for today and next week as discussed at the House Leaders' meeting last night?

[*Translation*]

Mr. Pinard: With pleasure, Madam Speaker. Today, we shall continue debate on Bill C-130, and if debate on this Bill is completed today, we shall resume debate on the report stage of Bill C-85. Monday, as I said earlier this week, is an Opposition day. Tuesday, the first item on the agenda is third reading of Bill C-90, a Bill concerning the Customs Tariff and arising from the November 1981 budget. Once this Bill has passed third reading, on Tuesday I hope, we shall resume debate on the report stage of Bill C-85, a Bill aimed at promoting the export of agricultural products. Subsequently we shall consider Bill C-131, a Bill arising from the last budget which concerns the Old Age Security Act and is aimed at limiting indexation of pensions to 6 and 5 per cent. On Wednesday, the first item on the agenda, irrespective of the progress of business on Tuesday, will be Bill C-135 which is to be referred back to the House a little later today and is another Bill arising from the last budget. The Bill specifically concerns the National Housing Act and is aimed at providing grants for home owners. So next Wednesday, that will be the first item on the agenda, and we will be considerig the report stage or third reading, depending on whether there are any notices of amendment. After passage of Bill C-135 next Wednesday, we shall proceed with debate on second reading of Bill C-95, a Bill aimed at establishing a national lottery which will also be used to help the Olympic Games in Calgary. If second reading of Bill C-95 is passed on Wednesday, the business of the House for the remainder of Wednesday and Thursday will be to continue the debate started on Tuesday. That is substantially the business of the House for the next few days, always subject to change and unless otherwise specified.

ROUTINE PROCEEDINGS

[*Translation*]

NATIONAL RESOURCES AND PUBLIC WORKS

PRESENTATION OF SIXTH REPORT OF STANDING COMMITTEE

Mr. Ian Watson (Châteauguay): Madam Speaker, I have the honour to present the sixth report of the Standing Committee on National Resources and Public Works.

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

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[*English*]

PETITIONS

MR. TOWERS—IMPOSITION OF METRIC SYSTEM

Mr. Gordon Towers (Red Deer): Madam Speaker, to the Honourable the House of Commons in Parliament assembled, the petition of the undersigned 1,056 residents of Canada humbly sheweth that the signatories support the stand of Jack Halpert in giving the Canadian people the freedom of choice to purchase gasoline by the gallon; that the signatories oppose the mandatory imposition of metric measure; and that the signatories urge the Government of Canada to permit all people to buy and sell products in Imperial measure. And your petitioners, as in duty bound, will ever pray.

MR. BLENKARN—FINANCIAL AID TO TANZANIA

Mr. Don Blenkarn (Mississauga South): Madam Speaker, I have the honour to present a petition of residents of the Province of Ontario who are very disturbed about Canada's foreign aid to Tanzania, particularly the $200 million paid to that country by the Canadian International Development Agency over the past five years. They ask that further aid to Tanzania be halted, in view of Tanzania's Marxist collectivist policies which have contributed to the decline in agricultural productivity and to the throttling of all business, as well as the hostile acts of Tanzania in expropriation without compensation of Canadian-owned companies in that country.

* * *

• (1520)

QUESTIONS ON THE ORDER PAPER

(Questions answered orally are indicated by an asterisk.)

Mr. David Smith (Parliamentary Secretary to President of the Privy Council): Madam Speaker, the following questions will be answered today: Nos. 2,923, 2,975, 3,171, 3,172, 3,173, 3,174 and 4,319.

[*Text*]

PUBLIC ACCOUNTS—OTHER TYPES OF SERVICES

Question No. 2,923—**Mr. Clarke:**

With reference to the Professional and Special Services recorded by the Governor General and Lieutenant-Governors at page 32.13, Volume II of the 1979-80 Public Accounts of Canada, with particular reference to Other Types of Services (a) how does the Government explain the 5,457 per cent increase in expenditure for the item over that for 1978-79 (b) what services does this entail (c) what is a list of each contract of a value more than $2,000?

Mr. David Smith (Parliamentary Secretary to President of the Privy Council): (a) The total amount spent on Professional and Special Services by the Governor General and Lieutenant Governors in 1979-80 was $249,064, representing a $15,260 or 6.5 per cent increase over 1978-79. The apparent large increase in "Other Types of Services" was due in fact to a change in the policy concerning identification of individual expenditures in the accounts. In 1978-79, individual types of service expenditures were listed whenever expenditure on a particular service exceeded $2,000. In 1979-80 this sum was raised to $25,000 and all types of services with expenditures below this level were grouped under the title "Other Types of Services".

(b) This includes clerical and office services, laundry and dry cleaning, photography and other minor contracted services.

(c) One contract was issued to the National Film Board in the sum of $47,500. All other paid contracts were for less than $2,000.

PUBLIC ACCOUNTS—FILM PRODUCTION SERVICE

Question No. 2,975—**Mr. Clarke:**

With reference to the Professional and Special Services recorded by the Governor General and Lieutenant-Governors at page 32.13, Volume II of the 1979-80 Public Accounts of Canada, with particular reference to Film Production Service (a) what was the title and total cost of each film produced in the fiscal year 1979-80 (b) at what audience was each film aimed (c) what cost recovery is anticipated from the distribution of all the films?

Mr. David Smith (Parliamentary Secretary to President of the Privy Council): (a) One film was produced; "The Unbroken Line" (French and English), a history of Canadian Governors General. The cost in 1978-79 was $110,956 and in 1979-80, $47,500; the total cost being $158,456.

(b) It was aimed at school children and the public in general.

(c) No cost recovery is anticipated but there were also no distribution charges.

SECRETARY TO GOVERNOR GENERAL

Question No. 3,171—**Mr. Cossitt:**

What other benefits, in addition to salary, are received by Mr. Esmund Butler, Secretary to the Governor General, and what is the estimated value of each, including living accommodation?

Mr. David Smith (Parliamentary Secretary to President of the Privy Council): Mr. Butler receives or has access to the normal benefits available to a senior official such as the Public Service superannuation scheme, paid leave and the Public Service Management Insurance Plan. These benefits are set out in Treasury Board Personnel Management Manual, Chapter 500-1, Supplement 101. The value of these benefits to an individual is very difficult to determine accurately, since it depends on the extent to which many of the provisions are utilized. Mr. Butler does not receive an accommodation benefit. He is required by his duties to live in a house on the grounds of Government House for which he pays rent.

SALARY OF GOVERNOR GENERAL

Question No. 3,172—**Mr. Cossitt:**

Is the annual salary of the Governor General less than the total salary and indemnities paid to a Member of Parliament and, if so, for what reason?

Mr. David Smith (Parliamentary Secretary to President of the Privy Council): No.

Question No. 3,173—**Mr. Cossitt:**

1. What amount is paid as an annual salary to the Governor General?

2. Does the Governor General receive a considerably smaller salary than his Secretary, Mr. Esmund Butler, and, if so (a) for what reason (b) what are all the reasons that justify paying a higher salary to the Governor General's Secretary than to the Governor General?

3. Is the salary paid to Mr. Butler in excess of $70,000 and, if so, what is it?

Mr. David Smith (Parliamentary Secretary to President of the Privy Council): 1, 2 and 3. The salary of the Governor General is set by the Governor General's Act at $48,666.63. Mr. Butler's position is classified at the GIC-8 level for which the salary range is $65,600-$77,200. The reasons why the salary range for Mr. Butler's position is at a higher level than the statutory salary of the Governor General are: (a) the salary of the Governor General is set by legislation with no automatic adjustment mechanism, whereas the salary of his Secretary is adjusted on the same basis as all other senior government officials; (b) the salary of the Governor General is free of tax, whereas his Secretary pays normal federal and provincial taxes; and (c) the Governor General receives other allowances, benefits and perquisites not available to his Secretary.

RETIRED GOVERNORS GENERAL

Question No. 3,174—**Mr. Cossitt:**

1. What provisions are made by the Government for retired Governors General, including the (a) amount of annual pension (b) details of staff assistance to be provided?

2. Is the Government giving consideration to providing more adequate retirement benefits to former Canadian Heads of State?

Mr. David Smith (Parliamentary Secretary to President of the Privy Council): 1. (a) The amount of annual pension for retired Governors General is established in accordance with the provisions of the Governor General's Retiring Annuity Act.

(b) Retired Governors General are authorized to hire up to four office personnel paid from a salary budget equivalent to

that made available to Members of Parliament for staff for their Ottawa offices.

2. No. The present provisions are considered adequate.

INVESTITURE AT GOVERNMENT HOUSE

Question No. 4,319—**Mr. Dinsdale:**

Was an investiture held at Government House on April 21, 1982 at which 65 distinguished Canadians received the Order of Canada and, if so, was consideration given to having the Queen, the Sovereign of the Order, present the decorations on the occasion of the proclamation of the Constitution and was Her Majesty requested to do so?

Mr. David Smith (Parliamentary Secretary to President of the Privy Council): An investiture of members of the Order of Canada was held on April 21, 1982. Consideration was given to having the Queen conduct the investiture. However, plans for the ceremony, which involved the gathering of the new members of the Order from across Canada, were made several months in advance and could not be changed at the last minute. The dates on which the Queen would be in Canada were fixed only a short time before the event. Prior commitments in the United Kingdom made it impossible for the Queen to remain in Ottawa until April 21.

* * *

[*English*]

QUESTIONS PASSED AS ORDER FOR RETURN

Mr. David Smith (Parliamentary Secretary to President of the Privy Council): Madam Speaker, if question No. 4,086 could be made an order for return, this return would be tabled immediately.

[*Translation*]

Madam Speaker: The questions enumerated by the Parliamentary Secretary have been answered. Is it the pleasure of the House that question No. 4,086 be deemed to have been made an order for return?

Some Hon. Members: Agreed.

[*Text*]

PERSONS WORKING AT RIDEAU HALL

Question No. 4,086—**Mr. Cossitt:**

1. What is the (a) name (b) job designation (c) annual salary to the nearest dollar (d) date that employment was commenced of each person working for the Governor General or working in any position at Rideau Hall who is paid from public funds?

2. Are there or have there been any persons under contract to perform duties for the Governor General or at Rideau Hall and, if so, what are all the details?

Return tabled.

[*English*]

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

Madam Speaker: Shall the remaining questions be allowed to stand?

Some Hon. Members: Agreed.

* * *

MOTIONS FOR PAPERS

Mr. David Smith (Parliamentary Secretary to President of the Privy Council): Madam Speaker, I ask that all notices of motions for the production of papers be allowed to stand.

Madam Speaker: Shall the notices of motions for the production of papers stand?

Some Hon. Members: Agreed.

GOVERNMENT ORDERS

[*English*]

INTERNATIONAL DEVELOPMENT (FINANCIAL INSTITUTIONS) CONTINUING ASSISTANCE ACT

AUTHORIZATION OF CONTINUING FINANCIAL ASSISTANCE

The House resumed, from Monday, November 9, consideration of the motion of Mr. Cosgrove (for Mr. MacEachen) that Bill C-130, to authorize continuing financial assistance to be provided to certain international financial institutions, be read the second time and referred to the Standing Committee on External Affairs and National Defence.

Mr. Dan McKenzie (Winnipeg-Assiniboine): Mr. Speaker, I wish to complete my remarks on Bill C-130. There is a Clause which is causing considerable concern to us on this side. I am referring to Clause 4, an amendment to the schedule. Any changes will be done by Governor in Council, the Order in Council method which we do not approve of. We feel that Clause should be changed so that it will be the Parliament of Canada which will make any changes, not a Liberal Order in Council. I hope that issue is going to be dealt with in committee.

Now, I would just like to give some examples of what is happening with international banks such as the World Bank. The operational budget of the World Bank participants is combined because they share the same work force, administrative and overhead expenses. For the fiscal year 1981, the World Bank's administrative budget was $392 million. For purposes of comparison, the budget for the fiscal year 1976 was $185 million, $213 million in 1977, almost $246 million in 1978, $276 million in 1979, and for the fiscal year 1980 it was $338 million, which is a dramatic increase over the years.

What has caused some concern here and in the U.S. is that the bank has very high travel expenses, which have been the source for some critical comment. For the fiscal year 1981 the

bank has a travel budget of $43.4 million. In fiscal year 1980, the comparable amount was $38.7 million. That is an exorbitant amount for the World Bank to be using for travelling and it shows another reason why the concerns of the Canadian public should be listened to more closely in regard to foreign aid and how our money is handled.

It is worthy of comment, Mr. Speaker, that never in the 35-year history of the World Bank has there been any hint of irregularity or scandal when billions of dollars have been disbursed. Such a history runs counter to the entire human experience. In fact the Bank, in its reports, deplores the lack of uniform accounting practices and competent managers among borrowing nations. The true significance is reminiscent of Sherlock Holmes' observation in Conan Doyle's "Silver Blaze", that the clue lay in the failure of the hound to bay. The purity by silence of the World Bank's operations probably exists because those in a position to learn of irregularities might be personally embarrassed by such revelations.

It is also important, Mr. Speaker, to keep in mind that the IFIs lend directly to governments. In the case of developing countries, most of these governments are repressive and dictatorial. Corruption and mismanagement of the economy are far too common. Since cash loans especially will be placed in the general revenue of these governments, the opportunity for abuse becomes far greater. So I just want to remind the House that we are going to be spending $1.7 billion on foreign aid this year and we are very concerned that a very high percentage of that amount is being wasted through mismanagement and heaven only knows what else.

I would like to pay tribute to the Citizens for Foreign Aid Committee, Mr. Speaker, which is an Ontario based organization which does excellent research into foreign aid. They have come up with a lot of horror stories on waste and mismanagement with regard to foreign aid. In one of their recent newsletters they describe a horror story in Haiti. The Haitian project was a sorry mess of wholesale waste, local corruption and featherbedding, all funded by the Canadian taxpayer. Gerald Utting of *The Toronto Star* reported that the project was launched in 1974 with a sociological study by the Canadian International Development Agency which cost $800,000. Since 1974 CIDA has spent $24 million on the project, and to the naked eye there is precious little to show for it. The Haitian government failed to supply land for irrigation projects despite its commitment to do so. Transportation equipment and earth-moving machinery intended to be used strictly by DRIPP was taken over by Haitians for other uses. That is an example of the waste of foreign aid. The Haitians refused to give an account of how they were spending the money supplied to them for DRIPP projects. The Canadians were not able to find out exactly how many people were actually on the DRIPP payroll. A "W-5" program, aired earlier this year, showed a small local health clinic which cost a staggering $100,000 for new roofing. This, the commentator wryly noted, in a land where $2 a day is good wages. That is an example of where the Canadian taxpayer ends up being the drip in having to pay for this sort of project.

Last year, for example, the EDC decided to put up more than $160 million to finance a pulp and paper mill in Poland. It did this despite the fact that our own pulp and paper industry is struggling to stay alive in the face of fierce competition abroad, and despite the fact that everyone, including the Government, expects the Poles to be one of our major competitors in the European pulp and paper market. EDC rationalized this decision by pointing out that Poland would buy Canadian equipment for the plant, but this just does not hold up. In a state-run society the Polish worker is paid far less than his Canadian counterpart and ultimately Poland will be able to sell paper products far below Canadian prices. Our pulp and paper industry, which is only operating at 75 per cent capacity now, will shrink even further with fewer and fewer jobs for Canadian workers. So we have legitimate concerns, Mr. Speaker, and these are just examples of why this Bill should not be rushed through the House in too big a hurry.

To carry on with the horror stories, there is another example of $47 million going to the United States. I was not aware that the United States was an impoverished country. EDC announced last summer that it would put up $47 million for a mini-steel mill in Perth Amboy, New Jersey. This brings to $100 million the amount Canadian taxpayers have loaned for steel mills in St. Paul, Minnesota; Midlothian, Texas; Sheerness, England; and now New Jersey. In the meantime our own steel industry in Ontario and Nova Scotia is encountering stiff competition and the prospect of further lay-offs in Atlantic Canada where unemployment is already alarming and threatens to erupt in street violence. We are sending $47 million down to New Jersey. I am delighted that a Canadian firm got the contract for the New Jersey plant, but surely there is plenty of financing available in the United States. Surely it is not necessary to provide low-cost loans at the expense of our own industry, which is quite literally desperate for capital funds to upgrade its facilities.

• (1530)

There will have to be more parliamentary scrutiny of CIDA and foreign aid programs. Clause 4 must be amended so that Parliament can make changes to Bill C-130, rather than this being done by Order in Council.

I hope that when the Bill goes to Committee Clause 4 will be dealt with, the Order in Council ruling removed and Parliament given control of further foreign aid expenditures and moneys for CIDA.

Mr. John Gamble (York North): Mr. Speaker, I had to consult my calendar today to be sure that yesterday was not Christmas and today the second day of Christmas. I suppose the public is to be spared four more days of what would be the same kind of largesse extended by this Parliament on behalf of international financial institutions. If evidence was ever needed that when this place is not functioning, taxpayers are sometimes better served, the occurrences in the last two days, including the Bill before the House today, would prove this.

Yesterday we went through the process of either extending direct financial contributions or extending demand promissory

notes, which have become encumbrances upon the people of Canada to the extent that $1,703,810,000 or over $1,000 million in foreign aid.

The argument has been made and will be made now with regard to the way Bill C-130 is drafted that what we are concerned with in large measure is a small contribution in cash, followed by a demand note to be used to raise money in some way by the financial institutions listed on the schedule to this Bill. The illusion that is created that these promissory notes do not constitute a liability against the Government of Canada and accordingly imposed upon the people of Canada is just that, an illusion. Just as any promissory note executed by any Member of the House constitutes a genuine liability, so does the execution of a promissory note or the execution of a demand note as contemplated by this legislation create a liability to be discharged. Those are the issues before the House.

On October 27, upon our return from our summer or fall recess, the Minister of Finance (Mr. Lalonde) made the following statement, which is found at page 20078 of *Hansard:*

> The world-wide recession has cut our economy to the bone. We have lost half a million jobs during the past year. Almost a million and a half among us are looking for work. Many others have temporarily given up the search for gainful employment. Virtually no Canadian has been untouched by the recession. In every region of the country, those who have been spared the worst have relatives, friends or neighbours who are struggling to cope with hardship and insecurity—be they unemployed textile workers in Quebec, grounded fishermen in the Atlantic Provinces, idle lumbermen in British Columbia, laid off miners or auto workers in Ontario.

That is a rare group of people in terms of numbers and in terms of occupation, Mr. Speaker. Compared to the calamities referred to on October 27, with what are we faced today?

Despite the clamouring of the New Democratic Party for more assistance for the unemployed, it is very interesting to find that there is not a Member of that Party present in the House at the moment ready to deal with this issue. They have run away from the frightening prospect of being accused of providing additional funds abroad, when there is not enough money in Canada to look after the needs to which reference was made by the Minister of Finance on October 27.

Mr. Skelly: Mr. Speaker, I rise on a point of order. Of course there are NDP Members present in the House. We are waiting for a Progressive Conservative to speak on this matter.

Mr. Gamble: Mr. Speaker, I do not know the purpose of that intervention, other than to permit me to indicate that the Member who intervened was not in the House at the time I made the comment. I would point out that he is the only Member of that Party in the House ready to deal with these essential issues.

I should like to deal with the terms of the Bill before us. Clause 3 reads as follows:

> The Secretary of State for External Affairs may, for the purpose of promoting the social and economic development of developing countries, provide financial assistance to an institution by way of
>
> (*a*) direct payments to the institution;
>
> (*b*) the issuance to the institution of non-interest bearing, non-negotiable demand notes in a form determined by the Minister of Finance; and
>
> (*c*) the purchase on behalf of Her Majesty in right of Canada of shares of the institution.

The "institution" is one of a number of institutions listed in the schedule attached to the Bill. Clause 6, which is the operative Clause giving rise to the commitment of the Government, reads as follows:

> In respect of the period between the date this Act comes into force and March 31, 1983,
>
> (*a*) there is hereby appropriated for the purposes of paragraph 3(*a*), the sum of four hundred and forty-two thousand dollars to be paid out of the Consolidated Revenue Fund from time to time as required; and
>
> (*b*) the amount of financial assistance provided to institutions pursuant to paragraph 3(*b*) shall not exceed the equivalent of one hundred and seventeen million, forty thousand dollars.

The total amount under the operative Clause is $117,482,000. It is significant that that commitment is for a relatively brief period, less than five months from the date the Bill is passed until the end of March, 1983. I do not think my mathematics are incorrect, Mr. Speaker. If we take the average, we are authorizing a commitment of $23,496,400 per month at a time when it is extremely difficult to get the Government to make any funds available for the general relief of poverty and depression in Canada.

Yesterday we had the pleasure of listening to an explanation of the way in which the astronomical sum of $1,703,810,000 was to be dealt with in terms of financial aid to foreign financial institutions. One of the arguments made by the Minister responsible for the introduction of the Bill related to the demand note nature of the commitment. The allegation made to the House was that we should not be too concerned because the vast majority of those sums, indeed 92.5 per cent, were to be secured only by demand notes. In fact, the Government of Canada was not reaching into the Consolidated Revenue Fund at this time for the purpose of extracting that substantial sum of money but was only putting up 7.5 per cent of it in cash and hopefully would never be called upon to pay the balance. However, it is significant to note that yesterday I asked the Minister, in a series of questions, what the total actual commitment of the Government of Canada was under Bill C-129, and he confirmed in the House that the total commitment was the amount referred in the Bill which, when totalled, exceeded $2 billion.

• (1540)

The same must be said today, having regard to the same general method employed in providing either cash or a security, which is an encumbrance upon the assets of Canada for the purpose of funding foreign aid as contemplated by this piece of legislation. It may be comforting to the Government to suggest that of the total amount of $117,482,000, the trifling, inconsequential and insignificant sum of only $442,000 is to be laid out immediately. Regardless of all the arguments which may be made on any side of the House with respect to the method of financing these commitments, to my mind $442,000 today is a substantial sum of money; but linked as it is to the

further obligation to issue demand notes for $117,040,000, I think it is a frightening thing that the House does not have a full complement of Members who can direct their attention to this matter and, as the Leader of the New Democratic Party (Mr. Broadbent) urged, find in the Bill the funds they would like used for the purpose of creating jobs in Canada.

[*Translation*]

Mr. Lapierre: On a point of order, Mr. Speaker. I must admit I no longer understand the hon. member. The Official Opposition's critic says that he is supporting this bill in principle, and now the Hon. Member is criticizing the bill. Is he refusing to support his critic or is he sitting as an independent? That is my question.

The Acting Speaker (Mr. Blaker): I may say that the Parliamentary Secretary has the right to rise and say he would like to ask a question. However, this does not seem to be a genuine point of order.

[*English*]

Mr. Gamble: I thank the Hon. Member for his intervention. It permits me to indicate to the House that with respect to this piece of legislation it is my personal view, as a Member of the Chamber, that this Bill ought not to be passed; it is as simple as that.

Some Hon. Members: Oh, oh!

Mr. Gamble: If that kind of explanation horrifies Members of the Government Party, I can well understand why. It is because there is never any deviation there from what their masters tell them. The distinction between that Party and this Party is that there are people here who can freely express their views with respect to Government legislation, and that is exactly the position which is being taken here.

Mr. Lapierre: Talk to us about leadership.

Mr. Gamble: I am inclined to ask how the Bill fits into the financial scheme of things that appear in Part 1 of the 1982-83 Estimates. I am referring to page 33 thereof where we find that the total official development assistance established by the Government is fixed at $1,724 million. Of that amount, according to the same page, we find that the investment and advances to international financial institutions—value of cash and notes to be issued—totals only $332 million.

Yesterday we passed a Bill with respect to financial institutions for the amount of $1,703,810,000. We are now asked to pass this Bill which adds $117,482,000 to the same amount, an amount which quite frankly exceeds the amount that appears in the Estimates. But the matter does not end there. If we refer once again to the speech of the Minister of Finance on October 27, as reported at page 20083 of *Hansard*, we note that he has taken the unusual step of reducing the amount of development aid. He said:

> Outlays in the areas of defence and official development assistance will be reduced by $230 million and $245 million respectively from the dollar levels previously allocated.

The mathematics are simply not there to support the position. Within a period of two days the House has already approved amounts with respect to bilateral foreign aid through investment and advances to financial institutions which exceed, in their amount, the entire amount of development assistance referred to in the Estimates. Unfortunately, when the Minister delivered his non-budget speech on October 27, we did not have the benefit of an accompanying financial analysis of from where these funds were in fact to come or what the consequential results of the reduction in these various budgetary items might be.

If I may return to a rather interesting aspect of the Bill itself, there is a provision whereby the "Governor in Council may, by order, amend the schedule" by adding names thereto or deleting names therefrom. What Parliament is asked to do, accordingly, is to grant to the Government of Canada the right to spend, in essence, $117,482,000 in whatever fashion it pleases.

Having given them the right to add to the schedule or to take from the schedule—and I might say that the only power they really needed was the power to add since they had the power to allocate among those institutions referred to in the schedule—I can imagine the circumstance where one of the other financial institutions which might be added would be the special Swiss trust account of the Prime Minister (Mr. Trudeau), because there is nothing to prevent the Government from adding any financial institution it might wish to add on using the entire amount to put into whatever financial institution it might wish. They are not only banks referred to in the schedule, but funds. Any fund which the Government might wish to create or subscribe to would qualify, and the House will have lost the opportunity to intervene and ask whether the moneys have been well spent. We do not know what one dime of these funds will be used for, not one dime. All we know is that we are asked to give authority to the Government to put the money into the fund or into the Bank.

• (1550)

Let me read into the record some of the institutions referred to in the Schedule: the African Development Fund, the African Development Bank, the Asian Development Fund and the Asian Development Bank. The significant issue is that without any input from Parliament, any other fund either now in existence or to be brought into existence later may be added to the list. Every dime of the $117,482,000 may be put into that fund. We are not told the purposes of the expenditures of the fund or the Bank. The whole matter is left to our imagination; I might say not to very close scrutiny in terms of the manner which this House has hitherto dealt with this Bill.

It is my submission that this House ought not to approve a financial request by Government to spend money in whatever fashion it desires, which is exactly what this Bill would permit.

My concern is that with a budgetary deficit this year projected by the Minister of Finance to exceed $23 billion, probably reaching $25 billion, with interest on the national debt to be paid this year alone in the projected amount of

$16.4 billion and with the Government having borrowed over $21 billion, is it prudent for the Government to borrow money in order to give it away?

Let me ask some rather basic elementary questions. Would an individual citizen borrow money to give it away? Would Members of this House as individuals borrow money to give it away? If not, why as representatives of our constituents do we come here and authorize the disbursement freely of moneys owned, claimed by the people of Canada, in a give-away project when, at the same time, we are saddling these same Canadians with an obligation to pay their pro rata share of some $16 billion in interest? The obligation with respect to these programs is not one that will end with us. Very clearly, our children will be able to carry on the great tradition of paying for the debts that we have created and for which we are responsible.

I wonder how that whole process fits into the scheme of the just society. Is it just and reasonable for people in this place today to load our children and our grandchildren with obligations that they will have to pay for tomorrow? I hardly think so. I hardly think that is appropriate. Yet this is exactly what we are doing. No reasonable, prudent Member of this House would undertake a personal action of the kind the Government is undertaking. I think therein lies one of the great problems of the Government and of the House itself. We have not come to grasp the significance of the money in our charge.

I practise law, as some others in this House do, and we have trust accounts that we in a law practice administer. Those accounts are used for the prupose of depositing funds that do not belong to us. They are not funds to which a law firm can claim title, subject of course to the fact that we can extract funds from that account to pay for services that are rendered. But the balance of those funds, whatever they amount to, are subject to the call of the person who owns the money therein. The funds can be paid out on the individual's direction or for the individual's benefit.

Looking at the Consolidated Revenue Fund, is there any difference between that fund, for which we have a responsibility, and a normal trust fund that I have just described? The answer is that there is not. We are charged with the responsibility to attend to the interests of the people who have worked hard and have had extracted from their salaries or from the pockets of their business an amount that is contributed to this fund, from which the Government extracts all.

I had an opportunity on the weekend to have a discussion with an officer of the Department of National Revenue. He indicated to me that his responsibility was to attend at the various businesses within my riding and examine the accounts that had fallen into default, accounts of taxpayers, many of which related to trust money. We are all acquainted with the provisions of the Income Tax Act and the Canada Pension Plan which oblige employers to extract from the salaries of their employees amounts by way of a withholding tax representing weekly or monthly shares of their salary which are taxed. The tax goes into a fund and on the fifteenth of each month is paid to the Receiver General for Canada, including an amount with respect to Canada Pension Plan contributions and unemployment insurance contributions by both employer and employee. What he has found, unfortunately, and it is not unusual, is that employers have been using these trust funds to carry on their daily activities. The only reason for that is that they desperately need every dollar they can find in order to survive. There is no excuse under the law for this practice. Unfortunately, this practice is growing and it is growing in these severe economic times.

The Crown recognizes that those moneys are trust funds so-called, and many Canadians have been prosecuted for dipping in, as it were, to the trust funds. I then asked what happens when those trust funds become part of the Consolidated Revenue Fund. The answer was that any semblance of their being a duty or a trust has vanished. There is no obligation upon the Government of Canada to continue to administer those funds, in the same fashion that there was an obligation upon the individual taxpayer to administer and take charge and care of those funds. I submit that we in this place should reflect upon our duties with respect to these moneys which today we are asked to lavish on financial institutions to be spent, once they are handed to these institutions, in whatever fashion they may prefer.

Let me deal with one of those institutions referred to in the Schedule, one to which I have already made reference, namely the African Development Bank. That Bank has a project for the construction of a rail link north of the Republic of South Africa to permit the produce from Zambia and other nations to be transported to the east or the west coast of the African continent without the need to transport goods over the territory of the Republic of South Africa. That is an objective which is, in the minds of those who are determined to build the line, an improvement over the existing circumstances. There is one great problem. When that line passes through Mozambique it is subject to regular guerrilla attacks. When the line passes through Angola, it is subject to regular guerrilla attacks by the UNITA movement in that country.

• (1600)

While I do not know if that is the purpose of the expenditure of those funds, the consequence is that the money will surely be wasted. It is a sink hole. As long as these states through which the railway is to pass cannot control their own domestic population, there is no valid reason why money should be spent on a project like that. We do not even know whether that is the project because we have not been given any information and we never will have any information. It does indicate to me, however, that without the Government coming before Parliament and identifying the purpose, the quantum and all normal ancillary information referable to this matter, Parliament should reject the request out of hand.

A petition was filed in the House today urging that no additional foreign aid be extended to Tanzania. The petition was signed by certain residents of the Province of Ontario and

was submitted to the House by the Hon. Member for Mississauga South (Mr. Blenkarn). The petition referred to the dictatorial Marxist government of that country. There was reference to the expropriation without compensation of business enterprises that were owned by Canadians. What assurances does the House have that the African Development Fund or the African Development Bank will not advance funds to Tanzania, a country where some of these actions referred to by the petitioners apparently occur?

When dealing with this Bill Hon. Members should be cognizant of a number of circumstances. First, it is part of an over-all international development program for foreign aid. In light of our pressing financial circumstances, would it not be appropriate for the House to undertake an examination of the rules by which this Government would extend aid to foreign nations? Is it not now appropriate to refer this entire matter to the Standing Committee on External Affairs and National Defence for an in depth examination of the principles that should lie behind the extension of foreign aid? This is something which I recommended to the then Minister of Finance and the Prime Minister some time ago.

I am convinced that there are millions of Canadians who recognize, in view of these substantial sums of money advanced and guaranteed, that there should be some pressing issue for the benefit of Canadians that should override the natural inclination of the Government to make these funds available to create jobs and assure security for Canadians. Do we not owe them the obligation to investigate this matter in its entirety and develop some general rules?

I would like to suggest some rules that might be applied in determining how foreign aid should be extended. I do not believe that it is uncumbent upon us as a nation to engage in a type of international socialist redistribution of wealth because there are nations that are less prosperous than us. Invariably we will find that all we have done is redistribute the poverty. I heard the Hon. Member for Gloucester (Mr. Breau) confirm in the House yesterday that citizens in certain foreign countries would gladly exchange their good times for our bad times. I recognize that fact.

However, what is the purpose behind our foreign aid program? It should be to create a climate in the nations which receive those funds that will give rise to the creation of national wealth within their own boundaries. This will not occur until those nations have governments which are freely elected under a system which permits opposition parties to seek election in a social and judicial circumstance which grants universal human rights to all their citizens.

I realize that Members to my left have complained about the extension of any foreign aid to Guatemala. At the same time they clamour for additional foreign aid to Nicaragua. It is not a coincidence, of course, that the government they wish to receive this aid should be dominated by a Marxist leaning government and that the government to which they oppose giving aid is one which is against Marxist government in Nicaragua.

I submit to the House that the test should be an objective one without regard to ideological leanings. Countries should be asked if they grant universal human rights to their citizens and, in fact, permit opposition parties, in a free and democratic election, to form a democratic legislature which is supported by a democratically elected executive.

What is the cause of the poverty in many of these nations? My colleague the Hon. Member for Edmonton South (Mr. Roche) directed his attention to this issue and confirmed that people in the Third World are in worse economic circumstances today than they were before, despite all the foreign aid which has been extended in the past. What does that signal to us? Is it our obligation to increase the expenditure? Should we be engaged in a program which provides for massive injections into it from our depleted assets?

Let us examine the circumstances which exist in those countries. There are countries which have dictatorships. There are regimes which suppress the free enterprise system which has given rise to the wealth that we enjoy today, subject to the diminution to which reference has been made over recent years. Nevertheless, the system was in place but it is not now in place in those nations. Therefore, our first objective should be to tie our foreign aid to commitments by the nations receiving same to accept the principles to which I have just made reference. In the absence of those commitments, I suggest that the foreign aid should no longer be extended except in cases where there has been a natural disaster that has unexpectedly claimed lives and created havoc within the boundaries of those individual sovereign states.

As we approach the time for close consideration and a vote on these matters, I urge my colleagues on all sides of the House to consider, apart from what may have been the thrust in foreign policy and the drive to additional and excessive foreign aid grants in the past, whether it is not appropriate to consider the needs of their own constituents and Canadians generally in light of today's circumstances.

• (1610)

Mr. Norman Kelly (Scarborough Centre): Mr. Speaker, I had not intended to intervene in this debate but, after listening to the arguments advanced by the Hon. Member for York North (Mr. Gamble), I thought I would address this issue, if only for a short while, and put some of my ideas formally on the record.

The first thing I would like to say is that I basically approach this matter from the same perspective as the Hon. Member for York North; that is, I think that, if we will be spending such large sums of money, we should ensure that those sums will create jobs for Canadians. Therefore, I do not want to take exception to those parts of his remarks which were addressed to job creation in Canada.

What I would like to point out to him, though, is that his argument is not unlike the spurious arguments of many Canadians who ask the question: If we are to spend $1 billion, $2 billion or more, why, in Heaven's name, would the Government spend the money abroad on other people? Why, in a time of difficulty, do we not spend the money here on Canadian industry, on Canadian businessmen, to produce Canadian profits and Canadian jobs? I think that argument blithely

ignores the basic reality of the Canadian economy of the 1970s and the 1980s.

The Hon. Member surely knows, and those Canadians who believe or accept his argument should know, that Canada is one of the greatest trading nations of the world today. Thirty per cent of everything we produce is sold abroad. If that is the case—if we do sell so many of our goods and services abroad, and if that market is 100 times larger than our domestic market—then surely we should be able to see that a dollar invested in the foreign market should produce results which are potentially 100 times greater than if the same dollar were invested in our domestic market. In short, I would argue, and I would want others to believe, that if we are to create jobs for Canadians, now and in the future, the best opportunity we have of creating them is in those areas which export to the foreign market.

If you accept the argument, Mr. Speaker, that it is better to spend money in developing export markets for Canadian products, then the next question is: Where would these exports markets be developed? I think most of us understand that our primary export market is in the United States. I think it takes something like two-thirds of all the goods we produce and about 80 per cent of all the manufactured goods. That means that, in part, the United States will continue to be the major focus of our export market in the near future. But where does the opportunity for significant expansion over the long term really exist? I suggest that any Hon. Member of the House who has read the minutes of the parliamentary task force on the National Trading Corporation will have discovered that Japan, West Germany and all of our major competitors among the OECD countries have concluded, after considerable research, that the market of the future lies in the developing countries of the Pacific Rim and South America and in those countries that we describe as Third World nations.

Having identified those areas as our future markets, members will have found that our trading competitors are not afraid to spend money abroad, unlike the Hon. Member for York North and many of his colleagues. Those nations are prepared to spend large sums of money on developing Third World nations for two reasons. First, they understand that, to a degree, the expenditure of funds purchases good will in those communities. Second, the expenditure of sizeable sums of money in those countries primes the pump of the national economies of those nations. As they build themselves, as they enrich their economies, they are increasingly able to purchase the sophisticated and more expensive consumer goods from the Japanese homeland and European markets.

Therefore, unlike some Hon. Members of the House and unlike many Canadians—some of them my constituents—I am not afraid to spend money in the poorer parts of the world. Despite their political systems, whatever the social arrangements they may be in the process of working out, I am not afraid to spend money in those countries because I think that ultimately, given time, proper advice and guidance from countries such as Canada and others in the western democratic industrialized world, those countries will develop into extremely prosperous recipients of Canadian primary and manufactured products. Therefore, to ignore those countries now, to turn our backs on them for whatever reason, would be to commit the ultimate folly and doom us to the slowest growth we could ever witness as a nation since the Second World War.

Finally, I would like to inform the Hon. Member who last spoke and those who may share his thoughts that Hon. Members on this side are not without critical faculties. Many of us have discussed foreign aid among ourselves and have reached certain conclusions, some of which I would like to share this afternoon.

There are three criticisms I would offer in a very general way. First, instead of spending less than we are spending now, I think we should be spending considerably more. Second, before we enrich our foreign aid program, we should have an independent committee of inquiry to find out just how efficiently the present policies are delivering our money and assistance to the recipient countries today. That committee may be the present External Affairs Committee, one of its subcommittees, or, better still, a special task force of the House, since task forces have revealed an ability to work quickly and with considerable insight, two characteristics which would lend themselves to this sort of inquiry.

Finally, I hope that before too long the Government of Canada, by itself, in co-operation with the business community or with provincial Governments, will create institutions or shape attitudes which will allow Canadian businessmen to exploit more aggressively foreign markets than at present. For every dollar that we contribute to foreign aid, Canadian businessmen receive roughly 15 or 16 cents back by way of foreign contracts. Compare that with the Japanese who get back roughly $2.40 for every dollar they invest in foreign aid. One can see there is a desperate need for Canadian business and for Canadian Governments at both levels to generate one strategy or another to ensure that any money we invest, aside from the humanitarian result that we all accept and honour in the expenditure of taxpayers' money, will generates the highest return for our businessmen and the highest number of jobs for our workers.

• (1620)

Mr. Robert Wenman (Fraser Valley West): Mr. Speaker, I wish to commend the previous speaker. One thing about debate in the House of Commons on a subject such as Canadian relations with the world, foreign aid and human aid, is that it encourages people who do not normally participate in external affairs and such issues to come forward with common sense and good ideas which might in fact be new to them but perhaps are not new to the House of Commons. I invite that Hon. Member to join the External Affairs Committee. He shows a positive human interest. He will find that we have had a considerable number of studies in the House of Commons and in committee on the North-South dialogue and other related issues. His contribution would be appreciated there and I look forward to seeing him in the future.

It does not matter from which corner of the House one comes, it is my opinion that all Members of the House of Commons start from the same basic premise that all men and all nations of good conscience want to improve the human condition, particularly as it relates to the poorest of the poor wherever they may be found in the world and regardless of their national boundary.

The spirit and will of Canadians to be generous, caring and giving is a matter of historical record. The method of assisting all individuals in the world first to survive and then to maximize their individual potential through development is where the separation of concepts begins to widen among all factions of the weak who have the need to receive and the strong who have the capacity and will to give.

This Bill is all about international financial institutions created by governments to tackle the problems of millions of individuals and governments who have proven not competent to survive and compete under current world inter-relationships and conditions. Unfortunately, the methods that the financial institutions that we currently strive to uphold in this Bill employ, as well-intentioned as they are and will be in the future, have to be assessed very carefully, because these institutions to which we will now be giving more money have failed in the world. In spite of these institutions the poor have become poorer and the numbers of poor have grown larger and larger.

The Hon. Member for Edmonton South (Mr. Roche), the Hon. Member for St. John's West (Mr. Crosbie) and others have talked in this House about the physical and spiritual starvation existing throughout the world. Like many other Members, I stand here today and bear witness to man's inhumanity to man. I could stand in judgment against many nations of the world. In my speech today, I do not want to do that. I want to recognize that the world is not poor by nation, the world is poor by individuals. You can see poverty here in Canada, material poverty and hunger. You can also see spiritual poverty here in Canada. As I stand in the House today to illustrate, I will not be paternalistic.

About three years ago one of my constituents, at the time when Canada was open to a group of refugees, opened his home to a young refugee. This constituent is a very close friend of mine. In addition to opening his home, he found a job and a place in the community for this young person. Unfortunately, about a year ago this young person was killed in an automobile accident. He grieved for him as one of his own.

This man tried again. He took in another of the poor people from another nation and provided him with a home and opportunity in our economy. Last weekend two young Canadians on motorcycles saw this young man who was trying to make his way in Canada walking along the road. They got off their motorcycles, punched this young man, a young Vietnamese, into unconsciousness, threw him into the middle of the road, a car ran over him and he died.

What kind of poverty is that? It is the worst kind of poverty one can imagine. We have to attack that poverty of spirit. We have to stand behind the spirit of generosity that says: "I will take one of the poor of the world and give him an opportunity in Canada". I feel just terrible for my country and in particular my own riding about the truth of that reality.

Poverty is not alone in this nation or any nation. No one has a monopoly on poverty or greed. Let us look at it in a world context. Poverty, wherever it is found, can be materialistic or of the spirit. If we are to change these things, we must generate a new ethic that stands on the basic value of production. The philosophy of the current institutions have failed to stop the slide of the world into further and further poverty. They have not stopped the poor from becoming poorer and poorer and larger in number. They will fail further unless they change their direction and basic philosophies. Their intention has been good, but their capacity has not been either efficient or competent to address the problem.

Current United Nations and international financial institutions to a great degree are mired in the philosophy of the redistribution of existing wealth and power. The method of redistribution of this existing wealth and power is seen to come through collectivism, instead of recognizing that the solution lies in the philosophy of creation and distribution of new wealth and new power, through the creation of new opportunities for individuals to generate growth and prosperity from within their individual being.

The redistribution ethic starts from the concept of the limits to growth. Assuming that wealth and power are finite and depleting, we must live basically—I realize there are degrees—within the existing parameters of wealth and power. The problem is not the creation of new wealth and power, but rather the redistribution of that wealth in the world today. This is a valid ethic. It is valid intellectually. It has value from a humanist point of view. It is all tied nicely together in the concept of consumption and environment. It recognizes that the world must control its consumption in some way, otherwise we will destroy the environment. It ties together, the no-growth theory very nicely with another broad theory, and that is the theory of socialism, the redistribution of existing wealth and power rather than the creation of new.

• (1630)

Another one of the problems is that this theory is unfortunately carried by the leaders of the world today. It comes out of older thought, from perhaps the London School of Economics and other such institutions where the leaders of the current world, of the new emerging worlds like Africa, obtained their education, values and ethics. I am not judging and saying it is wrong. There are many good things about it. It is just that that way of implementation is not going to work. The world is getting poorer and poorer under it. And that is a fact, not just a statement of opinion.

To solve the problem, the theory is we should begin with relief, and then we must provide development through the transfer of resources and technology, specifically, the layering on first of basic food, because a man that is hungry cannot work. Then the man with no shelter must have some form of basic shelter. He gets his food and shelter, but he cannot

participate in the world until he is educated and has proper health care. We must first set up a basic welfare program which will bring the people of the poor nations to a condition where they may begin to work to build their economy.

There is somehow an idea that social reform must precede economic development or economic reform. Unfortunately, it has been demonstrated that when social reform runs too far ahead rather than parallel with economic development, the latter in fact does not and will not occur, because the incentive to make it occur has been taken from the machinery of administration and from the basic value structure. This vertical development concept will never work because it ignores the basic elements of parallel value development which establishes, in conjunction with, or even prior to, programs which demonstrate opportunities for individual initiative and incentive which, in turn, ensure upward mobility through work, profit and individual enterprise.

North-South dialogue starts with the premise that wealthy nations of the North have all the resources and technology, all the wealth and power. The South, on the other hand, has all the poverty and lack of human and physical resources. The North-South dialogue which is bogged down now, is bound to be bogged down in failure because it was initiated on a false premise. Many of us have visited in the South. I wonder if any members of the committee of the House of Commons who travelled to Latin America, or anyone who saw that poverty, went hungry on their visit. I do not think any Member of this House of Commons, including myself, has ever really gone hungry, certainly not when we have visited the South, because as well as gross and abject poverty, there is also amongst these nations and their communities, opulent wealth and abundant unexploited resource potential.

There is in this world, Mr. Speaker, substantial wealth and power that remains untouched and undeveloped in the South. The poor exist in the North as the wealthy exist in the South. The poor exist as individuals in all nations, including our own. We must stop addressing poor nations, in our programs and start addressing poor individuals. We must attempt to create new opportunities for poor individuals wherever they are found. We need to identify nations which accept the values of the work ethic, individual initiative, and incentive, the profit motive, and enterprise and freedom. These values are the motors of productivity regardless of where they are found. This is the model which has proven successful and has generated the basic economy, not only for our nation but for all of the Western nations, and in fact, the greatest giving nations in the world.

Miss Jewett: So why are we in a recession?

Mr. Wenman: We are in a recession, Mr. Speaker, to answer my friend from New Westminster, because we, too, in this nation, have lost the concept of the work ethic, individual initiative, and incentive, and we also put down the profit motive and free entreprise which have created this nation. While we want to protect our humanistic values, we must still support that economy, and this is the system which is successful throughout the world and the system we should be passing on to the Third World. We should not just be passing along material goods; we should be passing along the value system behind the aspect of real production. It used to be thought that in order to get production, you took a raw resource, added labour, then capital and technology, and you had production. But we have applied these things in many parts of the world and we did not get production because we forgot to apply one element. There will not be production if there is not incentive and profit. Therefore, we must get back to that reality. We must find nations that recognize the fact that in order to develop, or have development, they must face that reality. We should not keep pumping good money after bad into those nations that choose the collectivist socialist route, which has not and is not working. It has not and is not working anywhere in the world. Certainly, as humanists we must give basic relief, but if we want to move from relief to development, perhaps we had better choose those nations that want to move with the basic values which have generated the creative production of our society.

Miss Jewett: Like who?

Mr. Wenman: The Hon. Member asks like who. I did not ask her to ask these questions resulting from my speech, but I appreciate it. That is my next answer. Like who? If we take areas of the world where we look at the situation and say it is hopeless, there is no way that this nation can develop, and then we put the enterprise ethic there, that is where the success story is. There is no development aid provided to Singapore, South Korea, Taiwan. In fact, the ones we have isolated and not provided development aid to have demonstrated the way to organize their society for greater success for the poorest of their poor.

Miss Jewett: You are talking about American aid.

Mr. Wenman: Well, there are different kinds of aid. There is a relief package and there is a development package, which is really just an extended relief package. It is just a redistribution.

Miss Jewett: Are you really talking about U.S. aid in Taiwan?

Mr. Wenman: Certainly, U.S. aid in Taiwan, U.S. economic development aid. I am in favour of it because that is what stimulates the economy and raises the poor up. Exactly. On this basis, Mr. Speaker, we are not going to have to go to committee, because the message is getting through to the other side.

Miss Jewett: They said they did it on their own.

• (1640)

Mr. Wenman: They did it on their own, that is right, with economic development aid in the form of enterprise. And I am for developing that enterprise in all nations of the world. If we

would do that and export it to the developing countries, then we would start in fact to help them on the road to recovery.

There are those who claim that somehow those of the redistribution philosophy have some corner on humanism, human rights, freedom, liberation, democracy and free choice, and that somehow these values are the opposite of enterprise and the profit motive. There certainly seems to be that indication, because those who support the capitalist mode are in fact condemned and it is assumed that they could not possibly be humanists. Human rights, humanism, relief and development, in fact free democracies, are not the opposite of free markets and individual enterprise systems; they are the byproduct of these systems. A system which produces exists in a society with the greatest human rights. The society with the greatest humanists is that of a giving nation. They have relief, development and free democracy with free choice, and those come from the generation of wealth in a free market, the individual enterprise system.

What we have to do for Third World countries, Mr. Speaker, is to help them take their own potential wealth and make it grow so that they can meet their own needs as well as the needs of the poorest nations of the Third World. We can keep pouring more and more money into financial institutions in an attempt to redistribute it, but if redistribution is the value thrust rather than creation, the hole gets bigger and bigger and the poor grow poorer and poorer and more and more in numbers.

My constituents would want me to support this Bill, as I intend to, but they would feel more confident about the support I give this Bill if they felt somehow assured that in its passage the world would somehow be less poor, that there would in fact be success in putting a dent in international poverty. I wish I could believe, as I support this Bill, that this would be the case, but it will not happen until the institutions themselves rebuild from a new philosophy emphasizing the creation of wealth rather than redistribution. Wealth and power are not limited; they are as infinite as the capacity of the individual to live, grow and develop his own unlimited potential. Canada cannot survive and continue to grow unless we are a part of world institutions, striving to stabilize and lift international economic order. We have no choice with this Bill because without stability and economic order, even if it is wrongly oriented or directed, we have no world at all with no standard of living for anyone.

Aiding these institutions, Mr. Speaker, need not be based upon altruism and humanism alone. The poorest nations have no capacity to consume, to buy, to trade. Canada's standard of living is directly proportional to our capacity to trade. Our own economic welfare is sustained in uplifting the poor in the poorest regions of the world. There are many motivations for international aid, and while the loftiest of these might well be humanism, enlightened self-interest and mutual interest can be found in the establishment of development as equal reasons. For those on either side, whether they support foreign aid because of humanism or self interest, the reasons for supporting this Bill appear self-evident on that basis.

There are many things that we do not like about this Bill. We are becoming accustomed to finding in every Bill something which says: write me a blank cheque. Let the Government which knows better expand where it will. Let it have no accountability. That is what this Bill does, and that is an unfortunate part which will have to be removed. I as a Member of Parliament cannot grant to the Government of Canada the unlimited right to spend more. We are going to give the Government a right to a limit here, a limit which in itself we are stretching to reach. I cannot give beyond that limit. If Hon. Members opposite want my support on the Bill, they will have to consider that in committee and they will have to remove that order in council clause.

My good friend and colleague from the Standing Committee on External Affairs and National Defence said he hoped that I would give a good, progressive speech. I hope my speech is progressive because it talks about creation of new wealth and power which can in fact lift the developing world. Canadians accept that the Government, on their behalf, should contribute a portion of their tax dollars to relief and development. Their greatest concern, however, is that their tax dollars are being wasted through poor administration, poor management and corruptive redistribution of wealth from our country to the corporate Government and the elite of poorer nations.

There are many ways that we as Canadians can help poor people and poor nations lift themselves into self-sufficiency and from there, hopefully, toward surplus production. Canada can give abundantly of its human resources. In our nation we keep cutting back our educational productivity. For example, school boards are not hiring teachers, they are laying off teachers, competent teachers. Health care facilities are cutting back and laying off nurses. They are laying off competent human resources. Instead of putting that human resource on unemployment insurance, why can we not take it and offer it to the developing world? This does not just apply to the teaching and health care areas. Even productive enterprise in our economy is cutting back, which has created a surplus of both management and labour. Instead of keeping this resource on hold, why not find a way of providing human resources which could help to build elsewhere? Not only would we be helping by taking this human resource to assist in the Third World, but in addition to that we would be providing a mutual benefit to a resource which has been put on hold through unemployment insurance in Canada. These people would gain a new benefit in the form of a second language, a second culture and new economic ideas. Therefore, it could be again a mutual interest in the sharing of the pool of human resources.

We talk constantly in terms of limiting production. We establish marketing boards which are supposed to sell, but they also limit. They maintain certain price levels. Why should we not encourage our people to produce as much as they can, sell as much of that production in the market and use the excess—excess production because we do not have an excess of capital? I know the Hon. Minister of Agriculture (Mr. Whelan) tries to do that, and we are great givers of food in the world from our surplus, and I think that is the kind of thing Canadians can

and should do. That is what we are best equipped to do. But I have to say that I do have some concern about giving more capital when we are in fact a capital-poor country ourselves. We are a developing country which needs that capital here, to develop and produce here, to teach the world to produce in a similar way and give them the excess of that production. Capital and credit have limits, Mr. Speaker. We are limited in the amount of capital and credit that this nation can extend, because we are overextended now. As people listen to this debate and hear us grant additional money and additional financial support to these international institutions and giving additional multilateral aid in the form of capital and credit, they will realize that we have reached a limit.

• (1650)

International institutions must recognize that further capitalization such as this has its limits. If there has been some acrimony in this debate, it will show the world the concern that is being expressed as we come near to that limit.

Before we become recipients of aid, rather than contributors to the institutions that we attempt to uphold today, we must stabilize our economy rather than further destabilize the economy of the world. It is difficult to balance things so as to know when to give and when not to give. When do we stabilize world economics and when do we stabilize our own? That balance must be found, Mr. Speaker, before Canadians become poorer and poorer and a larger part of the problem.

The North-South dialogue which expressed the problems of the North and South has become too much an "us" and "them" problem. It was wrong to divide things North and South rather than just poor people wherever they are found throughout the world, as individuals. In the dialogue of North-South, the object of the South seems to have been to try to put a guilt trip on the North. The North seems to feel guilty about the wealth it has generated and guilty for being successful in a material way. When we enter a dialogue we almost have to apologize for materialistic success.

I think we must stop having an inferiority complex regarding our own values. Why put down materialistic values when they are what generates economic development? Why assume that our social and cultural values are inferior? Let us not approach this subject with guilt; instead, let us uphold the values that have created this society.

It often happens that when we travel in older parts of the world we are told that we are good at making money, creating wealth, or creating production. People want to know how it is done. We have to show them how it is done, Mr. Speaker, and must transmit a different set of values as well as our concept of production, Mr. Speaker.

What I am about to say is not a statement that is new to this House, Mr. Speaker, and it has already been made all around the world. At the Cancun Conference President Reagan started talking along this line of thought, saying that it is time to stop developmental assistance coming in the guise of little more than the subsidization of social revolutions. We have to look at development in its correct context. We must give it a very practical and hard look. I hope that hard look will begin again when the Bill reaches committee. I look forward to that active discussion over the next few weeks, Mr. Speaker.

[*Translation*]

Mr. David Kilgour (Edmonton-Strathcona): Mr. Speaker, it is an honour for me to take part in this debate on Bill C-130, an Act to authorize continuing financial assistance to be provided to certain international financial institutions, namely, the African Development Fund, the African Development Bank, the Asian Development Fund, the Asian Development Bank, the InterAmerican Development Bank, the Fund for Special Operations (InterAmerican Development Bank), the Caribbean Development Bank and the Special Development Fund, the International Fund for Agricultural Development and the Common Fund for Commodities.

If I am not mistaken, Mr. Speaker, this is the first such debate to be held in this House. I am very much in favour of it and I congratulate the government for giving us the opportunity to have a debate on this issue.

[*English*]

May I begin this part of my speech, Mr. Speaker, with a reference to something I read a long time ago. I will paraphrase it, but essentially it was to the effect that if you give a man or woman a fish, they will eat it and then it is gone. But if you help a man or woman to learn how to fish they will fish long afterwards. The theory of economic development is that they will then buy nets, hooks and cans from you. Then their economy will eventually hit what economists call the "take-off point", and they will soon join or surpass those of us who live in industrialized democracies.

At a United Nations Congress on crime prevention, of all things, a delegate from what we call the south part of the North-South dialogue said that the greatest crime he could think of was that the industrialized countries—he did not say Canada, but he might have—were out beating the Third World countries for what was, at the time, very scarce oil in the spot markets of the world. I remember feeling very guilty when he said that, because, as Hon. Members will know, Canada has subsidized the consumption of oil in this country in the last few years by about $17 billion. That seems to me—and I am sure it also seems to many other Members—to be an obscenely, unfair way of dealing with countries that have trouble feeding their people or providing oil for their people from the spot markets.

It has been said that Canada lives by trade that accounts for about 30 per cent of our gross national product. I would like to add some other reasons why I support Bill C-130, Mr. Speaker, and these relate to trade. It seems that the new trade policy, which we hope the Government will soon propose, will have a consensus in provincial governments, business, labour, and many other groups across the country. I think it should include the premises which follow.

First, Canada is dependent on international trade and there is the probability that that dependence will continue, if not

increase. I suggest that it will probably increase. Second, we should review the strong and weak sectors of our economy and identify foreign trade barriers that constrain the growth in the strong sectors. Third, Canada needs a negotiated and improved access on a multination trade basis, to export markets. Fourth, there is an additional need to negotiate reductions in foreign barriers that constrain the further processing in Canada of resource-based products prior to export. Fifth, the case is strong that the improvement and preservation of that access can best be done on a multilateral trading basis. Sixth, Canada's adjustment process to freer trade is a matter of importance for all levels of government in Canada.

I have with me a book, which I would commend to Hon. Members, entitled "Trade, Inflation, and the Dollar"—

[*Translation*]

—by Mr. Thibault de Saint Phalle, which was published in 1981 and which I find an excellent review of the present situation.

• (1700)

[*English*]

I would like to summarize some of the points made by Mr. Thibault de Saint Phalle primarily in connection with the United States where he lives, and I would like to apply them to our own country in reference to this Bill. With respect to some of the agencies included in the Bill before us today, his book reads:

> As it has turned out, the activities of the MDBs, have proved beneficial to both the poorer and richer nations. They are criticized, it sometimes seems, only because they have not found a way to help those who are not willing to help themselves. All in all, the creation of the MDBs must surely be considered one of the successful steps taken by the community of nations since the end of World War II to ensure that gradual economic development and an accompanying growth in trade could indeed be accomplished. The MDBs have performed their roles admirably, with few exceptions, ignoring politics in favour of economics and substituting active loan programs in place of empty rhetoric.

He went on to indicate that in his view the expansion of the MDBs, such as the ones about which we are talking today, are essential to the continued development of newly industrialized nations and to the continued expansion of world trade. It is hardly necessary to say that Canada is a prime player in world trade. I simply say, "Amen" to his comments.

To put it another way, the best way to help Canada find new markets for its products would be to encourage countries which have difficulties financing the purchases of products to buy them through credit facilities of institutions with which the Bill deals. I enthusiastically support the concept of these institutions, as should any Canadian interested in the long-term future of the country?

An important point, which cannot be made strongly enough, is that we should increase our exports—and which one of us in this room thinks that the Canadian economy is not strong enough to grow and thrive primarily by increasing our exports—to countries such as India, Indonesia, Brazil, Mexico, Philippines, Korea, Thailand, Colombia, Bangladesh, Yugoslavia—which perhaps is in a different category—Argentina, Morocco, Egypt, Turkey, Pakistan, Kenya, Peru, Malaysia and the Dominican Republic, all of which are prime participants through these various regional development agencies in terms of financing exports from places such as our own country.

Many of the countries which I have just mentioned do not have the cash nor the necessary credit available to purchase Canadian products or the products of other industrialized countries without having an increased ability to finance them through institutions such as the ones included in the Bill. If we do not help these agencies to finance these countries, we will not have the free flow of commerce, which I believe the world very much needs. The expression "trade, not aid" has been used often, but it is more true today than ever before in world history that it is one of the ways the brotherhood of men and women will be realized on this planet.

It was suggested today in the House that these agencies are engaged in redistributing wealth from the so-called rich countries to the poor ones, to the detriment of working men and women in the former. Mr. de Saint Phalle dealt with that notion very well. I should say that this man has spent most of his life dealing with the matter of foreign trade. On the evidence available to him, he indicated that this view could not be supported and that these institutions were not taking advantage of the people in countries providing funds to them, and I agree with him.

One such institution is the InterAmerican Development Bank which was established in 1959 to aid Latin American nations in their development roles. It is true that American influence has been strong—and perhaps excessively strong—in that bank, but it is also true the bank has attempted to ensure that each country in Latin American obtained its share of the pie. Also I would like to say that IDB is directing more and more of its resources toward industrial and infrastructure products. Perhaps some part of the IDB might be merged in the future with the World Bank, but on balance it seems that the IDB has been a success. We are quite rightly proposing to increase our capital funding to the InterAmerican Development Bank.

The next institution to which I would like to refer is the Asian Development Bank. It has 41 members from Asia, Europe and North America. It was created to help Asian countries stabilize their domestic economies so that they might better resist external pressures and bring stability to their areas. Most of its loans are what they call hard loans to develop infrastructure. I think all of us should support that fully. It is a fact of life that Japan, being such a strong economy, would have the strong influence in that bank as it appears to have. That bank is working, and I submit that Canada should support it, as proposed in the Bill.

The third and last institution about which I would like to say a word or two is the African Development Fund which is a concessional lending Affiliate of the African Development Bank. It allows only African nations to be members, but the fund allows non-African countries to be members.

It is true the question can be raised as to whether we should have regional banks such as the ones mentioned in the Bill or

whether perhaps it would be better to have a less regional and more world conscious or world-oriented organization, but the reality of the matter is that these regional banks have grown up. It would seem to me that we should try to help them become more effective rather than make them less effective or even terminate some of them.

Since I have essentially said everything I hoped to say, perhaps it would be a very good time to end my remarks. But before doing so, I should like to mention that I feel as strongly as the Hon. Member for St. John's West (Mr. Crosbie) in terms of the amendment we will be moving with respect to Clause 4 which would require Parliament to approve deletions or substitutions to the list of institutions named in the Bill rather than let the Governor in Council do it. I am sure that you will appreciate, Mr. Speaker, that it is Parliament not the Governor in Council that should be doing these things, especially when dealing with the expenditure of taxpayer's money. Apart from that caveat, I strongly urge other Members, both on this side of the House and on the other side, to approve the Bill in short order.

• (1710)

The Acting Speaker (Mr. Bloomfield): I see the Hon. Member for Lisgar (Mr. Murta) is rising. I am a little lost because my notes indicate that the next speaker is the Hon. Member for Comox-Powell River (Mr. Skelly), unless there has been some agreement to the contrary.

Mr. Skelly: There has been a slight change, Mr. Speaker.

The Acting Speaker (Mr. Bloomfield): I recognize the Hon. Member for Lisgar.

Mr. Jack Murta (Lisgar): Mr. Speaker, I will not take up too much time of the House this afternoon because I understand that when I complete my remarks we may be able to call it six o'clock and be able to head back to our ridings for a very important day tomorrow, it being Remembrance Day.

With respect to Bill C-130, basically what we are dealing with in this legislation are two age old conflicting arguments. They come into very sharp, clear focus at this particular time because of the economic situation in which we find ourselves in Canada. The age old argument which this Parliament has had to grapple with, and I would expect any democratic country in the world has had to grapple with, is whether or not, in our total Government spending, all our money in tough economic times should be spent right here in Canada or whether even in tough economic times part of our money, our Gross National Product, the money generated in the country, should be sent abroad to help those less fortunate than ourselves, those countries that we have targeted for assistance. That debate has gone on for a great length of time. It will continue for longer than many of us who are here today will be around.

How do we meet our double responsibility to this very serious problem? Economically, Canada is in trouble. We have heard other members talk about that this afternoon. We have people living on unemployment insurance benefits. We have people living on welfare. We have people who have problems meeting payments at the end of the month. We have a serious problem with our native people in terms of straight, outright poverty. If Canada has a problem, can you imagine the kind of problem that some of the countries that are considered to be Third World countries have to deal with? That is the other side of the equation. When things are really tough in Canada, they are tough because we are not trading because of the world-wide recession, but they are tougher for other countries in the world.

How do we deal with this particular problem in these very difficult economic times? I support Bill C-130 and its intent. I am happy to say also that my party supports the whole intent of making sure that the international aid that we give to other countries will be maintained and the money will flow into other countries. We should support international development and we should support international aid. First and foremost what I consider to be the most important area is in the non-government organization sector.

As a Member of this House, together with some other Members of Parliament, I have spent the last 18 months carrying out a fairly detailed study into the whole question of Canada's relations with Latin America, the Caribbean and South America. It has been one of the most exhilarating experience I have had in the 12 years that I have been here as a Member of Parliament. This committee was largely nonpartisan. We tried to do a job that Canadians like to see us do, which was to take a non-partisan, objective approach in looking at the problem of Canada's relationship in the area of trade, aid and humanitarianism, in fact, in all of the facets in which Canada interacts with regions that are developing such as South America, Latin America and the Caribbean. We visited such countries as Haiti, Nicaragua, El Salvador, Brazil and Colombia. Canada contributes to international aid and development assistance in these countries. We do so in some cases to a fairly large extent. It is good to be able to stand in the House of Commons and say, for the most part, that that aid is being properly directed. It is reaching its goal, the people to whom it is intended to reach. Obviously it is not always the case, but for the most part it does.

This aid primarily is done through CIDA, our international agency. Canada gets a large measure of benefit from the kind of aid it gives. Canada is viewed as an objective country. In other words, Canada is a country that does not have any axe to grind with most of the countries with which we deal. Canada is viewed as being concerned with human rights. Part of that is attributed to the fact that we deal not in arms or military might or whether countries should do what we think they should do. We are perceived as a country that tries to do things for the good of the people in those countries. Our aid from that point of view is helpful.

In a number of cases the aid we give substantially helps the people to whom it is directed. But it is interesting to note that for the most part the aid that we give is best used when it has gone through non-government organization sectors. I am a firm believer that the best way Canada can provide aid to the

developing world is through self-help groups. If I were in charge, I would try to keep the money we spend away from governments at all levels, both ours and the countries with which we deal. I think that is important. If that can be achieved, then the greatest dollar value is gained within the particular country.

If we take a look at the number of people who are starving within the Third World, the most accurate figure or the most up-to-date figure that we have at the present time shows that at least 800 million people are suffering. This situation is getting worse, not better. These figures are rising.

I do not know how we as a Parliament or a country can turn our back on that kind of situation. From a humanitarian point of view alone, we have to participate. We are a country that trades on an international basis. The quid pro quo, if you like, is the fact that if we expect to trade with other countries, we then have to give something in return.

• (1720)

Some Hon. Members have indicated that we are spending too much money on international trade. Of course, I do not agree with that opinion. I think it is wrong. In fact, our total budget for CIDA is down some $245 million. Presently, Canada gives approximately 0.43 per cent of its GNP to our international trade. That is down, and it will probably be down from the long range objectives stated by the Government of approximately 0.5 per cent of our GNP by 1985. We will probably fall short of that objective. I believe that is a crime, which possibly says something about our country. The North-South task force, which, I believe, rightly spent a great deal of time looking into this question, is possibly one of the more authoritative works on the whole question of Canada's aid and trade. That task force discussed the target of approximately 0.75 per cent of our GNP by 1985. We will fall substantially short of that goal. The amount which we give falls short in comparison to what is given by United States and Japan for international aid.

We have a long way to go, Mr. Speaker. Whether we like it or not, there is a new era emerging. Hundreds of millions of people who are disadvantaged in the Third World want greater participation in what is happening in the world. We cannot turn the clock back to the 1950s or the 1960s. We must deal with the 1980s. If the reality that confronts us is the fact that more countries will not be satisfied with what they consider to be the status quo, we will have to change and enter into a more realistic era in the decade of the eighties. This means that while we may suffer problems in our own economic and social situation from time to time, brought on either by poor government policy or a world-wide recession in the developed countries, the flow of money going to the Third World will have to be maintained not only for humanitarian reasons but for self-interest reasons as well. It would be in our self interest to establish links with countries such as South America and Central America because our reputation would be enhanced and our trade made easier. This would make it more beneficial and profitable for all countries concerned.

Therefore, this question of aid is a very important one. At the present time we should be targeting our money toward self-help projects at the grassroots level, which help people directly, and agricultural oriented projects.

When our committee was in Colombia, we spent some time with an organization that I consider one of the better organizations that we have working in various parts of the world. It is the International Development Research Council. It is conducting agricultural based projects throughout the Third World, and certainly throughout Latin America. Canadians are benefiting from that work. Our reputation is being enhanced because Canadians are contributing to that area. That organization is spending its money wisely. As well, we are establishing that self-interest link which I have mentioned.

In conclusion, I would suggest that it would be a folly for us Canadians, regardless from what walk of life, to allow ourselves to become so narrow in our vision that even over the short term we will move toward reducing aid to the Third World. It may be argued that there is never a good time to spend money on a developing country. We could always find a sector of our country which is experiencing difficulties. We can always argue that we should not give further consideration to foreign aid until the next year. Of course this state of affairs would continue and that consideration would never take place.

I recently heard a report on the CBC news which indicated how desperately international aid is needed. It concerns approximately 200 Vietnamese who committed suicide. I wondered how this could happen in today's world. The reason they did this was that the children who were with this particular group in Vietnam would have starved. Therefore, they sacrificed themselves for the children. This same report indicated that there are about 8,000 people in this particular region who will starve to death in a very short time if agricultural and food aid is not sent to that area.

When I was preparing a few notes for this debate I was reflecting on the fact that incidents like these should not be allowed to happen in a world where, for example, North American countries have an abundance of agricultural products. In fact, we have so much that prices are depressed and farmers are in serious trouble. If these incidents do happen, we should strive with all our might and power never to let it happen again. That is the goal we should work toward. We can achieve it by developing a more realistic aid program which will meet, at least in part, the very desperate needs of the Third World.

Mr. Jarvis: Mr. Speaker, because of a personal interest and a riding interest, I wanted to participate in this second reading debate of Bill C-130. I am quite prepared to make that contribution now, or protect my right to do so when the Bill is called before us again. Without suggesting that I speak about form, I believe that your predecessor in the chair indicated that the Hon. Member for Comox-Powell River (Mr. Skelly) wished to do the same at second reading. I am quite prepared to go ahead. The only problem is that I understand that Members on both sides of the House have a logistics problem. In order to get to their ridings they must be at the airport at or before

seven o'clock. I have some reason to believe that there would likely not be strenuous objection if I were to ask that we call it six o'clock.

Mr. Smith: Mr. Speaker, that suggestion is agreeable to this side of the House.

The Acting Speaker (Mr. Blaker): It appears there is agreement to calling it six o'clock. In that event, it being six o'clock, pursuant to order made on Wednesday, November 3, 1982, this House stands adjourned until Monday, November 15, at two o'clock in the afternoon, pursuant to Standing Order 2(1).

[*Translation*]

I would like to wish a good weekend to everyone!

At 5.30 p.m., the House adjourned, pursuant to Standing Order 2(1).

HOUSE OF COMMONS

Monday, November 15, 1982

The House met at 2 p.m.

• (1405)

MOTIONS UNDER S.O. 43

[*English*]

MEDICAL CARE

CALL FOR RE-OPENING OF FEDERAL-PROVINCIAL NEGOTIATIONS

Mr. Bruce Halliday (Oxford): Madam Speaker, I rise under the provisions of Standing Order 43 on a matter of urgent and pressing necessity. Inasmuch as negotiations on the content of the proposed Canada Health Act between the Minister of National Health and Welfare (Miss Bégin) and the provincial Ministers of Health have broken down, and the Minister is now going to recommend unilateral action to the Cabinet, I move, seconded by the Hon. Member for Cariboo-Chilcotin (Mr. Greenaway):

That this House call upon the Minister of National Health and Welfare, in the spirit of co-operative federalism, to re-open negotiations with the provincial Ministers of Health on the subject of the Canada Health Act.

Madam Speaker: Is there unanimous consent for this motion?

Some Hon. Members: Agreed.

Some Hon. Members: No.

* * *

CANADIAN DAIRY COMMISSION

SUGGESTED PLACEMENT UNDER TRUSTEESHIP

Mr. Gordon Towers (Red Deer): Madam Speaker, my motion under Standing Order 43 deals with a most serious accusation of alleged irregularities within the Canadian Dairy Commission which has prompted an inquiry by the RCMP. The CDC currently has liabilities of $287.7 million from a drawing account of $300 million, and it annually collects millions in special levies against dairy producers. In view of this RCMP investigation and of the appearance, as witnesses, of senior officials of CDC before the Public Accounts Committee, I move, seconded by the Hon. Member for Central Nova (Mr. MacKay):

That, until the Canadian Dairy Commission is out from under the dark cloud hovering over it, direction of its day-to-day operations be removed from the Minister, and its Chairman, and placed under trusteeship to protect the huge financial investment of the federal Government and the financial contributions of dairy producers across Canada.

Madam Speaker: Is there unanimous consent for this motion?

Some Hon. Members: Agreed.

Some Hon. Members: No.

* * *

THE PRESS

TRIBUTE TO DECEASED JOURNALISTS

Mr. Ian Deans (Hamilton Mountain): Madam Speaker, it was with sadness that we learned on the weekend of the death of two distinguished parliamentary journalists—

[*Translation*]

—Mr. Jean-Marc Poliquin of the CBC French network, who is mourned by all his colleagues—

[*English*]

—and Mr. Steve Scott, a long-time reporter with the Canadian Press. I therefor move, seconded by the Hon. Member for Mission-Port Moody (Mr. Rose):

That this House pay tribute to the services rendered by Monsieur Poliquin and Mr. Scott.

Madam Speaker: Does the House agree to pay this tribute?

Some Hon. Members: Agreed.

* * *

THE LAW OF THE SEA

PROPOSED SIGNING BY CANADA

Mr. Thomas Siddon (Richmond-South Delta): Madam Speaker, in view of the fact that Canada will be sending a high level delegation of Government officials to an exclusive resort in Montego Bay, Jamaica, between December 6 and December 10, where they will sign the Law of the Sea Convention on behalf of Canada, and whereas the Treaty should properly be signed at the United Nations, were it not for the fact that the United States and several other nations have refused to sign the Accord because it establishes a world socialist régime to control sea-bed mining, and given that Canada's position on the Law of the Sea has never been fully debated in the Parliament of Canada, I move, seconded by the Hon. Member for Carleton-Charlotte (Mr. McCain):

S.O. 43

That, upon the Prime Minister's return from Russia, he immediately cancel the plan to send a delegation of Canadian bureaucrats to a luxurious resort in Jamaica to sign the Law of the Sea Treaty, and that Canada hereby reserves its support for the Treaty until Members of Parliament have had an opportunity to debate thoroughly the implications of the proposed new sea-bed authority in this House.

Madam Speaker: Is there unanimous consent for this motion?

Some Hon. Members: Agreed.

Some Hon. Members: No.

* * *

• (1410)

MARINE TRANSPORT

SERVICE BETWEEN MAINLAND AND NEWFOUNDLAND

Hon. John C. Crosbie (St. John's West): Madam Speaker, in view of the fact that Atlantic Container Service has terminated its marine container service from the Mainland to Corner Brook and the West Coast of Newfoundland as of November 5 because it cannot compete with the heavily subsidized CN rail service, thereby leaving the West Coast of Newfoundland with only one mode of transportation; and in view of the fact that Atlantic Container Service requested the Minister of Transport (Mr. Pepin), by letter of October 4, to grant special emergency assistance and there has been no response; and in view of the fact that the City Council of Corner Brook and other organizations have sought assistance but have received no clarification on the status of the service, or any information from the Minister, I move, seconded by the Hon. Member for Simcoe North (Mr. Lewis):

That the Minister of Transport meet his responsibilities for the provision of adequate transportation services to and from Newfoundland by acting immediately to deal with the requests of Atlantic Container Service and the City Council of Corner Brook, rather than continuing simply to ignore all requests for action or information, and that the Minister report to the House of Commons by November 17 as to what action he has taken or what solutions he has put forward.

Madam Speaker: Is there unanimous consent for this motion?

Some Hon. Members: Agreed.

Some Hon. Members: No.

* * *

RAILWAYS

CANCELLATION OF MEDICAL ALLOWANCE REBATES TO EMPLOYEES IN MANITOBA

Mr. Laverne Lewycky (Dauphin): Madam Speaker, I rise under the provisions of Standing Order 43. Whereas CNR and CPR employees have been rebated a medical allowance since their 1971 collective agreement because the Manitoba Government provides universal medical coverage, and considering that both CN and CP have cancelled this rebate as a result of the Manitoba Government's decision to impose a 1.5 per cent levy for health and post-secondary education in the form of a payroll tax, I move, seconded by the Hon. Member for Hamilton Mountain (Mr. Deans):

That the Minister of Transport request that CN and CP return to their workers the cancelled rebates which amount to some $1.5 million at this time, which they have taken out of the pockets of their own employees.

Madam Speaker: Is there unanimous consent for this motion?

Some Hon. Members: Agreed.

Some Hon. Members: No.

* * *

FOREIGN INVESTMENT REVIEW AGENCY

PURCHASE OF TORONTO APARTMENTS BY SAUDI ARABIAN INTERESTS

Mr. Jesse P. Flis (Parkdale-High Park): Madam Speaker, I rise to seek the attention of all Members of this House on a matter of urgent and pressing necessity, under Standing Order 43. In view of the fact that there has been a public outcry in Toronto by the Federation of Metro Tenants Association, Toronto City Council, and by thousands of affected constituents in my riding of Parkdale-High Park against the foreign takeover of Cadillac Fairview apartments which had been initially, supposedly, sold to Greymac Credit Corporation, then to Kilderkin Investments Limited, and fearing that this takeover by some 60 Saudi Arabian investors could lead to outrageously excessive rent increases beyond the 6 per cent guidelines, I move, seconded by the Hon. Member for Gatineau (Mr. Cousineau):

That FIRA not allow the transaction to take place until a complete investigation is carried out by FIRA, or by a special task force involving the three levels of government, municipal, provincial and federal.

Madam Speaker: Is there unanimous consent for this motion?

Some Hon. Members: Agreed.

Some Hon. Members: No.

* * *

LABOUR RELATIONS

NORDAIR STRIKE—DEPARTMENT'S POSITION

Mr. Geoff Scott (Hamilton-Wentworth): Madam Speaker, given the fact that Nordair has faced a work stoppage for more than four months, severely disrupting passenger traffic and the economies of many cities on Nordair's routes west of Montreal, and since there appears to be deliberate stalling by Nordair and the Government of Canada on resolving this costly dispute, I move, seconded by the Hon. Member for St. Catharines (Mr. Reid):

That the Minister of Transport make a full statement to this House on the Government's policy of negotiation by starvation in this strike, and admit that his Department has absolutely no intention of getting Nordair's planes back in the skies until the company's employees submit to a merger between Québecair and Nordair.

Madam Speaker: Is there unanimous consent for this motion?

Some Hon. Members: Agreed.

Some Hon. Members: No.

* * *

EXTERNAL AFFAIRS

U.S.S.R.—CALL FOR BRIEFING BY PRIME MINISTER

Mr. Donald W. Munro (Esquimalt-Saanich): Madam Speaker, I move, seconded by the Hon. Member for Central Nova (Mr. MacKay):

That, in the absence of Canadian reporters in Moscow, the CBC provide the Prime Minister with free time immediately upon his return from the funeral of Leonid Brezhnev to brief the nation on the results of his discussion with Mr. Andropov, and in particular about the plans of the former Chief of the KGB in such matters as disarmament and protection of human rights.

Madam Speaker: Is there unanimous consent for this motion?

Some Hon. Members: Agreed.

Some Hon. Members: No.

* * *

• (1415)

INDIAN AFFAIRS

EDUCATIONAL ASSISTANCE FOR OFF-RESERVE STUDENTS

Mr. Jack Shields (Athabasca): Madam Speaker, the withdrawal of educational assistance to off-reserve elementary and secondary school students of treaty Indian status by the Department of Indian Affairs and Northern Development, is clearly most retrogressive and is bound to discourage many treaty Indian children from pursuing their education. Whereas it is clearly the responsibility and duty of the Minister of Indian Affairs and Northern Development to encourage Indian children to pursue their education, I therefore move, seconded by the Hon. Member for Cariboo-Chilcotin (Mr. Greenaway):

That the Minister of Indian Affairs and Northern Development be directed by this House to exercise his responsibilities and use his ministerial powers to restore educational assistance immediately to off-reserve elementary and secondary school students.

Madam Speaker: Is there unanimous consent for this motion?

Some Hon. Members: Agreed.

Some Hon. Members: No.

VIA RAIL

DEMAND FOR RESTORATION OF CANCELLED SERVICES

Mr. Les Benjamin (Regina West): Madam Speaker, I rise on a matter of urgent and pressing necessity under the provisions of Standing Order 43. In view of the fact that today is the first anniversary of the Minister of Transport's Via Rail passenger cutbacks which he predicted would save $100 million annually, and whereas the Supplementary Estimates contain a $134 million increase in subsidy because the cancellations included two of the most popular trains in Canada, I move, seconded by the Hon. Member for Mission-Port Moody (Mr. Rose):

That the Minister of Transport restore the train services he abandoned one year ago and apologize to the taxpayers for his $134 million mistake.

Madam Speaker: Is there unanimous consent for this motion?

Some Hon. Members: Agreed.

Some Hon. Members: No.

* * *

INDIAN AFFAIRS

DEMAND FOR STUDY OF FIRE RELATED DEATHS

Mr. Lorne Greenaway (Cariboo-Chilcotin): Madam Speaker, on November 5, five young native children died in a house fire on the Deadman's Creek Reserve near Kamloops, B.C. In addition, two children, both under ten years of age, are now in the burn unit of Vancouver General Hospital as a result of this tragic incident. In light of these most recent deaths, and in view of a death by fire rate that far exceeds the national level, I move, seconded by the Hon. Member for Athabasca (Mr. Shields):

That the Government immediately initiate a region by region study of native fire related deaths with a view towards eliminating the conditions that resulted in this most recent tragedy.

Madam Speaker: Is there unanimous consent for this motion?

Some Hon. Members: Agreed.

Some Hon. Members: No.

ORAL QUESTION PERIOD

[*English*]

MACDONALD ROYAL COMMISSION

COMPOSITION OF MEMBERSHIP

Hon. Ray Hnatyshyn (Saskatoon West): Madam Speaker, in the absence of the Prime Minister my question is directed to

the Minister of Finance. It concerns the Royal Commission that has been established by the Prime Minister in connection with Canada's economic union and future economic course. In the press release issued by the Prime Minister to announce this Royal Commission, he said that the terms of reference of the Commission are "perhaps the most important and far-reaching that have ever been assigned to any commission" in this country. We have been awaiting the announcement of the composition of this Commission, which was to come within ten days of the announcement of the appointment of the Commission itself on November 5.

I want to ask the Minister of Finance if he is now in a position to tell who the other members of this Commission are, or has he not been advised of this? Has he not received any word from Senator Keith Davey or Jim Coutts on who will be the other members of this Commission?

Hon. Marc Lalonde (Minister of Finance): Madam Speaker, consultations are practically completed. The announcement should be made soon, but certainly not before the return of the Prime Minister, since the Commission itself, appointed by the Cabinet of Canada, is appointed upon the recommendation of the Prime Minister.

Mr. Hnatyshyn: Having spent some days in his constituency during the past short recess, Madam Speaker, the Minister will know that one of the major concerns about the Commission is the question of credibility. It is perceived to be a partisan, political Commission headed by a man who seeks the Liberal leadership.

CHAIRMAN'S DIRECTORSHIPS

Hon. Ray Hnatyshyn (Saskatoon West): Madam Speaker, the terms of reference provide that the Commission will look into the appropriate national goals and policies for economic development of our country. Mr. Macdonald is a director of a number of multinational corporations and large Canadian corporations which include Boise Cascade Corp. Ltd., McDonnell Douglas Corp. Ltd., the Bank of Nova Scotia, and other corporations. In order that there will be no perception of conflict of interest in the carrying out of his responsibilities, will the Minister of Finance obtain from Mr. Macdonald his undertaking to resign from these corporate boards, in order for him to be perceived as being independent in his assessments?

• (1420)

Hon. Marc Lalonde (Minister of Finance): Madam Speaker, I hope when the names of the Commissioners are announced and the Hon. Member sees a few well-known Canadians with strong Conservative affiliations that he will not conclude they have immediate leadership ambitions in the Conservative Party.

Some Hon. Members: Oh, oh!

Mr. Lalonde: I can assure him that the Hon. Member for St. John's West is not on that list, however.

Mr. Crosbie: That's a relief!

Mr. Lalonde: As far as the question itself is concerned, surely my friend should rejoice over the fact that we have a man to head this Commission who has extensive experience, not only in public administration but also one with a good knowledge of the private sector of the Canadian economy. As far as the directorships are concerned, I will certainly raise the issue with the Prime Minister when he returns so that he can raise it with Mr. Macdonald.

Mr. Hnatyshyn: Unlike the Hon. Minister of Finance, we on this side of the House are not desperate for new leadership in our Party.

Some Hon. Members: Hear, hear!

Some Hon. Members: Oh, oh!

Mr. Hnatyshyn: The Liberals can take this matter as humorous, the economic future of the country, but it is most serious.

PRESENTATION OF RECOMMENDATIONS

Hon. Ray Hnatyshyn (Saskatoon West): Madam Speaker, there were reports over the weekend on the 40 per cent increase in bankruptcies in the country and unprecedented unemployment, with more people on the dole this winter season than ever before in the history of Canada. To use a well-known Conservative statement, the people of Canada do not want to wait for spring; they want to do it now, and they want the Government to do it now.

Will any of the results or recommendations of the Commission be available to the Government before the end of the term of inquiry, that is, three years, because it is apparent to me that the Government is completely bankrupt of any new ideas in terms of economic direction?

Hon. Marc Lalonde (Minister of Finance): Madam Speaker, I never said that the Conservatives were desperate about their leadership. I only implied that they were terribly scared, and from listening to the Hon. Member this is what I would have to conclude.

I want to tell him that the Royal Commission itself will examine the immediate and long-term prospects of the Canadian economic union. The Government is not waiting for the report of that Commission before taking action to deal with the very serious recession we are experiencing at the present time. The Commission is no substitute for decisions which will have an immediate impact.

I announced a number of decisions in my economic statement of October 27, and subsequently the Minister of Employment and Immigration arrived at agreements with the provinces whereby the provinces will add certainly well over $100 million to the $500 million we are putting into direct job creation. The Hon. Member also knows about the $1.5 billion

of direct and indirect job creation which we have in operation at the present time.

The Government is taking appropriate steps; there will be more steps taken in the months to come. The Royal Commission will examine the future of Canada in terms of the economic union and of the future prosperity of the country over the next two decades.

TERMS OF CHAIRMAN'S APPOINTMENT

Mr. Chris Speyer (Cambridge): Madam Speaker, my question is also directed to the Minister of Finance. In accepting the chairmanship of the Commission, Donald Macdonald specifically stated that, with the Government's agreement, the option was open to him to resign and run for the leadership of the Liberal Party. In that event, my question is twofold. First, if this is the most important and far reaching Commission in the history of the country, do the people of Canada not have the right to expect that its Chairman will stay and finish the job? Second, how can the Chairman be properly critical of present and past government policies when such criticism would erode confidence in the party which he hopes to lead, and irritate delegates he hopes to attract?

• (1425)

Hon. Marc Lalonde (Minister of Finance): Madam Speaker, I have already indicated to the Hon. Member that I was not aware of any decision to the effect that Mr. Macdonald would not conclude the work of the Commission. I hope this Commission will work speedily and effectively and bring forward a report that will be of benefit to the whole of Canada.

Second, this Commission is not going to spend its time examining the last 50 years. I hope it will spend its time examining the next 20 to 30 years, that it will provide Canada with the framework and plans for action that will be of benefit to the whole of Canada—

Mr. Hnatyshyn: Self-sufficiency by 2020—

Mr. Lalonde: —and that will bring about a better economic union in this country and better prosperity for all Canadians.

QUERY RESPECTING COMMISSION MEMBERSHIP

Mr. Chris Speyer (Cambridge): Madam Speaker, my supplementary question is for the Minister of Finance who indicated in a previous answer that he seems to know who the members of this Commission are going to be. I ask the Minister whether or not Ian Stewart is going to be a member of this Commission?

Hon. Marc Lalonde (Minister of Finance): Madam Speaker, I am not in a position to tell the Hon. Member what the exact composition of the Commission will be.

Mr. Nielsen: Just answer the question.

Mr. Lalonde: As I indicated, the Prime Minister will make recommendations to Cabinet on his return after the consultations have been concluded.

Oral Questions

FOREIGN INVESTMENT REVIEW AGENCY

TORONTO APARTMENTS TAKEOVER—REQUEST FOR INVESTIGATION

Mr. Ian Deans (Hamilton Mountain): Madam Speaker, my question is for the Minister of Industry, Trade and Commerce. The Minister is no doubt aware that, through a series of transactions during the course of the last week, some hundreds of millions of dollars changed hands in Toronto. The end result is that approximately 10 per cent of the rental units available in that city are now owned, or will shortly be owned, by Saudi Arabian investors.

It is very difficult to see what significant benefit will flow to Canada from this takeover. I have looked at all of the criteria set out under FIRA, and I cannot find a single criterion under which this particular transaction will provide a benefit and therefore qualify. Will the Minister order that this transaction be stopped until such time as FIRA has an opportunity to review it?

Hon. Ed Lumley (Minister of Industry, Trade and Commerce and Minister of Regional Economic Expansion): I agree with the Hon. Member, Madam Speaker, if the allegations are proved to be correct, as reported in the media this past week, with respect to this transaction or series of transactions. I can tell the Hon. Member at this time that my officials are looking into the situation to see if this case can be reviewed under FIRA.

JURISDICTION OF AGENCY

Mr. Ian Deans (Hamilton Mountain): Madam Speaker, it is quite clear that the transaction is the takeover of a business operating in Canada that provides not only a profit for those who own the shares but also accommodation for tens of thousands of Canadians, many of whom cannot afford to absorb the cost that will be passed through to them as a result of this transaction. What possible question could there be as to whether or not this transaction falls under the terms that caused FIRA to be set up to protect Canadians from unfair takeovers of Canadian industry?

Hon. Ed Lumley (Minister of Industry, Trade and Commerce and Minister of Regional Economic Expansion): Madam Speaker, counsel for some of the participants in the transaction advised us that this transaction was not reviewable under the Act. Consequently, the Minister, under Section 8 of the Act, as I recall, has the power to have the case reviewed if he finds reasonable and probable grounds to have it reviewed. This is a very complex situation and that is why our officials are taking the time, together with officials of the Department of Justice, to look into the situation.

REQUEST THAT MINISTER HALT TAKEOVER

Mr. Ian Deans (Hamilton Mountain): Madam Speaker, I go back to the Minister again because it is clear, on the face of it, that there will be significant numbers of Canadians who will be asked to absorb what is now quite clearly an inflated price, the result of some backroom shenanigans undertaken by persons who have for years represented the Tory Party in Ontario.

Some Hon. Members: Oh, oh!

Miss Jewett: That is why they are not asking any questions.

Mr. Deans: Quite pointedly, in order to assure that those tenants will not be forced to carry that burden, and in order to assure that this kind of thing will not be allowed to happen in other centres in Canada—in Vancouver, in Hamilton, in Montreal and in Ottawa—will the Minister step in and say that this transaction cannot be completed until he has reviewed it? And, upon review, if the facts are borne out as they are presented today, will the Minister stop it?

Hon. Ed Lumley (Minister of Industry, Trade and Commerce and Minister of Regional Economic Expansion): Madam Speaker, if there has been a circumvention of the Ontario Rent Review Act, that is obviously under the jurisdiction of the Province of Ontario, not the Government of Canada. If there is reasonable and probable grounds to have this case reviewed, I will take every step that I can under the law to review it.

* * *

MULTICULTURALISM

HANDBOOK ON ETHNIC ORGANIZATIONS

Hon. Perrin Beatty (Wellington-Dufferin-Simcoe): Madam Speaker, my question is for the Minister of State for Multiculturalism. On November 2 he condemned outright a list of ethnic groups and leaders that was drawn up by the Government of Quebec. He said flatly that the Government of Canada would not engage in such activity. My question, however, arises from a 1974 document called "A Revised Handbook of Selected Ethnic Organizations in Canada", of which I understand the Minister is aware. It contains profiles of a number of ethnic organizations in Canada and, in some cases, it mentions ethnic leaders. In many cases the descriptions are very unflattering, accusing them of being neo-Nazi, of being communist, of being racist, of being extremist, and so on.

• (1430)

Why was this document drawn up? Why was it strictly confidential? For what purpose was it used? Will the minister undertake to have this document released so that groups and individuals who were profiled in it will see how they are viewed by the Government of Canada and will have a chance to respond to the very serious allegations that are made in it?

Hon. Jim Fleming (Minister of State (Multiculturalism)): Madam Speaker, as I said at the time I was questioned by, I believe, the Hon. Member for Saint Denis, I had checked with my officials. There was no comparable list to the list put out by the Quebec Minister of Cultural Affairs. That list gave political affiliation in domestic terms, political biases or slants. In some cases it listed criminal backgrounds or activities.

A newsman and a newswoman came to me in the past seven days and brought to my attention a book which was last produced in 1974, that listed organizations, the purpose of the organizations, and a definition of the political goals in the sense of old country politics. The officials who lead my directorate, and I, have been unaware of the book. It has not been in circulation or used, to the best of my knowledge or their knowledge, since 1974. I can hardly answer questions by the Hon. Member on why it was done at that time, except, that upon asking my officials if they could recall—because they did not know of the existence of the book—the explanation given was that, as the multiculturalism directorate focused with the Minister of State, it was important, when people or organizations came forward for funding, to know what the goals of those organizations were. Incidentally, I have ordered the book destroyed although it was quite different from the list prepared in Quebec, as I tried to point out earlier, and my previous answer is quite consistent with my answer today.

DISTRIBUTION OF HANDBOOK

Hon. Perrin Beatty (Wellington-Dufferin-Simcoe): Madam Speaker, included on this limited distribution list, with 52 numbered copies, was the Minister of State for Multiculturalism. I might add as well that individuals are mentioned, such as Mr. Andreas Papandreou, who is the present Prime Minister of Greece and who is described as being the head of an extreme left world-wide political movement. He was in Toronto. The domestic activities of these groups were profiled in these profiles as well. Therefore, the Minister has misinformed the House.

With respect to the distribution list of some 52 numbered copies, why were the Prime Minister's office, the Privy Council office, the I Directorate of the RCMP, which is part of the security wing of the RCMP, the Deputy Minister of Manpower and Immigration, the Eastern European Division of the Department of External Affairs, and the Deputy Solicitor General, included? What use was made of this list?

Did the Minister not even go to the trouble, when he saw that distribution list, to inquire what purpose it was used for and how entitlements to individuals or organizations could be affected, whether it has affected people's rights to enter into Canada, whether it has affected their employment in the Public Service, and whether it has affected funding of these organizations as a result of the very extreme statements that are made in some cases?

Hon. Jim Fleming (Minister of State (Multiculturalism)): Madam Speaker, I think that the Hon. Member is quite irresponsible in suggesting that there were any judgments on

individual personalities in the Canadian political context. It was an identification of political activities in the sense of old country politics, right wing, left wing, and what the source or goal was, if there was a political goal, in the sense of old country politics.

I can hardly answer the questions which the Hon. Member asks since that was clearly seven or eight years before I became Minister. It has not been in circulation. That is the assurance which has been given to me by all of the officials in the Citizenship and Multiculturalism Branch. I did originally seek the assurance of the Solicitor General that no such lists were in use by the Royal Canadian Mounted Police based on ethnicity and political affiliation in Canadian terms, and I was given that assurance.

* * *

INDIAN AFFAIRS

FUNDS FOR HOUSING AND ECONOMIC DEVELOPMENT

Mr. Lorne Greenaway (Cariboo-Chilcotin): Madam Speaker, my question is directed to the Minister of Finance. It concerns the ongoing search for the elusive Western Development Fund. In last November's 1981 budget the Minister of Finance told the House that there was $345 million of the Western Development Fund allocated for native housing and economic development. We heard in the June budget that $85 million of this had been deferred. Could the Minister tell us what is occurring with the remaining $260 million if, in fact, this money is still earmarked for Indian housing and development? When can we expect distribution of these funds?

Hon. John C. Munro (Minister of Indian Affairs and Northern Development): Madam Speaker, as the Hon. Member is aware, the last announcement was with respect to the Native Economic Development Fund remaining the same, at $343 million, but spread over a longer period of time. The Government commitment for the remaining part of this fiscal year is still in place. When the system has been put in place for its delivery it will be announced in the House.

RESPONSIBILITY FOR ADMINISTRATION

Mr. Lorne Greenaway (Cariboo-Chilcotin): Madam Speaker, my supplementary question is for the Minister of Indian Affairs and Northern Development. Could he tell us who is in charge of this fund at the present time? We hear from the other place that it is the Prime Minister. I cannot understand why the Prime Minister would be in charge of a fund for native housing and economic development.

Hon. John C. Munro (Minister of Indian Affairs and Northern Development): Madam Speaker, in answer to the Hon. Member, there are several ministries involved. For instance, my own Department is involved because of the responsibility for status Indians. There is the Secretary of State's Department, it being responsible for non-status and Métis people, in the sense that it deals with them as opposed to my Department. There is a business component to this. So there are several Departments involved. That is why the Prime Minister's Office is involved, simply from the point of view of allocating the responsibility either singularly to one Department or to joint departmental responsibility.

* * *

AWARDS AND DECORATIONS

MICHAEL PITFIELD, C.V.O.

Hon. John M. Reid (Kenora-Rainy River): Madam Speaker, my question is directed to the Acting Prime Minister, the Minister of Transport. According to the "Court Circular" published in *The Times* of London on November 10, Mr. Michael Pitfield, Clerk of the Privy Council of Canada, has been received by Her Majesty the Queen of Great Britain. It would appear that Her Majesty has invested Mr. Pitfield with the Insignia of a Commander of the Royal Victorian Order.

Does the acceptance of this award by the Clerk of the Privy Council mean that the Government of Canada has changed the rules prohibiting Canadian citizens from accepting titles from foreign countries; did the Prime Minister and/or the Government give permission to Mr. Pitfield to accept this award from the Queen of Great Britain and, if so, what was the rationale used by the Government to justify this exceptional decision?

Some Hon. Members: Hear, hear!

Hon. Jean-Luc Pepin (Acting Prime Minister): Madam Speaker, I am sure that the Secretary of the Privy Council would not violate a law. I do not think that he would violate a convention either. Therefore, in this instance, this is either one of those honours that Canadians are not excluded from receiving, or he has received proper authorization to accept it.

Mr. Clark: From whom?

Mr. Pepin: I will find out from the Prime Minister as soon as he comes back. I am sure that he will deliver a full answer to this question, if asked on Wednesday.

* * *

SCIENCE AND TECHNOLOGY

DEVELOPMENT OF HIGH TECHNOLOGY STRATEGY

Mr. Lorne Nystrom (Yorkton-Melville): Madam Speaker, my question is directed to the Minister of State for Economic Development. According to a press report this morning, the Minister is working on a high technology strategy. In view of the fact that our research and development in Canada is among the lowest in developed countries and that we have serious unemployment problems, what specific advanced technology strategy is the Government proposing to increase

our research and development in Canada to at least the level of other industrialized countries?

Hon. Donald J. Johnston (Minister of State for Economic Development and Minister of State for Science and Technology): Madam Speaker, it is true that my colleagues and I are working on a technology strategy for Canada. We have been doing so for some time and we will continue to do so. When recommendations are brought forth and adopted by Cabinet, announcements will then be made at that time.

I would point out to the Hon. Member that industrial R and D increased by 26 per cent in 1982. I would hope that our strategy will be able to build and reinforce that success.

Mr. Nystrom: Surely the Minister can give us some idea of when we can have that report made public, because of the tremendous unemployment and the need for some kind of strategy for where we are heading.

CANADIAN OWNERSHIP, CONTENT AND CONTROL

Mr. Lorne Nystrom (Yorkton-Melville): Madam Speaker, my supplementary question arises from the fact that many of the key sectors of our economy are foreign owned and there is very little product innovation in these areas. Can the Minister answer a specific question as to what strategy the Government is planning in terms of increasing Canadian ownership and content and control in the advanced technology area? How does he reconcile this with the Government's recent retreat on FIRA?

Hon. Donald J. Johnston (Minister of State for Economic Development and Minister of State for Science and Technology): Madam Speaker, I am not aware of any retreat from FIRA. Perhaps that question might more appropriately be addressed to my colleague, the Minister of Regional Economic Expansion.

As I mentioned a moment ago, we are working on a high technology strategy. Clearly, the Government has been very committed to a policy in this domain for many years. We are building upon the successes of the past. I have no announcements to make specifically today until my colleagues accept the recommendations that we will be bringing forward. An appropriate announcement will be made then.

* * *

EMPLOYMENT

FUNDING FOR CANADA COMMUNITY DEVELOPMENT PROJECTS

Miss Pat Carney (Vancouver Centre): Madam Speaker, my question is directed to the Minister of Employment and Immigration. He is in danger of creating a situation where we have potential jobs but no money to fund them and, on the other hand, he has job creation funds but no jobs in place. We are in the ridiculous position of having to lay off workers in some cases in order to hire other people. For instance, in my riding of Vancouver Centre I have $3 million worth of job applications under the Canadian Community Development Program and only $200,000 in available funds. At the same time the regional office will be receiving millions of dollars of job creation funds, but no qualifying job applications to fund. The suggestion I have made to the Minister is that if he is really concerned about having jobs funded immediately, why does he not fund more of the Canada Community Development Program job applications which we have on hand, rather than wait two or three months until we have new make-work programs in place.

Hon. Lloyd Axworthy (Minister of Employment and Immigration): Madam Speaker, in trying to follow the somewhat tortuous syntax of the Hon. Member, I think she is saying that she believes, job applications which have come under the Canada Community Development Program might be eligible for funding under NEED. Certainly, if a community has developed a useful project, then such projects are eligible for funding under the NEED Program. They can be entertained under that particular Program, provided they meet the criteria that we set forth.

• (1440)

However, I want to point out to the Hon. Member that, in addition to the money whichg has been allocated at the constituency level in a variety of areas across Canada, including the City of Vancouver, a special allotment has also been set aside for CCDP under the special response features. I believe $2 million has been allocated in the case of Vancouver. She would be working with other Members of Parliament in the area to determine an allocation. Therefore, additional money is being directed under that Program between now and Christmas which will help to deal with some of the additional applications she has received.

Miss Carney: If my syntax is tortuous, it is because it is his Department which has brought in the CCDP program, the SRF program, the Special Response Program, the needy NEED Program, and all these fancy acronyms. What we want is money for jobs that people can work at now, not money for jobs that they can work at in the spring, and I am sorry that the Minister is unable to respond to that reality.

LOCAL ADVISORY BOARDS

Miss Pat Carney (Vancouver Centre): Madam Speaker, my supplementary question deals with local advisory boards. In this last program, the Minister has abandoned the concept of local advisory boards helping to sort out some of these applications. The advantage to every M.P. in having the power to set up local advisory boards would be that they could draw on all the resources of their commuinities. Therefore, at a time when we must stretch every dollar until it squeaks, why has the Minister abandoned the use of local advisory boards which are important community resources?

Hon. Lloyd Axworthy (Minister of Employment and Immigration): Madam Speaker, I greatly appreciate the fact that the Hon. Member both recognizes and applauds the various job creation efforts we have undertaken. The question that she raises, however, is why we did not have local advisory boards. That was purely the option of local Members of Parliament. If they wanted to establish local advisory boards to give them advice on job creation efforts, it was within their power to do so. However, what we did say was that we would not pay the extra costs because, frankly, we wanted to put that money toward creating jobs, to help people, which is what we have done.

* * *

HOUSING

REQUEST THAT MINISTER ACT TO PROTECT TORONTO TENANTS

Hon. David Crombie (Rosedale): Madam Speaker, my question is directed toward the Minister of Public Works, who is also responsible for housing. The question pertains to the takeover by Saudi Arabian interests of some 11,000 rental housing units in Metropolitan Toronto. It is a matter which has been occurring for the last number of weeks, and there is indeed great danger of there being other such examples. Can the Minister tell us what consideration he has given to the matter and whether or not he is willing to make some intervention to protect the interests of tenants in Metropolitan Toronto?

Hon. Roméo LeBlanc (Minister of Public Works): Madam Speaker, obviously I would not try to pre-empt the very important and key role of the provincial government in this issue. On the other hand, I recognize that there is a very serious potential for disruption of rental patterns there and in other parts of the country, if this example is followed. For this reason I have asked officials of CMHC to consider the matter immediately, including the involvement of the Corporation, if any. My preliminary information is that it is a very limited involvement and would appear to be in the field of limited dividend projects, and very limited. The rest of the information concerns how the Corporation sees this and what advice it would give me. I hope to have information from the Corporation very soon. I recognize this as a potentially serious problem.

FUNDING FOR CO-OP HOUSING

Hon. David Crombie (Rosedale): Madam Speaker, I am sure the Minister understands that one of the reasons we are being taken over by foreign interests and, indeed, why there is a continuing problem, is because the vacancy rate is about .41 per cent in Metropolitan Toronto. Therefore it makes us sitting ducks for takeover. Surely one of the responsibilities of the federal Government is to create an investment environment for housing which would allow us to ease the vacancy rate. Therefore, I would like to ask the Minister two specific questions. First, is he willing to provide more financial opportunity for the construction of co-op housing? Second, will he meet with the provincial minister, concerning that matter and other housing matters, in order to deal with the problem on a long term basis, so that we will not be running into it again?

Hon. Roméo LeBlanc (Minister of Public Works): Madam Speaker, I recognize that Toronto has one of the tight markets in the country, although a look at the arithmetic indicates that in the rental unit plans which were granted over the last year, Toronto has fared quite well. That having been said, however, I recognize the difficulty and I hope to meet with the Ontario Minister of Housing very soon.

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SCIENCE AND TECHNOLOGY

PROPOSALS FOR HIGH TECHNOLOGY STRATEGY

Hon. Walter Baker (Nepean-Carleton): Madam Speaker, I would like to ask the Minister of State for Economic and Regional Development a question arising out of the matter which he addressed just a few moments ago with respect to high technology. A newspaper report indicates that one federal official has characterized the documents as containing nothing terribly new, in that they do not incorporate measures to promote venture capital, export marketing and corporate structures, which, if such is the case, indicates that there is nothing new in the proposals, at least those seen by the journalist. Would the Minister indicate what his proposals do contain, in broad terms, aside from the usual method of throwing money at the problem, and whether or not those three items which I have mentioned are included for discussion with his Cabinet colleagues?

Hon. Donald J. Johnston (Minister of State for Economic Development and Minister of State for Science and Technology): Madam Speaker, I will not comment upon a leaked document. I may have seen the specific document, but I am not aware of which specific document the journalist may or may not have been perusing. There are a number of documents in the system with respect to high technology, obviously, arising from many sources. The proposals which I will bring forward to my Cabinet colleagues have not yet reached the Cabinet. After they have been brought forward and after they have been discussed, and if they are adopted, then appropriate announcements will be made by Ministers responsible.

REQUEST THAT DISCUSSION PAPER BE TABLED

Hon. Walter Baker (Nepean-Carleton): Madam Speaker, the Minister obviously does not know the answer today, but would he check to see whether, among any of the documents to which he is referring, there is a discussion paper, in the full meaning of that term? If there is, would he see that that document is tabled in the House of Commons in accordance with the freedom of information legislation which his Government has so recently embraced?

Hon. Donald J. Johnston (Minister of State for Economic Development and Minister of State for Science and Technology): Madam Speaker, I am not aware of any discussion papers which are to be tabled in the House of Commons before they are considered by Cabinet. I migth say that I appreciate the interest of the Hon. Member representing Nepean-Carleton, because it is clear that Ottawa is one of the areas which has benefited greatly from the technological strategy of the Government in the past.

Some Hon. Members: Hear, hear!

Mr. Johnston: As I mentioned a short time ago, the strategy that we intend to bring forward will build upon and reinforce the kind of success which Ottawa itself has enjoyed.

* * *

INDIAN AFFAIRS

FUNDING FOR CONNE RIVER INDIANS IN NEWFOUNDLAND

Mr. Jim Manly (Cowichan-Malahat-The Islands): Madam Speaker, my question is directed to the Minister of Indian Affairs and Northern Development. As of last week there has been a complete breakdown in negotiations with the Province of Newfoundland and Labrador over federal moneys voted for the unregistered Indians of that province. Considering that all band services and programs for the Micmacs of Conne River have now been cut off, can the Minister tell the House how he plans to fulfil his earlier commitment that, if necessary, he would take unilateral action to ensure that the Conne River Indians have the necessary funding?

Hon. John C. Munro (Minister of Indian Affairs and Northern Development): Madam Speaker, I would advise the Hon. Member that I did meet with the Indian leaders from Conne River approximately a week ago. I indicated to them that I could go through with an agreement with the Province of Newfoundland. The terms of the agreement would be such that the money due to them, or a good deal of it, would start to flow as stipulated under the agreement. They quite clearly indicated that the terms of the agreement as insisted upon by the Province of Newfoundland were not satisfactory to them. They were in contravention of the understanding reached between the federal Government and the Province and were prejudicial to the Indian communities, and they would not accept the money under those circumstances. I therefore do not see any point in pursuing that avenue any further and, as a result, I am going to my Cabinet colleagues for a determination on what further course to take. Of course the other option, if we do not flow the money through that agreement, is by doing it unilaterally, as the Hon. Member suggests.

REGISTRATION OF CONNE RIVER BAND

Mr. Jim Manly (Cowichan-Malahat-The Islands): Madam Speaker, this problem has been dragging on for several months and the people of the Conne River Band are in desperate straits. In view of the continuing difficulties with the Province of Newfoundland and Labrador, involving the transfer of these funds, is the Minister now prepared to proceed with registration of the Conne River Band so that funds can be provided directly to them as they are to other Indian people across the country?

• (1450)

Hon. John C. Munro (Minister of Indian Affairs and Northern Development): Madam Speaker, that aspect of the matter, as the Hon. Member may be aware, is before the courts and of course, therefore, I am precluded from commenting on it.

* * *

CORPORATE AFFAIRS

INVESTIGATION OF CANADIAN JAVELIN LIMITED

Hon. John C. Crosbie (St. John's West): Madam Speaker, my question is for the Minister of Consumer and Corporate Affairs. The Minister will know that there is an investigation by the Restrictive Trade Practices Commission into the firm known as Canadian Javelin Limited, a federally-incorporated company, and into the activities of John C. Doyle who is the dominant shareholder in that company, and who has had control of it for some 20 to 25 years.

Would the Minister explain to the House why he has directed the Restrictive Trade Practices Commission to send a commission to take evidence in Panama from Mr. John C. Doyle in connection with their investigation, when Mr. John C. Doyle refuses to come to Ottawa to give testimony to the inquiry; and particularly in view of the fact that he is a fugitive from justice in Canada who is on bail, charged with very serious offences in Newfoundland in 1972, in connection with federal laws? He left the country after putting up bail, and refused to return. He is also a fugitive from justice in the United States. Why is the Minister giving this fugitive from justice these kinds of facilities to give his evidence to a Canadian agency, when he should be required to come to Ottawa to give evidence, the same as everyone else?

[*Translation*]

Hon. André Ouellet (Minister of Consumer and Corporate Affairs): Madam Speaker, it is unfortunate that the Hon. Member should need such a long preamble for a single question, namely, whether or not there is going to be a rogatory commission in Panama. The rest is merely the Hon. Member's own interpretation and personal opinion. I can inform the House that, at the request of Mr. Balestreri, whose conduct is being investigated by the Restrictive Trade Practices Commission, this gentleman's lawyers have asked for a rogatory commission, alleging that Mr. Doyle's refusal to come to Canada would deprive Mr. Balestreri of a full and complete defence and that he had reason to believe that if there were a rogatory commission in Panama, Mr. Doyle would agree to be

questioned by the commission and would testify in Panama. Thus, the Department of Justice decided that in order to protect Mr. Balestreri's right to a full and complete defence, a rogatory commission could take evidence in Panama.

[*English*]

REASONS FOR SENDING COMMISSION TO PANAMA

Hon. John C. Crosbie (St. John's West): Madam Speaker, I want to remind the Minister that there are no charges and there is no trial. There is an investigation by the Restrictive Trade Practices Commission into the affairs of Canadian Javelin Limited, not of Mr. Balestreri nor of Mr. John C. Doyle, nor anyone else.

My question to the Minister is this. Why is this special arrangement and facility being given to Mr. John Christopher Doyle, who refuses to come to this country? No law bars him from entering this country, but, if he returns to this country, he will have to face trial on serious fraud charges in connection with that company.

Why then is the Minister going out of his way by an act of discretion to order the Restrictive Trade Practices Commission to send people to Panama to take his evidence, when that gentleman should be coming to Canada to give his evidence, if he has evidence to give? He is not the accused; there is no trial; there is an investigation ordered by the Minister's predecessor. Why is he taking this unusual step to facilitate a fugitive from justice in Canada?

[*Translation*]

Hon. André Ouellet (Minister of Consumer and Corporate Affairs): I think the Hon. Member may not have understood my answer. I will repeat it, and I hope this time he will understand.

We did not authorize this procedure for the benefit of Mr. Doyle, since it has nothing to do with his status. We are responding in the affirmative to a request submitted by Mr. Balestreri's lawyers, and the decision was made after consultation with representatives of the Department of Justice, to find out whether it was customary to authorize a rogatory commission in these circumstances. Now, of course, the question is whether or not there will be a rogatory commission, and the Hon. Member is asking a hypothetical question, since in any case, it is not certain that a rogatory commission will sit in Panama.

* * *

[*English*]

FINANCE

REQUEST FOR WITHDRAWAL OF LIFE INSURANCE TAX

Hon. Flora MacDonald (Kingston and the Islands): Madam Speaker, my question is directed to the Minister of Finance who has very properly seen fit to do away with many of the ill-conceived tax changes that were brought in by his predecessor in the budget of November 12 last year. He has corrected a number of them, but he has not gone far enough. I would ask the magnanimous Minister if he would take another step in that direction and withdraw the regressive and unfair tax that his misguided colleague imposed on whole life insurance which is used for investment purposes.

Hon. Marc Lalonde (Minister of Finance): Madam Speaker, I have had meetings, as a matter of fact this morning, with the Life Insurance Association. My colleague, the Minister of State for Finance, has had extensive discussions with representatives of the insurance industry. I have indicated that I intend to table a draft bill sometime in December, which I hope will be the subject of discussion. The Hon. Member will have an opportunity then to examine what conclusions I will have reached on the numerous points having to do with the taxation of insurance policies.

Miss MacDonald: The Minister has done a very nice job of dancing around the subject, but he has not answered my question. What I would like to know is whether or not he will withdraw this regressive tax. Surely he realizes that it hurts people; surely he realizes that it prevents them from planning for their retirement years.

I ask him this question. Does he not realize that what this tax measure does is make people more, not less, dependent on government in their retirement years?

[*Translation*]

Mr. Lalonde: Madam Speaker, I heard every word of the Hon. Member's comments and her recommendations in support of her point of view. I informed her that the matter was now being examined within my department and with my colleague, the Minister of State for Finance. As soon as my conclusions have been finalized, I shall be glad to address these to the Hon. Member and to her colleagues in the House, when I introduce draft legislation for consideration. However, I may remind the Hon. Member that our taxation system cannot afford to provide exclusive privileges for certain financial or savings instruments, which is the issue I am examining at the present time, and I soon hope to conclude consideration of this matter.

* * *

[*English*]

MACDONALD ROYAL COMMISSION

REQUEST THAT REPORTING DATE BE ADVANCED

Hon. Erik Nielsen (Yukon): Madam Speaker, in order to remove the studies and conclusions of the Royal Commission on the Economy from Fantasyland and the Land of the Never-never, particularly in view of the serious economic situation confronting the country, including the highest unemployment since the Great Depression, can the Government accelerate the reporting date of the Commission from its present three-year period to 18 months, so that the report will address itself to conclusions that will have some relevance to the economic

situation that confronts us today, and in the solution of current problems?

Hon. Marc Lalonde (Minister of Finance): Madam Speaker, I believe that the Chairman of the Commission has indicated that he hoped to have the report concluded well within the mandate. As a matter of fact I think I read somewhere he indicated he hoped to have the report ready within two years, so that is pretty close to the figure mentioned by the Hon. Member.

I want to point out that the Government is not going to wait for the report of the Commission to take steps. We have already taken steps on October 27 and we will continue to take steps to attack the present situation that we are facing. The Commission, as I indicated, is going to study the medium and long-term problems that the country is facing in the economic field.

In the meantime we have indicated that the Government is ready to assume the leadership required in the current difficult circumstances, and will continue to do so in the months to come.

• (1500)

POSSIBLE FIRST MINISTERS' CONFERENCE

Hon. Erik Nielsen (Yukon): As a supplementary question, at least can the Government assure us that this Commission of doubtful usefulness will be appointed before Christmas? If it is appointed before Christmas, can the Government say whether the Chairman, Mr. MacDonald, will be convening a conference of the First Ministers, which has so long been refused by this Government, to discuss the financial problems of the country?

Hon. Marc Lalonde (Minister of Finance): I indicated, surely, that the full membership of the Commission would be known soon, well before Christmas. As far as a conference of First Ministers is concerned, obviously, it would be a matter for the Prime Minister to call, not for the Chairman of the Royal Commission, even if it is "Royal".

* * *

[*Translation*]

PETITIONS

TABLING OF REPORTS OF CLERK OF PETITIONS

Madam Speaker: I have the honour to inform the House that the Clerk of the House has laid upon the Table reports of the Clerk of Petitions stating that he has examined the petitions presented by hon. members on Wednesday, November 10, 1982 and finds that the petitions meet the requirements of the Standing Orders as to form.

[*English*]

THE LATE HON. HUGUES LAPOINTE

TRIBUTES TO FORMER LIEUTENANT-GOVERNOR OF QUEBEC

Hon. J. Gilles Lamontagne (Minister of National Defence): Madam Speaker, with your permission, on behalf of the Government of Canada I would like to rise on a point of order to place on record our feelings at the news of the death over the weekend of the former Lieutenant-Governor of the Province of Quebec, the Hon. Hugues Lapointe.

[*Translation*]

I am very proud, and I trust the House will allow me a few minutes, to pay tribute to a man who served his country with great distinction in a number of impressive functions. His military career, like that of thousands of other Canadians—he served overseas with the Chaudière Regiment—was a symbol of the great respect he had for traditional values, and he was driven by the will to defend the rights and freedoms Canadians have acquired in the course of our short but eventful history. As a young man, he saw politics as a challenge and never hesitated to defend his ideals. He was a worthy representative of all Canadians and was proud to represent his fellow Canadians from Quebec. In his riding of Lotbinière, he was both respected and loved for his innate understanding of the democratic way of doing things and for his readiness to share in the joys and sorrows, the successes and disappointments of others. He served with valor as a soldier and with integrity as an elected representative. He was a competent minister and a Canadian in every sense of the word, at all times.

We shall remember him as we remember so many other Canadians who never lost confidence in the future of this great country and thought it worthwhile to defend it in every way.

[*English*]

To his family and friends, on behalf of all Quebecers and all Canadians, I extend the heartfelt wishes of this House. Hugues Lapointe will be greatly missed.

Some Hon. Members: Hear, hear!

[*Translation*]

Right Hon. Joe Clark (Leader of the Opposition): Madam Speaker, on behalf of the members of the Official Opposition, I wish to join the Minister of National Defence (Mr. Lamontagne) and the Government in offering my sincerest condolences to the wife and family of Mr. Lapointe.

Mr. Hughes Lapointe was a great Canadian and a distinguished Quebecer. He started his impressive political career when he was first elected in the riding of Lotbinière. Later he was appointed Solicitor General, Minister of Veterans Affairs and Postmaster General under Prime Minister St-Laurent. His participation in federal politics came to an end when he was defeated in 1957, but after leaving the federal scene, in 1966 he was appointed Lieutenant-Governor of Quebec a position he occupied for an unprecedented twelve years. His reputation as

a man who has served his country with distinction is an honour to his family and to his native province.

Our sincerest sympathy goes out to his wife, his family and his friends.

[*English*]

Hon. Stanley Knowles (Winnipeg North Centre): Madam Speaker, may I say that those of us formerly of the CCF, and more recently of the NDP, are also happy to join in the tribute to our friend on this occasion. I happened to have the privilege of knowing Hugues Lapointe when he first came to Parliament about 40 years ago. After that, he served the country in many ways in the Government of the day. In due course he became the Lieutenant Governor of his province. We are happy to recall the service which this man rendered to this country over the years and to join today in this tribute to him.

Some Hon. Members: Hear, hear!

ROUTINE PROCEEDINGS

[*English*]

BUSINESS OF THE HOUSE

Mr. Smith: Madam Speaker, before answering questions on the Order Paper, there is a matter relating to House business of which I would like to advise the House, and that is a change in the business for tomorrow. I have already advised both Opposition Parties, but for the record there will be a change from the business indicated by the Government House Leader on November 10; the first item of business tomorrow will be second reading of Bill C-130. The balance will be as set out by the Government House Leader in his statement on November 10.

Mr. Nielsen: On the House business, Madam Speaker, I am surprised that the Parliamentary Secretary at this last minute would be changing the business of the House from that which was set forth last week. He has now said we will be proceeding with Bill C-130 instead of Bill C-90, which was the plan. I would like to know why that change has come about. This is very short notice.

Second, he has not yet made it clear that if we proceed with Bill C-130 tomorrow, will it be followed by Bill C-90 or Bill C-85 or Bill C-131? Would he please outline the business so we have some idea what we are dealing with tomorrow, instead of all this vagueness? I would like an explanation as to why this last-minute change.

Mr. Smith: Madam Speaker, I do not believe my comments were vague at all. I said the sequence of events would be as set out by the Government House Leader in a statement to the House on November 10, and that is the case. The sequence which he set out was Bill C-90, Bill C-85 and Bill C-131. Following second reading of Bill C-130 that would be the

sequence of business dealt with by the Government. As to why, it is not necessary for the Government to give explanations as to the order of business. That is something which falls within the purview of the Government as set out in Standing Order 18(2):

Government Orders shall be called and considered in such sequence as the government determines.

What I have tried to do is give Hon. Members opposite the courtesy of being advised at the earliest possible opportunity, and I have done exactly that.

Mr. Nielsen: I take it, then, it is confirmed that tomorrow we will be dealing first with Bill C-130. Following that, if Bill C-130 is completed tomorrow at second reading, we will then proceed to Bill C-90. Following Bill C-90, if completed, we will proceed to Bill C-85; and if that is completed, we will proceed to Bill C-131. If there is any doubt about that—

Some Hon. Members: Oh, oh!

Mr. Nielsen: If the yappers to my left would keep quiet.

An Hon. Member: It's the Liberal Party West.

Mr. Nielsen: If there is any doubt about that, I wish the Parliamentary Secretary would correct that impression. With respect to explanations, I suggest, Madam Speaker, there are no explanations except one—that the Government was afraid to have a vote on that measure tomorrow.

• (1510)

Mr. Smith: Madam Speaker, the sequence is as I set out the first time, the second time, and I will now confirm it for the Opposition House Leader for the third time. I am delighted he finally got it on the third try.

* * *

QUESTIONS ON THE ORDER PAPER

Mr. David Smith (Parliamentary Secretary to President of the Privy Council): Madam Speaker, the following questions will be answered today: Nos. 2,932 and 4,386.

[*Text*]

CATERING AND HOUSEKEEPING SERVICES

Question No. 2,932—**Mr. Clarke:**

With reference to the Professional and Special Services recorded by the Department of National Revenue under the Customs and Excise Program at page 32.23, Volume II of the 1979-80 Public Accounts of Canada, with particular reference to Catering and Housekeeping Services (a) how does the Department account for the increase in expenditure for the item over that for 1978-79 (b) for what reason does the Department require these services?

Hon. Pierre Bussières (Minister of National Revenue): (a) There were no expenditures reported, under the category of "Catering and Housekeeping Services", by this Department in the 1978-79 Public Accounts.

When the Department embarked on its Central Training Program it did not possess a residence for employees who participated in college programs and thus participants were lodged and obtained their meals from commercial establishments. As travel expenses, these costs were charged to the travel budget and as such were not reported in the Public Accounts as a separate item.

In February 1979, the Department moved its training program to the Heron Road training facilities where a residence was available and students obtained their meals on the campus. Public Works Canada administered a contract for maid and catering services and this Department used the same contractor for provision of these services.

(b) The Department operates a centrally located college for training of its Customs Inspectors, Excise Officers, and other departmental employees.

HEALTH OF GOVERNMENT EMPLOYEES IN INUVIK REGION

Question No. 4,386—**Mr. Nickerson:**

Did Mr. Neil Taylor, Mental Health co-ordinator at the Inuvik General Hospital, tell the 1982 Annual Conference of the Canadian Public Health Association that 179 out of the 584 government employees in the Inuvik Region had received psychotherapy during the preceding twelve-month period and, if so, is the Secretary of State, as Minister responsible for the Public Service Commission, satisfied that public services are being properly rendered when 30 per cent of the staff in a particular region are suffering from marital problems, alcohol or drug abuse, anxiety, manic depression or paranoia and, if not, what action does he intend to take?

Hon. Serge Joyal (Secretary of State): Under the PSEA, the PSC is responsible for the recruitment and referral of potential candidates for vacancies in government departments. It is the department's responsibility to select and appoint employees and to assess the performance of employees against expected results such as services to the public.

Should there be a necessity to release an employee from the Public Service as a result of that employee becoming incompetent or incapable of performing the duties of his or her position, it is the responsibility of the Department to make such an assessment and recommend release action to the Commission. The Commission will then make a decision on such a recommendation depending on whether the employee appeals the recommendation, and if that option is chosen, on the nature of the appeal board's findings.

Consequently, in order to ascertain the quality of public services in the Inuvik area, the responsible Departments are in a better position to comment. The PSC has, however, contacted two Departments, with large operations in Inuvik, namely MOT and NHW. Both Departments commented that staff problems were not worse in Inuvik than in other northern locations. Inuvik being a larger centre, it offered better facilities and services than most northern sites. However, NHW mentioned that its turnover rate was relatively high which they felt reflected the "transient nature" of the area, brought about by the number of workers seeking employment or actually employed with the Beaufort Sea and Norman Wells drilling projects. Inuvik serves as the base centre for Arctic explorations.

Both Departments claimed to have no special employee assistance programs in Inuvik to provide counselling to employees with personal problems.

* * *

[*English*]

QUESTIONS PASSED AS ORDERS FOR RETURNS

Mr. David Smith (Parliamentary Secretary to President of the Privy Council): Madam Speaker, if questions Nos. 2,723 and 4,368 could be made orders for returns, these returns would be tabled immediately.

[*Translation*]

Madam Speaker: The questions enumerated by the parliamentary secretary have been answered. Is it the pleasure of the House to have questions Nos. 2,723 and 4,368 deemed to have been made orders for return?

Some Hon. Members: Agreed.

[*Text*]

DEPARTMENTS OR AGENCIES SUPPLYING DATA ON CANADIAN CITIZENS TO FOREIGN GOVERNMENTS

Question No. 2,723—**Mr. Beatty:**

1. Which Departments or Agencies regularly supply data concerning individual Canadian citizens to foreign Governments, institutions or individuals?

2. By Department or Agency, what is the nature of the information supplied and what conditions are placed by the Government on its use?

3. Is provision made for informing affected citizens that a transfer of information has taken place and, if so, what is it?

4. Is provision made for affected citizens to have access to transferred information and to correct false information and, if so, what is it?

5. To which Agencies or Departments of foreign Governments, to which other foreign institutions and to which individuals is the information made available and, in each case, since March 1, 1980, what is the approximate number of individuals about whom information was made available by the Government?

6. Which Departments or Agencies maintain files on foreigners not resident in Canada, and, in each case, what is the nature of the information maintained?

Return tabled.

CANADIAN POLICE INFORMATION CENTRE

Question No. 4,368—**Mr. Siddon:**

1. Other than the data bank maintained by the RCMP under the name of the Canadian Police Information Centre, are other data banks maintained by the RCMP to store information concerning individual Canadians and, if so (a) what are such banks (b) are they linked in any way which might enable retrieval of information in all of the data banks with a single computer access?

2. Is information stored in such data banks pertaining to individual Canadians maintained permanently and, if not, when and how is it eliminated from the data banks?

3. How many data banks storing information concerning individual Canadians are maintained by the security services section of the RCMP?

4. Are the data banks maintained by this section accessible to (a) members of the RCMP outside the section (b) civilian employees of the RCMP (c) other

government officials (d) officials of provincial governments (e) officials of foreign governments?

5. Does the security services section of the RCMP have direct computer access to data banks maintained by (a) other government departments or agencies (b) provincial government departments or agencies?

Return tabled.

[*English*]

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

Madam Speaker: Shall the remaining questions stand?

Some Hon. Members: Agreed.

GOVERNMENT ORDERS

[*English*]

BUSINESS OF SUPPLY

ALLOTTED DAY, S.O. 58—INDUSTRIAL STRATEGY

Hon. Sinclair Stevens (York-Peel) moved:

That this House condemns the Government for its failure to introduce its promised comprehensive industrial strategy to rebuild the Canadian economy in the 1980's and for its failure to produce specific strategies to harness the potential of Canadian industry, to promote the advantageous utilization of Canada's human and natural resources, to increase exports of Canadian manufactured goods, and to provide incentives for training opportunities and to the private sector for new, and increased levels of research and development in Canada.

He said: Madam Speaker, in rising to speak to the motion now before the House, I do so with an unexpected assist from today's *Globe and Mail* which has extensive references to this subject. I refer, of course, to the fact that we find a leaked story on page B1 of *The Globe and Mail* setting out that: "Industrial strategy begins with talks".

I mention this because I think it is interesting that the first point we make in our motion is to condemn the Government for its failure to introduce its promised comprehensive industrial strategy to rebuild the Canadian economy in the 1980s. We are dead on, Mr. Speaker, because here we have a report in today's *Globe and Mail* setting out that the talks with respect to an industrial strategy are going to begin in November, 1982 at a time when there is no one in this country with any uncertainty in their minds concerning the inadequancy of this Government's programs to get our country prosperous again. In short, I am saying that this motion, on its first point, has to be one which most Members of this House will agree with because this Government has no industrial strategy, by its own admission. In fact, if one believes the report in *The Globe and Mail*, the Government is only beginning to talk today about an industrial strategy for the 1980s, notwithstanding the fact that almost 20 per cent of this decade is already behind us.

In our motion today, Mr. Speaker, I think you will find that certainly myself and most of our speakers are going to dwell on the positive aspects of what can be done to get Canada moving once again. I say that because I think most Canadians feel a great sense of frustration with the fact that they know we can do better, but they sense, for reasons they cannot clearly perceive, that we are failing to increase our national wealth, the real growth of our economy, that in fact we are poorer today on an average basis than we were six or seven years ago. I dwell on that, Mr. Speaker, because I think we must never forget that Canadians are a very inventive people. Historically we have shown that, given the proper atmosphere, the proper break if you like, we can be among the world's leaders in inventions.

On that point, if I may, I would like to just remind Members of some of the things which have been invented in Canada. For example, back in 1857 James Miller Williams brought in the first commercial oil well in North America at Oil Springs near Sarnia. I was thinking just last week, when that fact was drawn to my attention once again, what a strange transition we have here. In the last century, in 1857, Canada was a pioneer in bringing in commercial oil wells in North America. A Canadian was the first.

Today we have a Government which devotes its efforts in the oil and gas field to bringing in a National Energy Program which is generally credited with hamstringing that industry in this country. Not only has the Government brought in such a program to hamstring other sectors of the energy field, but it has, of course, introduced us to a thing called Petro-Canada. That company has now cost us some $3 billion, Mr. Speaker. I am going to touch on that later because I would like us all to consider what that $3 billion could have been used for other than simply buying out the oil and gas interests of foreign concerns in Canada, a buy-out which did not create one more barrel of oil, one new invention, or add one nickel to the wealth of this country.

Let me go on, though, to touch on some of the great inventions which Canada has had over the years. I do not have to remind the House that 1874 was the year Dr. Alexander Graham Bell invented the principle of the telephone in Brantford, Ontario, and we now find that Canada in truth is one of the pioneers with regard to communication, especially telephone communication, around the world. In 1884, almost 100 years ago, we find that Sir Sandford Fleming invented standard time. It was subsequently adopted by all the railways in North America and became the standard around the world as far as timekeeping is concerned. In 1887 we have Sir William Osler, who at the age of 39 was chosen to head the medical school at the newly-formed John Hopkins University in the United States. He is generally credited with having revolutionalized the treatment of patients in hospitals, not just in Canada or North America, but throughout the world. Given the chance, Mr. Speaker, this is the type of innovative and inventive person we have had in Canada over the decades Canada has been in existence.

As you know, three types of sports all began or were invented in Canada. Basketball, football and hockey all started in this country. We find, for example, that Sir Frederick Banting, who discovered the beneficial effects of insulin on diabetes, was given a Nobel prize for his invention and was also generally regarded as one of the greatest medical achievers of our century. Sir Charles Saunders, back in 1904, developed the Marquis strain of wheat, and later developed the Ruby, Garnet and Reward strains of wheat which were very suitable to Canadian prairie conditions. On his death a London newspaper said that he contributed more to the wealth of this country than any other man.

In short, Mr. Speaker, we have a list of people who in past years have been inventive, who have brought, if you like, real wealth to Canada, second to none in the world. Then, Mr. Speaker, at a time when the world economy is still flourishing, still prospering, why do we find that we are lagging? Why has the spark for research and development in this country started to lag? Why do we now find that, rather than keeping up with world trade, we are falling behind?

• (1520)

There may be some on the Government side who will say "Show us why we are falling behind". In anticipation of that, Mr. Speaker, I should like to refer them to the fourth Report of the Special Committee on the National Trading Corporation which was presented to this House and sets out the exact position that Canada is in today with respect to world trade. I mention this because I think it is interesting to read the morning press and find that we are still talking about having further discussions concerning what we might do to turn trade around to our advantage in Canada.

The time for talking has ended. We know what the problems are and we know what some of the solutions are. It is time for the Government to have the courage to put in place a program that will start rebuilding Canada, especially with respect to our manufacturing and trade position for the 1980s. I say this because the Special Committee stated that it met with 450 witnesses in Canada and nine other countries. In other words, Mr. Speaker, it heard from people in ten countries, including Canada. It held 270 meetings. It presented an extensive report that, first of all, dramatizes what it believes is the true nature of our deficit in world trade and then it offers solutions.

With that kind of background—the background that I will refer to shortly that the Science Council of Canada has been giving to the Government day after day and year after year—why does the Government have to tell us it is still time to have discussions and hear from more people? It is time for decision, Mr. Speaker. We do not need more discussion and bafflegab from the Government.

On page 3 of its report the Special Committee stated:

> —trade deficit in the end product category, which in 1980 accounted for a staggering trade imbalance of $18 billion.

It goes on to point out that the share of total world trade Canada enjoyed in 1972 was 4.9 per cent and that by 1980 that percentage had fallen to 3.2 per cent.

I would remind Hon. Members that this is not some outside think-tank group which is speculating about the facts; it is a Special Committee of this House that pointed out that our trade in manufactured products has fallen so far behind that we now have a deficit of $18 billion, and only 3.2 per cent of total world trade compared to 4.9 per cent in 1972.

On page 5 the report goes on to say:

> Between 1969 and 1979 Canada suffered a 33 per cent decline in its overall share of world exports. This performance was the worst among industrialized countries during this period. Nor do we fare any better in comparisons with the major developing countries. In the period 1969-79, Canada's average annual export growth rate was 15.1 per cent; the developing countries averaged 23.1 per cent. Canada pays a very high price for this lost market share—a price that this country can no longer afford.

The report goes on to mention that if one uses the assumptions it has been able to come up with in its research data, $8 billion to $12 billion of opportunity in additional exports is being lost to Canadians at the present time. It also points out that if foreign sales could be improved by only 10 per cent on average, that would mean Canadians would have an additional $6 billion in sales of manufactured goods, creating new customers around the world. But here is the crunch, Mr. Speaker. Having demonstrated the imbalance, especially in end-products trade, the report goes on to say:

> Exports also have the potential to increase employment. At present, small and medium business account for 70 per cent of all manufacturing jobs; efforts that result in more sales will add impressively to employment totals. Committee research indicates that $1 billion in additional exports can generate 42,700 jobs. Thus, the export potential we identify could mean somewhere between 300,000 and 500,000 additional jobs for Canadians.

I should like to stress that this is the first point that we hope to make today. It is not just a question of statistics; it is Canadian jobs that we are talking about. If we can do a better job of exporting to world markets, then the employment situation in this country is bound to improve. Before we can do that, we have to accept some of the harsh realities, however. For example, we have allowed ourselves, largely through the efforts of this Government, to drift into a position where today we are taxed on average, 20 per cent higher in Canada than are our cousins in the United States. That is a load that Canadians must carry, be they in business or the employees of those businesses, that our cousins do not have to cover when they are getting ready to compete with us in world markets.

Compared to our main trading partner, the United States, we have a deficit on a per capita basis which is twice the size of theirs. Oddly enough, in the United States the government is worried about the deficit, while in Canada we have a Government that tries to rationalize the deficit that is a burden on every Canadian, not just on those living today, but on future generations as well.

Is it not odd, in this connection, that we have a Government so totally out of step that it sends the Minister of State for International Trade (Mr. Regan) to the United States to sell, as he says, "not goods, but goodwill"? It is not goodwill that we should primarily be trying to export to the United States, Mr. Speaker, but goods. If we can sell the Americans more Canadian-made goods, presumably the goodwill is there, else they would not buy.

While the Minister of State for International Trade is in the United States selling, not goods but goodwill, the Prime Minister (Mr. Trudeau) is in France seeing the only remaining socialist government that he can make friends with, among major countries, on the basis that he wants to have an alternative deal to counteract the United States market in North America. Talk about spitting and sucking at the same time, Mr. Speaker. One Minister goes to the United States saying "let's have goodwill, let's do more business with you," while the Prime Minister goes to socialist France to try to curry favour with his only remaining friend among the Big Seven, the only socialist government he can find to talk to.

Let me go back, Mr. Speaker. Having this high deficit, this high taxation phenomenon in Canada, is it any wonder that we now find that we have the highest unemployment level of any of the major industrial nations and almost double the level of inflation that they are currently experiencing in the United States or in the United Kingdom? The short answer is that the 15-year program that this NDP-Liberal Government alliance has thrust on the Canadian economy has not worked.

• (1530)

The golden rule which we in the House can accept when we are looking for a new direction is that the socialist model has not worked and certainly will not work in the future. I say this because I believe we must come to grips with the real problem facing Canada today. We must allow the free enterprise system, the private sector, once again to get on with the job of creating wealth in the country and leave it to government to decide how, if necessary, it wants to redistribute that wealth. Also we must ensure that government, instead of intervening more, will intervene less as far as the economy is concerned.

I say this on three levels. First, if this Government wants to map out a new industrial strategy for Canada, it should deregulate rather than regulate further and generally have less control of the private sector than has been the experience over the past ten to 15 years. Second, it should consider less government spending, less give-aways and less bail-outs than has been its custom over that ten to 15 year period, encouraged as it has been by the socialists to our left. Finally, it must reharness the personal initiative and inventive spirit in Canada and give Canadians a chance to be free once again to participate in the prosperity upon which the country can build and grow, compared with the dull, dull performance of recent years. I say "dull performance" because we are absolutely last among major industrial countries in the area of productivity. As far as research and development are concerned, we are virtually at last spot. In short, we are not devoting ourselves to the rebuilding of Canada in the 1980s which we should be getting on with.

If I may, I should like to stress three points. I believe that Canada can rebuild in the 1980s. I believe it can regain some of the momentum which it lost if we promote exports in a more aggressive manner than we have been doing. Only this weekend I spoke with a chap who has extensive knowledge of world markets. He said that the word he hears wherever he goes in the world is that Canada does not so much sell its goods abroad; the world buys our goods. In truth, we are not out there selling the way Canada could and should be selling.

The second point is that we must get on with capitalizing our industry. We must hit dead the bogey that somehow profits are wrong and that we must almost be ashamed to use the word. Another word for profits is jobs. To the degree that we can create the wherewithal through profits, we create the investment funds needed to build up productivity and job opportunities lacking in Canada at the present time.

We must process our resources to a much greater extent than we have been doing in recent years. Surely we must learn our lesson, as the Science Council of Canada pointed out so effectively in its November, 1981 booklet entitled "Hard Times—Hard Choices". Surely we have learned the lesson that we cannot expect employment in Canada if we systematically ship resources to some other country, allow them to manufacture the goods and only import manufactured goods. As was mentioned by the Science Council, we are the most open country in the world as far as such trade is concerned.

For those who have perhaps forgotten what the Science Council pointed out a year ago, let me read into the record what appears on page 15 of the booklet:

> —Canada already stands unduly exposed. As recent studies have shown, few countries are as willing to allow ready access to their domestic markets as Canada is, and it is debatable whether we have gained significantly from this exposure. Canada already imports more duty free, finished manufactured goods—even excluding automotive goods—than do the U.S., Japan and the European Economic Community combined.

Surely that is a startling statement—a country of 24 million people importing more manufactured goods than those three large common markets combined, Japan, the European Common Market and the United States common market.

Let me continue. Accepting that we have to process our resources to a greater extent than we do at present, let me touch upon the entire area of research and development and its potential if we started diverting some of the money spent in the country and investing in the future. As far as our resources are concerned, let us think not only of what we have to dig out of the ground, mine or extract from an oil well. Let us think of our potential in water which has not perhaps been exploited to the present time. When we look at the lights above us, we should remember that that electricity was literally generated a few seconds ago; but because we have not learned how to store it, the electricity not instantly used is either never generated or lost for all time. Why cannot we set upon a research and development program whereby we will learn how to store water power we generate, hydroelectric power, so that it may be used, not instantly, as is our habit, but over a prolonged period? This is one of our challenges.

We hear in energy debates about oil and gas expenditures, Petro-Canada and whatnot. We should take a look at the glass of water sitting upon my desk and think about the energy which is in it, in the form of hydrogen and oxygen, which makes up water, H_2O. In short, some day a way to harness the hydrogen will be discovered, and we will have one of the

greatest forces the world has ever seen. Why cannot Canada be a pioneer in that type of inventive work? If we could hand some funds over to those who are almost begging for funding to allow them to get on with such research, we would not have to worry about energy shortages. A country which has 25 per cent of the fresh water supply in the world should never have to say to the rest of the world that it is short of energy. We would not have to do so if we set our minds to research and development which would unearth the secret and allow us to harness this potential.

Let me go into some other fields. At the present time research and development takes roughly $900 million of federal funds. That seems a huge amount of money until we start identifying where the Government spends other amounts of money. For example, we have in Supplementary Estimates before the House a request to spend $200 million for further capitalization of Canadair and a further $200 million capitalization for de Havilland. Those two amounts, making a total of $400 million, will be coupled to the $1.7 billion that we have already committed to help out those two firms. In short, that is $2 billion for two companies, and for those two companies alone it is twice the total Federal Government commitment to be made this year for research and development for the entire nation.

• (1540)

I suggest, Mr. Speaker, that if we could take a portion of those funds and use it for research and development, we would find a much greater reward down the road than by leaving that money to be invested in those two enterprises.

The United Way Appeal in Canada, much to its credit, has raised or hopes to raise $110 million this year. That is 55 per cent of the amount of capital that we are being asked to put into Canadair alone. For example, the Heart Foundation, the Cancer Fund, the Terry Fox Marathon of Hope, have each raised or hope to raise about $25 million this year. That amount, which is for research, is a small amount compared to what this Government dishes out for some of its favourite projects in the form of bail-outs for various corporations, both private and public.

Mr. Deputy Speaker: Order, please. I regret to interrupt the Hon. Member but the time allotted to him has expired. He may continue with the unanimous consent of the House? Is there unanimous consent?

Some Hon. Members: Agreed.

Mr. Stevens: Mr. Speaker, we should accept that it is no longer a question of identifying the problem or a question of saying what should we do in Canada, because the solutions are there. It is time for the Government to get on with the job. The Government should say that what it is going to do is create the atmosphere in this country that will allow our potential to be reharnessed once again. I suggest that it begin not by apologizing for the free enterprise system but by saying that the free enterprise system is the solution and not the problem. It is the Government that is the problem.

Mr. Blackburn: Mr. Speaker, I rise on a point of order. Would the Hon. Member entertain a question?

Mr. Stevens: Yes, Mr. Speaker.

Mr. Blackburn: Mr. Speaker, for the past 30 minutes I have listened intently to the Hon. Member's speech. I was waiting and waiting for him to give this House and the nation the Conservative Party's definitive industrial strategy. The Hon. Member has not given one example. Could he very briefly give us a few specifics of the Conservative Party's industrial strategy that for two and a half years we, in this House and the nation, have been waiting for?

Mr. Munro (Esquimalt-Saanich): What about yours?

Mr. Stevens: Mr. Speaker, I am pleased that we have the attention of the Hon. Member for Brant (Mr. Blackburn). As he probably knows, we have six other speakers to follow me. They will fill in exactly the industrial strategy that he is looking for. However, let me outline three things that he will hear if he is just a little patient.

First, we think there is room to insure, much as NHA mortgages are insured, business loans in this country. Second, we think there is room to introduce industrial revenue bonds for small businesses in this country, similar to what one finds in many of the states in the United States of America, but greatly needed in Canada if we want to get small businesses reharnessed and people back to work. Again, we are going to suggest that it is time that the precedent, if you like, set by the Ontario Government be endorsed by the Federal Government. The Ontario Government in its Small Business Development Act has a program which raises money for small businesses. It facilitates the raising of that money by making grants available up to 30 per cent. This program should be endorsed by the federal Government and added to, instead of frustrated by the federal Government, something which has been going on in this country.

We have many other points like that, Mr. Speaker, but I do not want to take away the making of those points from my colleagues who will be speaking during the course of this debate.

Mr. Lorne Nystrom (Yorkton-Melville): Mr. Speaker, the motion before us today gives us the opportunity to speak to a very important issue that is facing the country, namely the need for an industrial or an economic development strategy that I believe has been sadly lacking for the past 30 years or 40 years.

I suppose we could have an agreement in this House that the most important priority and the most important question to solve is that of providing jobs for about 1.5 million Canadians who do not have jobs today. That is the most important priority. There is nothing that is as difficult for a person or for a family than to be faced with unemployment, to be able to work but not have a job because of the state of Canada's economy. If we look to other countries in the world we find that the unemployment statistics in Canada are among the

worst, if not the worst, of the industrialized states. We also find that the long-term situation looks very bad from all the reports that we see.

In this country we have an economy that is disintegrating before our very eyes. Why is that happening? What is the difference between Canada and the United States, Canada and Japan, or Canada and Europe? Why do we have unemployment problems that are much higher here than in other countries? Why does the long-term look so much worse in Canada than in other countries?

I think there is an answer to that question. There is a major difference between us and other countries. Other countries decided a long time ago that they would control, own and direct their own economies. We in Canada do not do that. We have more foreign ownership, foreign control and foreign investment in the equity stance than any other industrialized country in the world. As a result of that, we are now reaping the benefits of a very truncated branch-line economy where we export capital and import unemployment from other countries around the world.

I think the time has come for this country to have a new vision of what we are about and where we are going. As I listened to members of the Conservative Party today, and as I have listened to them over the last few months when they talk about the whole question of foreign investment and economic direction in this country, I think they have picked up the mantle of the late C. D. Howe. They have picked up his mantle of unfettered continentalism. I wonder what John Diefenbaker or Sir John A. Macdonald would think of this Party to my right today if they heard the talk about removing FIRA, getting rid of all the inhibitions of foreign investment and, in effect, becoming the fifty-first state of the United States of America?

Mr. Blenkarn: That is nonsense.

Mr. Nystrom: That Party has played the tune of Ronald Reagan in this country. It has taken FIRA and what really is a mouse and created a monster out of it.

An Hon. Member: You are wrong.

Mr. Nystrom: At one time that Party, under the leadership of people like Sir John A. Macdonald up to John Diefenbaker, did have a bit of respect for Canadian economic nationalism and for creating a Canada owned by Canadians. But we see the same thing across the way. I am glad to hear a Liberal interjecting at this point. In my opinion, what we are seeing is a massive retreat concerning FIRA, a massive retreat in trying to own Canada.

I remember the 1980 election campaign very well. The Prime Minister (Mr. Trudeau) was the Leader of the Opposition at that time. He travelled across this country promising that if he were re-elected, he would not only maintain FIRA but would strengthen it and make it into an agency with teeth on behalf of Canadians. He said in Toronto on February 13 that, if elected, the Liberal Party would "make sure that FIRA's mandate will be broadened to include the periodic review of all foreign firms of large size to assess the performance of these companies in such areas as export promotion and research and development". He also said in the Throne Speech a few months later, in April:

• (1550)

The new government wants to expand the opportunities for independent Canadian-owned enterprise, especially in highgrowth areas like advanced technology.

The government's commitment is to ensuring that foreigh-owned companies operate in accordance with Canadian industrial goals.

He also said in the Throne Speech:

—the Foreign Investment Review Act will be amended to provide for performance reviews of how large foreign firms are meeting the test of bringing substantial benefits to Canada. As well, amendments will be introduced to ensure that major acquisition proposals by foreign companies will be publicized prior to a government decision on their acceptability. The Government will assist Canadian companies wishing to repatriate assets or to bid for ownership or control of companies subject to takeover offers by non-Canadians.

What do we see some two months later? We see a tremendous retreat by the Liberal Government opposite. Not only does it not try to strengthen FIRA; it wants to make it weaker in response to pressure from the administration of President Reagan in the United States. I suggest that this Government is once again opening up our doors to unregulated and uncontrolled foreign investment that is stealing jobs from Canadians, moving billions of Canadian dollars to the United States, Japan or western Europe in the form of profits or dividends to foreign investors.

This is what Governments in this country have done in the past. In fact, in 1981 our deficit in the balance of payments was $9.1 billion. That money could have been used to create jobs for Canadians, to develop an economic strategy which would strengthen the nation and make it more productive and cost competitive internationally. Instead, our banks are lending money to foreign investors who are investing in Canada, creating unemployment in Canada while creating employment in other countries of the world.

One only needs to review the statistics. According to Statistics Canada, the branch plants of foreign-owned firms import nearly five times as many foreign goods in the manufacturing sector as Canadian firms. Much of this is done from the branch plant to the parent in the United States or elsewhere in the world. Many of these goods are imported despite the fact that it has no real bearing in terms of a company's efficiency or competitiveness.

There is very little research and development conducted in this country. Research and development is not carried out in this country because so much of our economy is foreign owned. To illustrate this, I have figures that show that in 1973 only 2.7 per cent of Canadian manufacturing firms had R and D facilities operating in this country. If you look at the figures for research and development for 1975, Canada is probably at the bottom of the list of developed countries, certainly at the bottom of the list of all the OECD nations. Research and development expenditure should be doubled in this country.

One reason for the lack of research and development is that many of our firms in key industries are foreign owned and involve very little product innovation. In the United States, for example, 1.84 per cent of sales in all industries went back into R and D. In Canada, only 0.78 per cent, less than half, went into research and development. Domestically, Canadian firms put up 0.86 per cent of their sales for research and development while foreign controlled firms in this country only put up 0.71 per cent of their sales. This proves once again that foreign controlled firms are less likely to put money into research and development, the creation of jobs in Canada and the creation of products that are more cost efficient, which would create world trade and provide Canadians with more jobs.

In addition, we find that approximately 58 per cent of our exports are in the resource sector, which provides little in terms of employment because they are capital-intensive industries. On the import side, however, we find that 60 per cent of our imports are in the area of highly finished goods and products. I maintain that as long as we do not control our economy as Canadians we will not be involved in the processing and development that should be done in this country.

In 1970 we had a manufacturing deficit of some $2.5 billion. That had escalated to some $17.8 billion by 1980. By 1981 it was around $21 billion. In the automobile sector—despite the auto pact with the United States—we see an accumulating deficit that is skyrocketing. The deficit in 1980 was approximately $10 billion. It is probably reaching closer to $15 billion in 1982 despite the fact that we have an agreement with the United States which is supposed to give Canadians a fair share of production jobs in accordance with the sale of cars in this country. In 1976, for example, our share of car purchases was 8.9 per cent and our share of production was only 7 per cent. Despite the agreement, we are getting short changed and, as a result, we are exporting jobs to the United States of America.

This same situation is true for almost any industry one wishes to consider. We can consider machinery, which is labour-intensive and innovative. It is important in terms of new technology. Our trade imbalance in machinery for 1980 was $6.9 billion. If Canadians were to overcome this tremendous deficit in our balance of trade in machinery, we could create some 69,000 production jobs alone in Canada.

Let us consider machinery with respect to each sector. Canada is a major agricultural producer. However, we have a deficit in agricultural equipment of $1.3 billion. We have a deficit of $1 billion in the mining and construction industries despite our resources. We have a deficit of $563 million in powered generation equipment for the year 1980. The deficit with respect to industrial machinery is $898 million. We have a $1 billion deficit in rolling equipment and machine tools. Many of these deficits involve sectors in which we should be specializing and leading the world. We should have surpluses in our products such as agriculture, mines and hydro. These resources are in abundance in Canada. If the Europeans, Japanese or Americans had this abundance of resources they would be producing in abundance, exporting around the world and creating thousands of jobs, many of which would be highly paid and highly skilled. However, because of lack of imagination and the chicken mentality of governments over the years, we do not have the nerve to control our own economy as the Americans, the Europeans and the Japanese have always done.

In the area of high technology we already have a deficit in computer and office products in 1981 of some $1.77 billion. At that rate, some 60,000 jobs will be lost between now and 1985. Yet we have a Government that is just now beginning to think of developing a strategy in Canada for advanced technology. That type of approach is just not acceptable.

Despite those statistics which show the massive deficits in the balance of payments, the export of jobs and the lack of control over our economy, I am amazed that the Government is now retreating on such a small agency as FIRA. The Conservative Party has turned aside its traditions and is now almost unpatriotic in terms of what is once stood for and what it is now calling for—more unfettered foreign investment and the dismantling or the pulling of the teeth of the Foreign Investment Review Act.

It is beyond me why we as Canadians do not have more imagination or fortitude than we have seen in the past. I have an interesting quote about how Canadians lose jobs from a United States Senate Committee hearing on July 8, 1981. Mr. Harvey Bale is assistant trade representative for investment policy in the U.S. I think we should very carefully listen to his words. He said:

• (1600)

> We believe that U.S. foreign direct investment has also made a contribution to employment in the United States through the link between exports and investment. Much of our trade with foreign countries originates with orders placed by the subsidiaries of U.S. companies located overseas. For example 75 per cent of our exports to the 300 largest companies in Canada originates from the subsidiaries of U.S. firms.

The purpose of much of the foreign investment in our country is to create jobs in other countries around the world. I maintain that the time has come when we as Canadians should do as other developed countries have done, namely, take control of our economy and ensure that key sectors are developed and owned by Canadians through an application of public ownership, social ownership, private ownership, co-operative ownership and the like.

Petro-Canada controls or dominates only 12 per cent or 14 per cent of the market, but is only the fifth largest company. We should ensure that Petro-Canada becomes the largest company in the country and controls over 50 per cent of the market. These are examples of what we will have to do. We must also ensure that foreign companies operating in Canada, in proportion to their sales, will ensure the same proportion of research and development, expansion of their plants and creation of jobs. Many countries in the world have those kinds of rules and regulations. France, Germany and Japan were virtually destroyed during the Second World War. Those countries decided that they would rebuild their economies by ensuring that their nationals, their people, were in control so that they could make decisions and provide employment. Today, all three of those countries are doing better than our country.

Since 1960 we have seen our standard of living, which was formerly second in the world, plummet to tenth place or even worse, depending upon how one reads the statistics, in terms of standard of living, or average income, around the world.

Therefore, it has become imperative that we have a national industrial strategy which will deal with certain key sectors which we should be developing, sectors which are of natural advantage to us, such as agricultural products and other resources. We must specialize in those areas and process those resources and food products much more than we do now before export. We must develop machinery, agricultural or mining, to provide our own market and to supply markets around the world. We must do things like that if we are to create jobs for Canadians.

Then we must consider other areas of natural benefit to Canada, such as transportation and communications. We are a big country and we must develop ways of moving quickly and communicating quickly and efficiently. We should specialize in trains and communications equipment. It should be ourselves, for example, rather than the French and the Japanese who have the fastest trains in the world. It should be ourselves who are exporting technology to other parts of the world, rather than the French and the Japanese. The same is true in the communications sector where we do have some technology, some Canadian know-how which is very good. We are a world leader in that sector and we should develop other sectors more quickly.

I would very briefly like to refer to the area of advanced technology. We have heard many reports which state that we are lagging behind. We have an industry which is being run down, an industrial sector which is disintegrating very rapidly. Unless we make some changes very quickly we will be in even more serious trouble in the years that lie ahead.

Mr. Speaker, I see that you are about to stand, and if I may have two or three more minutes, I will wind up my remarks.

Mr. Deputy Speaker: Is there unanimous agreement that the time allotted to the Hon. Member may be extended?

Some Hon. Members: Agreed.

Mr. Nystrom: I wanted to wind up my remarks by making an appeal to the House to consider what is happening to our various sectors, industrial, steel, footwear, textiles, and to many industries which have provided jobs in the past. In almost all cases we find that technology is moving very rapidly, but unless we change and innovate we will lose even more jobs in these sectors. In the future it will be very important to innovate here in Canada, to ensure that development of hardware, computers, new gadgets and technology occurs right here in this country. It will also be equally important to ensure that we control the technological revolution. We as Canadian people must introduce it in a planned and sensible way as a result of consultation with ordinary working people, the Provinces, the farmers, women and people who will be most affected by micro-chip technology, new hardware or new software.

It is very important that we start training our young people for the new society which is already with us. It is startling to me to find that there are 40 times more people in electrical engineering schools in Japan than in this country. The Japanese are preparing for the society which is already with us. Twice as many people graduate from their schools than in the United States, even though they have half the population of the United States. We are moving into an era of robotics and fully automated factories, yet we are not producing and planning for the future which is lying ahead.

As my last comment in this particular debate, I suggest it would be constructive if all three Parties in the House were to establish a special committee on the social and economic impact of advanced technology which would provide some input from elected parliamentarians as to how we want the country to evolve and develop in the next 20 or 30 years. If we do not do it, it will arrive from other places. Technology will be imported from Japan, western Europe and the United States. Once again, it will not be Canadian owned and controlled and perhaps will not even be developed in this country as much as in the past. Because of growing perfectionism in the world, we will be importing much more than we imported in the past. So I think it is important in this Parliament that we form a special committee to study the impact, socially and economically, of the new technology. That would be a part, I would hope, of a new industrial and economic strategy that we need very badly. Its priority must be, as I said, to ensure that industrial and economic activity in this country is owned, controlled and developed by Canadians for Canadians.

We have the resources and we have the people. All we need is the dream, the goal, the vision; and I am sure that, with the goodwill of the Canadian people, we could create a country that is second to none in the twenty-first century.

[*Translation*]

Mr. René Cousineau (Parliamentary Secretary to Minister of State (Small Businesses and Tourism)): Mr. Speaker, I am honoured to be participating in the debate this afternoon on a motion by the Member for York-Peel (Mr. Stevens), and I would ask the Members opposite to be patient as the Minister of Industry, Trade and Commerce (Mr. Lumley) will be rising in the House later today.

I listened very carefully to the comments made by the Member for York-Peel just now, when he talked about promoting our goods and increasing exports, but I did not hear him making any suggestions on how our exports should be increased.

[*English*]

The Hon. Member talked about frustration. Well, there is frustration in Canada, everyone knows that, and 1.3 million are unemployed. There are different areas of frustration. He says Canadians know we can do better. We all know that. We had a lesson on inventions in the nineteenth century. We had a talk about pioneers. We even had a lesson in history and one in

chemistry, but not one word about how to increase productivity or exportation.

The Hon. Member for York-Peel talked about regularization. I think he felt like talking about privatization, but the fact is that whenever he starts talking about that, Petro-Canada comes into his speeches, and that is kaput as far as the Tory party is concerned. Tories are not supposed to talk about Petro-Canada.

• (1610)

[*Translation*]

If I take the last part of the Hon. Member's motion, Mr. Speaker, it says, and I quote:

—and to provide incentives for training opportunities and to the private sector for new, and increased levels of research and development in Canada.

I wonder where the Hon. Member was on October 28 of this year when we had first reading of Bill C-136, a bill that is concerned with small businesses and will help small businesses contracting loans between June 28, 1982 and March 31, 1983, to finance acquisition of new depreciable assets or to finance research and development. That he did not mention. Did he mention the day, Monday, November 8, when the bill was passed on second reading and referred to committee? No, he did not. Are the Progressive Conservatives afraid to mention certain measures this government has brought before Parliament? Mr. Speaker, I think they are more interested in talking about bringing down this government and about their leadership than in providing constructive criticism aimed at helping Canadians to break through the present economic impasse.

Mr. Speaker, it was indeed very appropriate that Bill C-136 should be introduced on October 28, during the third annual small business week. This event is sponsored by the Canadian Chamber of Commerce and the Federal Development Bank for the purpose of bringing to the attention of the general public and business people in particular the various ways in which the federal, provincial and municipal governments can help with their administrative operations. We had exhibits with information booths across Canada.

At the end of a full week here in the Outaouais region, prizes were awarded to various individuals for outstanding accomplishment in business during the past year. When the prizes were being awarded, the Outaouais was visited by one of the ministers in the Quebec government, who was eager to satisfy the separatists and decided to shoot off a few arrows from the other side of the river. He was in Hull at the Université du Québec, and I would like to make it clear to Minister Biron that the whole week dedicated to small business was apolitical and had been organized by the Outaouais Development Corporation, the Federal Development Bank, and business people. Instead of making political remarks that certainly did nothing to enhance the well-being of the people or small businesses, if the minister had told people: Listen, we are going to help you, we are going to reduce income taxes since you are paying the highest taxes in Canada, we are going to reduce income taxes so that you can live as well as your counterparts in Ontario and the United States. That would have helped business people. Or he might have told people involved in the transport business: Listen, we are going to reduce the tax on gas so that you will be able to compete with other people instead of paying $5, $6, $7 and sometimes $10 more to fill the tank in your car or bus.

Were these people going to get a refund from the provincial government? No, Mr. Speaker, the minister did not mention that. He criticized the federal government as if the latter were still largely responsible for the slump Quebec is experiencing at the present time. I know there are separatists who are going to say that if Quebec had its own resources, in other words, if Quebec alone had the authority to levy taxes, it might be possible. I simply cannot believe that some separatists are still using this argument, namely, that if they had control over all their resources, in other words, if they were independent, they could afford more or less the same standard of living and the same taxation levels as other provinces.

In an article that appeared in *Le Droit* on April 16, and I am going back that far because it is important and we tend to forget, it was said, and I quote:

Ottawa is giving more than it is taking away from Quebec.

In 1980, the federal government spent $14.9 billion in Quebec and collected only $10.5 billion in revenue and taxes—

That is what independence will mean: more taxes. Our people pay the highest taxes in Canada, and if we have to pay four billion dollars more, where are we going to raise it? I feel this has to be said, Mr. Speaker, because certain leaders and certain ministers in the provincial government are making bold accusations without being able to substantiate them, in order to confuse people and perhaps smooth the way for some of our separatist friends.

To get back to Bill C-136, Mr. Speaker, I said earlier that this legislation would help businesses finance acquisition of new depreciable assets or finance research and development, between June 29, 1982 and March 31, 1983, by making them eligible for an interest subsidy, provided by the Canadian government, of up to 4 per cent of the amount borrowed from the bank. The federal government will pay directly into the account of the borrower a sum representing up to 4 per cent of the amount borrowed. It is understood that as soon as the interest rate is down to 12 per cent, the subsidy is reduced accordingly. That is a concrete example of what this government has done to promote small business research and development.

The Hon. Member talked about increasing exports of Canadian manufactured goods. He does not seem to be familiar with the 6 and 5 program. The program is not an end in itself but provides the means, that is, by reducing salaries, Canadians will be able to bring down the rate of inflation and consequently interest rates, and thus increase investment and

the number of jobs available, so that in the final analysis, we will be reducing the unemployment rate. In fact, increasing productivity was the purpose of the 6 and 5 program, and this is extremely important in the present economic situation, if we are to become at all competitive and compete with other countries who are producing the same goods we are.

Mr. Speaker, perhaps we should discuss some of the measures this government has taken since 1980 with respect to industry. This governemnt has made an effort to create a climate that is favourable to investment, whatever the members opposite care to think. The government has taken measures aimed at ensuring that funds will be available for viable projects and provided loan guarantees for both small and certain larger companies. I will have more to say about that later on. I take the liberty of speaking in such a way that my friends opposite will remember. We are not all mean Liberals, we are not all mean Government members. There are certain things which ought to be appreciated. Michelin tires, for instance. The Canadian Government will award $42 million in grants to promote a program which will eventually trigger a $400 million-plus investment by Michelin. Mr. Speaker, I believe that will be in the Atlantic Provinces—I cannot recall which one, but in any event it does show that the federal government has taken the initiative in that field. Some people raised hell and said all kinds of things about the Chrysler deal, but the fact remains that it was not an outright grant but a loan guarantee. Unfortunately, they are now talking about going on strike. That made it possible for the workers to keep their jobs and there is the possibility of a $150 million loan guarantee. Massey-Ferguson and their $126 million loan guarantee was a similar case and again the purpose was to keep people working.

We now have a program which has been implemented to modernize the textile industry so that it will be competitive with other countries marketing similar products. Modernization is the order of the day in the forest industry as well because one out of ten workers depends on it for a living, which makes it a key sector in Canada. Gatineau's CIP in my riding was awarded $6 million by the central government under a federal-provincial agreement and the MacLaren Company was also granted $6 or $7 million to update its facilities. Mr. Speaker, millions of dollars have been spent for a newsprint industry in Amos. I do not know how many millions were spent by the companies which own the plants, but still the federal government has done its share to launch that industry.

This government has also approved the five-year program of the National Research Council of Canada. Mention was made of research earlier. An amount of $48 million has been allocated to promote research and development, provide information to small businesses and encourage the private sector to use advanced technology. I could go on, Mr. Speaker, but I see that my time is going quickly. But it must be kept in mind that it is the private sector which will get us out of this difficult situation. We shall be called all sorts of names, such as socialists and the right or left arm of the New Democratic Party, and so on, but that does not bother me. More important, it still remains that the Liberal Party now believes that the private sector will get us out of this fix. The federal government wants to play an active part in support of the private sector and help small and medium-size businesses and the private sector as a whole to become self-sufficient.

We have taken some measures and we shall continue to do so, but we are willing to act in a spirit of consultation, co-operation and harmony. And when I say harmony, Mr. Speaker, I think you know what I mean. There is nothing you cannot do with the people behind you and when all three levels of government and everyone else put up a common front. Then, you can do anything. Someone said earlier that the Canadian people know they can do better, but in this spirit of harmony, co-operation and collaboration, the results can only be positive.

Mutual trust is essential, Mr. Speaker, to economic recovery. No federal or provincial policy or program and no management or labour initiative can get Canada out of the recession unless everyone works together, and this includes the members of the Conservative Party and the NDP. It is only with their co-operation that we can succeed.

PROCEEDINGS ON ADJOURNMENT MOTION

[*Translation*]

SUBJECT MATTER OF QUESTIONS TO BE DEBATED

Mr. Deputy Speaker: Order, please. It is my duty, pursuant to Standing Order 40, to inform the House that the questions to be raised tonight at the time of adjournment are as follows: the Hon. Member for Cariboo-Chilcotin (Mr. Greenaway)—Mines and Mining—Map distribution costs; the Hon. Member for Athabasca (Mr. Shields)—Energy—Cold Lake project—Loan made to Imperial Oil. National Energy Program—Request for withdrawal; the Hon. Member for Broadview-Greenwood (Ms. McDonald)—Energy—(a) Inquiry respecting Program cutbacks. (b) Chip and Off Oil Programs.

• (1620)

GOVERNMENT ORDERS

[*English*]

BUSINESS OF SUPPLY

ALLOTTED DAY S.O. 58—INDUSTRIAL STRATEGY

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

That this House condemns the Government for its failure to introduce its promised comprehensive industrial strategy to rebuild the Canadian economy in the 1980's and for its failure to produce specific strategies to harness the potential of Canadian industry, to promote the advantageous utilization of Canada's human and natural resources, to increase exports of Canadian manufactured goods, and to provide incentives for training opportunities and to the private sector for new, and increased levels of research and development in Canada.

Hon. Don Mazankowski (Vegreville): Mr. Speaker, the C.D. Howe Institute in its regular report of July, 1982 entitled "Canada's Economic Predicament", commenting on the June 28 budget, had this to say and I quote:

Canada's primary problem has been mismanagement of its economic affairs since the early 1970s by its federal leadership. The latest budget message is an abysmal stewardship report on the results of past economic policy for which the federal government must take responsibility.

The report goes on to say that this kind of leadership has placed Canada in a very serious economic predicament. It was rather interesting to hear the previous speaker pleading for the private sector to respond, asking the business community to trust them, after the damage they have inflicted upon the economy. I mention this simply to lay the background for the economic debate in which we are involved today, because in order to move ahead, to propose and advocate anything, one cannot forget about the past sins of this administration. That is primarily what the Prime Minister (Mr. Trudeau) wanted to do in his three-part television presentation. Some of the things he had to say were correct, but we know from previous experience that a lot of the problem has been in fact created by the man himself and by the people who support him.

While the C.D. Howe Institute talks about the mismanagement of the seventies, we have to look at what happened in the last two years, since 1980. Clearly our economic fortunes have dipped very badly. As a matter of fact, they have been eroded disastrously. Why? First of all, the National Energy Program was a major contributing factor to the economic collapse of this country. Second is the prolonged and protracted negotiations with the producing Provinces over energy pricing, created primarily as a result of the irresponsible position which the Liberal Party took during the election of 1980. The effect of the NEP and the energy pricing agreement has imposed a very crippling federal tax upon the industry and upon consumers.

I can also mention the uncertainties and the confusion arising out of the number of budgets and economic statements which have been made. What was the effect? Primarily it has destroyed investor and consumer confidence in this country. The other problem we have is the unrelenting move of this Government towards greater state control and state intervention. The Government still does not believe that is one of the major problems in this country. Ask the business people. I will have more to say about that a little later.

While the economic problems were materializing and we could have taken some measures over the course of the last two years, this country was engaged in, perhaps, one of the most bitter debates of all time, the debate on constitutional reform. In his frustration the Prime Minister said that federalism is dead, that there is no more co-operation. Well, Mr. Speaker, we certainly have confidence in the future of this country. We have confidence that Governments can work together and address the real problems of the country. What his statement implies is that there is no political co-operation; therefore, there can be no economic co-operation. The division and bitterness created during the debate over energy and the Constitution has not subsided. It is going to take more than time, it is going to take action by the Government to ensure that those wounds are healed.

• (1630)

All of these things, Mr. Speaker, have led us further into the depths of recession. As I said earlier, we do have an economic crisis in which there is no investor or consumer confidence; there is no confidence in the economic leadership provided by this Government. In fairness, sir, I have to acknowledge that there at least seems to be lip service being paid and some gestures being made towards improving the situation. The Government has started to recognize that it has made serious and grave errors, and at least there is more perception that it is mending its ways and changing direction.

We have had the game of musical chairs being played in the cabinet and I think from the business point of view there is some measure of optimism. I am pleased the Minister of Industry, Trade and Commerce (Mr. Lumley) is in the House because, while I do not want to commend him too loudly or in any prolonged fashion, it is fair to say, however, that it was a right move to put the Hon. Member in that position because I think he understands business and will do an excellent job. However, as my colleague, the Hon. Member for Kingston and the Islands (Miss MacDonald) pointed out, he is only one.

I wonder where he was when the Government imposed the devastating National Energy Program or the disastrous budget of November, 1981. That budget has had 44 changes and it is all but dead, but where was he then? He stood up and supported it. It was the most anti-business, anti-growth budget ever inflicted on Canadian business and the Canadian people, yet he stood there applauding the then Minister of Finance. I suppose he expects to make a name for himself by reversing the effects of that crippling budget. I hope he does, in the interests of Canada and the Canadian economy, Mr. Speaker.

Some Members across the way, Mr. Speaker, when I mentioned the National Energy Program was a disaster, said "nonsense". That is rather strange when we have had two major changes to the NEP. That in itself is a recognition that it was wrong in the first place. Unfortunately the damage was done, just like the budget. I cannot imagine how Members

across the way can live with themselves after having voted in support of that November, 1981 budget.

The fact of the matter is that over a one-year period we have had confusion, chaos and uncertainty in the business community, but Members across the way stood up and applauded the Minister of Finance and supported him. They should hang their heads in shame. Now the Government is trying to cater to the United States. We have the Minister of State for International Trade (Mr. Regan) journeying to the United States to try and get them back onside. We have the Prime Minister sort of giving the U.S. the back of his hand in his appeal for more trade with France. Of course, he is visiting other countries in Europe which are basically socialistic or communistic, so we still have that tendency toward kicking the U.S. in the teeth. The U.S. is our major trading partner, and if we can patch up the differences and work together to our mutual advantage in terms of trade, technology and jobs, I think we can make progress on this continent.

The Hon. Member who spoke just before me made a great pitch for the private sector, as did the Minister of Finance (Mr. Lalonde), suggesting that it will fuel economic growth. That is really hypocritical, Mr. Speaker. We need more than words to revitalize the private sector because there has been no Government in Canada, whether it be NDP, Liberal or Conservative, which has done more to stifle, frustrate and harass the private sector than this Government. Its whole economic thrust is based on more, not less, Government intervention. It wants to use grants and subsidies to force business to march to the tune of a board or army of bureaucrats. It is promoting the greater use and multiplicity of Crown corporations to get involved in business where the private sector could do the job. The Government is using leverage to achieve certain goals and objectives, leverage such as taxation, spending, procurement and regulation policies. It even uses confiscation to achieve its goals and objectives. So we have this assortment of sticks and carrots to manipulate business, to manipulate Canadians, to fine-tune them to produce the desired results. The bureaucrats are doing the fine-tuning, and of course the result is increased frustration, harassment and an increase in the army of non-productive bureaucrats. It is penetrating the whole marketing system, Mr. Speaker.

There is a myth within this Government that the bureaucracy can outperform and outwit the marketplace. In my view, there is no bureaucratic mechanism, regardless of computers, satellites, flow charts, or the armies of people, which can outperform the expertise of the private sector in the marketplace. One only has to look at the failings of Russia, particularly in its agricultural sector. Russia is now the world's largest importer of grain and meat. In the year 1970 it was a net exporter of grain. In the last ten years the U.S. has doubled the Russian output of grains. Russia has a centrally controlled and interventionist economy. They know how much fertilizer they are going to use in 1984 because it is all programmed. That kind of approach, Mr. Speaker, does not work there and it is not working here. As far as I am concerned, the invisible hand of the marketplace is far more effective than the visible hand of the Government.

The NDP, Mr. Speaker, simply want more of this kind of intervention. As I understand their industrial strategy, they really want to turn Canada's economic program into a National Energy Program. They want more centralized control and more intervention, the kind of control and intervention which frightened away the oil companies and destroyed the oil industry in this country. As far as I am concerned, the most important and constructive suggestion I can make is for the federal Government to make a clear commitment to return to a more market-oriented economy. This would do more to restore investor and consumer confidence than anything that has occurred in the last two years. We must concentrate on providing the best product at the best possible price. That is basic and fundamental to business.

Secondly, we must remove the impediments which discourage the spirit of enterprise in Canadians. We must encourage individual initiative and ownership. We must provide incentives to build, to restore the profit motive and revitalize the private sector in order to encourage growth and development, particularly in those areas where we have a natural advantage. I believe Canadians want to develop their own abilities and ambitions without excessive Government intervention. They want to own their own homes and businesses, to be active partners in the growth and development of this country.

We can do that, Mr. Speaker. We can remove those impediments by simplifying our tax system, one so complex and counterproductive that even accountants and tax lawyers cannot understand it. This has created, again, a huge and non-productive bureaucracy. It is not producing wealth, it is discriminatory, it militates against productivity, efficiency, price competitiveness, and it stifles innovation and creativity.

• (1640)

Things like the capital gains tax destroy the incentive to invest. We must consider instruments like the agri-bond, the Small Business Investment Bond, municipal bonds and Industrial Revenue Bonds which will provide pools of capital and the impetus to grow, to build, and to produce wealth in this country. The tax system can be used to encourage productivity, to improve our competitiveness, to revitalize and retool the manufacturing sector, to improve research and development and to stimulate innovation and advanced technology. But we need more positive signs and not simply rhetoric, Mr. Speaker.

We must also engage in a major regulatory housecleaning in this country. Canadians of all stripes and in all walks of life are hampered by the bureaucratic web. We must reduce duplication, establish greater uniformity and remove the barriers which stifle innovation, competition and efficiency.

I support the call of the Canadian Manufacturers' Association for a two-year moratorium on regulation that does not contribute directly to the economic growth of the country. The utopian ideal that in this country we can plan and regulate everything to perfection has clearly been discredited. We must face reality and make a clear commitment to scaling down the

regulatory burden that has been imposed on the country. We must get on with the job and let the enterprising spirit of the people develop and flourish. We have regulatory agencies that have clearly outlived their usefulness. Some could be dismantled completely and some could be scaled down, but all regulation and regulatory agencies should be reviewed.

We must reduce the burden of government spending, Mr. Speaker. The combined total of government spending in the country is approaching 50 per cent at the federal, provincial and municipal level. It is close to $160 billion. We cannot afford the present system relative to our economic production. The Auditor General has said that $5 billion could be scaled down in federal and provincial government expenditures each year, for a three-year period. That is a good starting point and we should try to do that. We should reduce duplication, reduce waste and inefficiency. In concert with the provincial governments, I am sure we could do this, but no serious thought has been given to it by the Government. It does not seem to be serious about reducing its expenditures.

I think it would help to take a leaf out of the book of the new Saskatchewan Government. After it won a very resouding victory in April, it made a declaration to the nation and to the world that it is open for business and is going to remove every obstacle and impediment within its jurisdiction in order to ensure that business is done. The federal Government should do the same thing. We should declare that we are open for business in this country and remove obstacles to investment at the foreign and domestic levels. We need investment in this country, and investment means jobs. At present, the country has $29 billion in personal savings. A good portion of that should be directed towards investment activities that will generate wealth. The country cannot afford a repeat of conditions in 1981 when $10.2 billion in investment capital left the country.

There is an urgent problem in the country at the moment, Mr. Speaker, with 1.5 million people unemployed. UIC benefits are being paid out at the rate of $10 billion annually and there is nothing to show for that. We must see what we can do immediately to create jobs and to save jobs. We need more than the temporary make-work projects advanced by the Minister who is responsible for employment.

One way that we could create some lasting and productive work in the country is by recognizing that we have an opportunity to turn our energy advantage into an economic advantage. We must scarp the NEP and commit ourselves to moving toward oil self-sufficiency as quickly as possible. This would create permanent jobs, new wealth, renewed economic activity and an improvement in our balance of payments position. Along with industry and the producing Provinces we must examine the possibility of bringing on the Alsands, the heavy oil upgrader, or Cold Lake, even on a smaller scale. We must consider revitalizing exploration in consultation with industry and the Provinces.

There are about a dozen projects on hold in the petrochemical industry at the moment, worth about $3.5 or $ 4 billion. These are job-creating activities but they are on hold, primarily because of the federal tax that has been imposed upon the feedstock. This puts the end product in a non-competitive position.

A task force has been created to look into this situation, Mr. Speaker, but we do not need a task force. I invite the Minister to call in representatives of Union Carbide, Dow, Nova and many other companies. They will tell him what the problem is. There is a little firm in Alberta called Alberta Gas Chemicals which plans to establish its next plant in New Zealand because that country does not impose a damaging tax upon feedstocks. This tax makes companies non-competitive in world markets.

Mr. Clifford Mort, Chairman of Dow Chemical, has said that taxes have added 50 per cent to the variable cost of natural gas based ethane and a staggering 20 per cent increase in the total cost of ethylene.

Mr. Lapalme of Union Carbide has said that "Canada is now alone in the petrochemical world, marching to the beat of its own drum on a path that ultimately leads to pricing itself out of the petrochemical business".

We all recognize that the capacity of the rail transportation system in this country needs to be improved, Mr. Speaker. This project is also on hold, until economic recovery is restored. Surely there must be ways and means for the Government to sit down with the industry and the Provinces to get it going right away. Something like $12, $14 or $15 billion is to be spent on this, but if we wait we may not have the opportunity to exploit the opportunities that will occur when recovery comes about.

We are also importing far too much of our food budget, Mr. Speaker. At present it stands at roughly 30 per cent, which I believe could be reduced by at least $1 billion. That would improve our balance of payments position and encourage development of the agricultural industry. We could be doing better in our penetration of the grain markets of the world. Over the last 19 years our share of the export grain market has dropped from 35 per cent to 17 per cent.

In the small business sector there are also lots of opportunities. I have already outlined a few incentives and policies that would go a long way toward enhancing and revitalizing that very important job-creating sector of our economy.

Finally, Mr. Speaker, we must renew our economic and political partnerships and get governments working together for the common good, rather than competing with one another and against the private sector. The role of government should be to facilitate, not to obstruct. They should be advancing a mood of harmony and co-operation rather than one of frustration through confrontation.

I believe, as I am sure all Members of the House believe, that Canada can once again be a proud and vibrant nation if only we harness the creative and enterprising spirit of our people. The major component of that aspiration, I contend, is that governments allow people to be free and allow them to grow. We must have governments serving the people rather than people serving governments. In this way, I think we can

truly become a very dynamic, prosperous and caring society once again.

• (1650)

Miss Aideen Nicholson (Trinity): Mr. Speaker, I should like to congratulate the mover of the motion on his discovery that the Government has a role to play in our mixed market economy. Today's motion is perhaps an interesting change from some of the cries we hear from the Party opposite, which admittedly does not speak with one voice on the difficulties of government "interference" in the private sector.

The term "industrial strategy" is perhaps less useful than to think in terms of a set of credible, consistent and coherent policies designed both to adapt to current world difficulties and to overcome the structural obstacles to long-term growth within the economy. At Strasbourg last month, Mr. Van Lennep, Executive Director of OECD, said:

> It has been another difficult year for the world economy. No one had thought that the task of defeating inflation and adjusting to the massive oil price shocks of the 1970s would be easy or rapid. But the process of adjustment has indeed been painfully long, and those of us in the business of economic forecasting have again predicted for 1982 an upturn that has not yet come.

Mr. Van Lennep went on to say that he believed there would be an upturn, but went on to say:

> At the same time, we are to an important extent in unchartered territory, both as regards the strength of the conflicting forces of inflation and deflation at work, and the complexities arising from an unprecedented degree of international interdependence.

Recent developments in Europe have not been encouraging. Unemployment has risen more than expected. Demand and output have been weaker than expected. Demand is also weaker than expected in Japan. What does all this mean for Canada?

We face increased competition in our traditional markets and it becomes ever harder to penetrate new markets. We face competition from newly industrialized countries at the same time as less developed countries are finding it harder to purchase our goods, and we face competition from reindustrialized countries such as France and Japan. Canada is fortunate in having considerable natural advantages, including a well-educated work force, advanced technology and abundant resources; but expansion of our industrial sector has been constrained in many respects by a small domestic market. There is now a growing awareness of the need to improve productivity in order to protect and enhance our competitive position. We are the only industrialized country in the world which does not have access to a domestic market of 100 million or more. Our population is only about 25 million, dispersed over a large and difficult terrain.

We trade to live. Exports alone account for one-third of our gross national product, and 20 per cent of our work force is directly involved in producing goods for export. Because of our small domestic market and our heavy dependence upon exports, Canada has a disproportionately high stake in the health of the trading system. Therefore, it is clearly in Canada's interests to contribute to managing world trade in ways that avoid conflict and harsh beggar—my—neighbour approaches to trade.

We are one of the largest trading nations on a per capita basis. As I said, trade amounts to more than one-third of our GNP. Leaving aside services, something in excess of 50 per cent of what we produce is exported. We import a similar amount. Therefore, it is vital to our economy and standard of living to maintain a world trading environment which will enable this trade to continue to flourish.

Where does this trade lie? Trade in excess of $100 billion a year, or almost 70 per cent of our trade, is with the United States, which takes about 60 per cent of its imports from Canada in goods that have either been manufactured or processed. About 14 per cent of our trade is with Europe and about 7 per cent of it is with Japan. This means that about 90 per cent of the huge amount of trading that Canada does involving both imports and exports is conducted with the industrialized western world, particularly with Europe, the United States and Japan. We are in a disadvantaged state because of our small numbers and our small domestic market.

When the last round of the GATT is implemented in 1987, we will see visible tariffs reduced to levels which will not provide the protection for the Canadian manufacturing sector that has allowed it to grow over the years. As we move into a freer trading mode our manufacturing sector, which is not as competitive as it should be in world terms, will have to undergo serious restructuring.

Apart from Australia and to some extent the United States, we are alone in having a huge percentage of our economy and trading produce in resources. In the resource sector a higher proportion of our exports goes to Europe and Japan than to the United States. During the GATT negotiations we hoped to find support from our trading partners for the sectoral support which we suggested would lead to a reduction in tariffs and higher levels of additional value in some of our resource industries. However, our trading partners to date have been unable to go along with that approach, and we continue to be faced with the problem of running into restrictions when we add value to our resources before shipping them from our shores. There is a continued determination on the part of the Government of Canada to endeavour to upgrade our resources before we ship them abroad, and the Government will continue to press for this.

Our merchandise trade figures are in fact very good if looked at as a whole. Currently we have a substantial surplus in our balance of merchandise trade. Over the last few months the value of goods we exported was in excess of that which we imported by almost $4.5 billion, but this surplus stems from large net earnings from our trade in food products, crude materials and semi-finished goods. We still run a persistently large deficit in finished goods.

It is generally considered that the manufactured or finished product sector tends to provide for more job creation than resource development. Therefore, it seems clear that we must seek out opportunities and methods to develop our manufacturing capacity. At the same time we must continue our

international marketing efforts both to improve our current market share and to identify additional markets where Canada can be competitive.

The question of research and development has been mentioned by previous speakers today. Canada's emphasis upon R and D has been low in comparison with other OECD countries. In 1979 our research and development expenditures were only 1 per cent of our gross domestic product as compared with 2.4 per cent in the United States, 1.8 per cent in France and 2 per cent in Japan. However, we have been increasing this somewhat, and our R and D expenditures are now at 1.3 per cent of the gross domestic product. The Government has formulated and is vigorously implementing a policy in support of our scientific development, with specific targets for 1985. Certainly the need is well recognized to establish a more comprehensive base for science and technology work in Canada.

• (1700)

Some of the building blocks of an industrialized strategy have been mentioned by previous speakers today. Apart from research and development, there is industrial restructuring, particularly to accommodate the microelectronic communications revolution. There are productivity measures which include job training. Here one must mention the National Training Act, which was recently passed precisely to deal with that. There are measures to deal with international trade, competition and promotion.

Last fall a document entitled "Economic Development for Canada in the 1980s" was tabled in this House. In that paper the Government addressed a number of essential building blocks for Canada's long-term economic vitality. These included a $60 billion commitment to developmental spending to 1986, including over a quarter of that sum for energy development expenditures.

The Government stated in that paper that priority would be given to industrial resource and regional development, transportation, export promotion and human resources. Innovation was mentioned as a major factor in enhancing productivity. A series of new initiatives was proposed in five key resource-based sectors—energy, agrifood, fisheries, forest-based industries and mining. The question, then, is not whether we have a long-term economic development plan or a set of industrial strategies, but rather whether the broad themes are understood and are being communicated effectively.

Finally, the question of foreign ownership has been addressed by two members opposite in two different ways. One suggested that the Government is not being vigorous enough. The other Member suggested that the Government was overactive in this area. This perhaps merely points out the difficulty of the issue.

I think we would all agree that Canada needs and welcomes foreign investment. The Hon. Member for Vegreville (Mr. Mazankowski) mentioned that we cannot afford to see capital leave this country. We would all agree with that. But also we cannot afford to see jobs leave this country. While nobody wants to be unwelcoming to foreign investment—and we on this side would not like to see the extent of state control which the New Democratic Party advocates—surely there must be some sensible, prudent measures to assure that foreign investment benefits Canada.

What we now see is that our manufacturing sector, which is very heavily controlled by foreign owners, does most of its research and development offshore. There is, therefore, no benefit to Canada in the creation of new jobs and new products. We also see that foreign-owned businesses in the manufacturing sector import much more than similar Canadian-owned firms. I might just mention some figures. I say, not in any sense of being hostile to foreign investment but in order to emphasize the point, that however much we want and welcome foreign investment, surely we must be prudent when looking at our own long-term interests.

In 1978, foreign-controlled firms accounted for 72 per cent of our imports. Canadian-controlled firms imported only to the value of 4.3 per cent of their sales, while the value of imports for foreign-controlled firms, when looked at as a proportion of their sales, was 22 per cent. In the manufacturing sector the differences in import behaviour were even more pronounced. Foreign-controlled firms imported to a value of 29 per cent of sales, while Canadian firms had a ratio of only 8 per cent. When one also considers that Canada has a higher proportion of its industry under foreign ownership and control than any other industrial country in the world, we have to consider this rather seriously.

I mentioned earlier that research and development is generally done by foreign-owned companies outside of Canada. Our future high standard of living in Canada will depend more upon our mastering of industrial technology than on our accessibility to our natural resources. We must be keenly sensitive to the fact that science and technology are areas of enormously rapid evolution. If firms are doing their research and development offshore, we are losing a tremendous possibility for job creation within Canada.

Mr. Harvie Andre (Calgary Centre): Mr. Speaker, just a couple of weeks ago I celebrated my tenth anniversary on being elected a Member of this House. I remember during that election campaign the promise made by the Liberal Party that an industrial strategy was actively being developed and would be ready to take Canada to a new nirvana.

Mr. Blenkarn: It is still coming.

Mr. Andre: The Minister of Transport (Mr. Pepin) was then Minister of Industry, Trade and Commerce. He assured Canadians that the Liberal Party had things well in hand, that the final touches were being put on an industrial strategy and as a result of its sheer brilliance would lead Canada into unthought of horizons for growth, wealth, jobs and opportunities, things we could only heretofore dream of. That Minister did not manage to survive that election, but unfortunately the Liberal Party did. He was replaced by the Hon. Alastair Gillespie. He said: "I have picked up the baton and I am

running with it; just hold on, folks, soon we will have an industrial strategy that will address resources, technology, manufacturing. It will look after Canada's needs for the next century."

Were we ever lucky to have a Minister like that! Well, months and then years passed. The Minister was asked from time to time how things were coming. He said "We are on to it". At some point in time, though, something happened, because this magic answer, this industrial strategy, this answer to Canada, suddenly got replaced by a sectoral strategy. There were 19 sectoral groups identified by the Minister and his brave minions, I believe.

Mr. Lumley: There are 23.

Mr. Andre: Twenty-three, I am sorry. I am corrected by the Minister of Industry, Trade and Commerce (Mr. Lumley). These groups worked laboriously. We were promised that these documents were coming. Eventually, 23 sophomoric, thin documents, written in second year economic language, were produced dealing with these 23 sectors. Those sectorial studies disappeared into oblivion about 15 minutes after they were published, because that is what they were worth. It was a totally worthless production.

• (1710)

The Hon. Alastair Gillespie moved on to his reward as the Minister of Energy, Mines and Resources. The gurus in the Prime Minister's office and the Privy Council office, finding that this sectorial strategy would not work, decided that it must be a structural problem; it cannot be the fault of the Liberal Party. Therefore, they created the Economic Development Board and the position of Minister of State for Economic Development. The present occupant of that post is in the House today. Since the creation of that position, which was the new answer to our lack of industrial or economic strategy, absolutely nothing of value has been produced to this time.

However, over at the Department of Energy, Mines and Resources, Alastair Gillespie discovered the Holy Grail. He found an industrial strategy, one based on megaprojects. I recall the First Ministers' meeting of 1978 when he proudly produced that list of 40, 60 or 120 projects. It was a magnificent list. What it was, though, was a list of every project that was planned, considered or even dreamed of by every business, government, entrepreneur and wishful thinker in the country. It was mostly pure fiction. There was one part which was real. That was the megaprojects dealing with energy development, particularly oil and gas development.

With the election of a Progressive Conservative Government in 1979 these megaprojects got under way. Work had activly begun and there was even a great shortage of engineers because of the work and planning that was going into these megaprojects. Some of those projects are mentioned on page 94 of the National Energy Program. They include the Suncor expansion, the Syncrude expansion, the Cold Lake project, the Alsands project, the Canwest project, the Saskatchewan heavy oil tertiary project, the Judy Creek light oil tertiary project, and Hibernia. It is an impressive list. Each project was actively being pursued in 1979 and work was under way in 1980.

Before I deal with what happened to those projects I would also like to mention some gas-based projects which collectively represent megaprojects in that field. They are an ethylene plant by Alberta Gas Ethylene; an ethylene plant by Esso, Alberta Energy and Hudson's Bay Oil and Gas; a polyethylene plant by CIL and Trimac; a polyethylene plant by DuPont and Alberta Energy Company; a benzene plant by Esso and Alberta Energy; a styrene plant by Esso and Alberta Energy; an acetic acid plant by Celanese Canada; a vinyl acetate plant by Celanese Canada; an MTBE plant by Alberta Natural Gas; two Dow Chemical plants at Fort Saskatchewan; and an Alberta Gas chemicals methanol plant. They number 12 in all.

What is interesting about those oil and gas projects is that every single one has gone down the tube. The energy projects that were left from the mythical industrial strategy based on megaprojects produced by the Liberal Government were all destroyed by the National Energy Program. What is really galling is the audacity or stupidity, or perhaps both, of the content of this National Energy Program. I quote from page 94 where these oil projects were listed. It says:

> The positive impact of the Program—

Referring to the National Energy Program:

> —on oil sands development can be illustrated by its effect on the commercial viability of the Alsands project—

Can you believe the audacity, dishonesty or perhaps plain ignorance of someone to write such trash when, in fact, it destroyed those projects? The Alsands project was under construction in early 1980. Men and machinery were on site moving earth.

I do not want once again to go over all of the reasons the National Energy Program is wrong and discuss its disaster. There is no honest person in this country who does not recognize the disaster of the National Energy Program. Why was it such a disaster? One has to acknowledge that part of it is a result of the uncertainty. The newly elected Liberal Government argued, fought and disputed with the Provinces for two years before reaching some reasonable accord. It was an incredible display of mismanagement and stupidity. No industry, entrepreneur or investor can tolerate such a delay.

Second, the Government simply took too much money. It dipped in for a huge amount of money by way of tax increases which were justified on the basis of projections on revenue flow which were pure fiction. In that respect, Mr. Speaker, if you have not read Peter Foster's book called "The Sorcerer's Apprentice", subtitled "The Super Bureaucrats of the Energy Disaster", I highly recommend it. Those geniuses—one of whom is now in Paris at our expense to the tune of $200,000 a year—projected revenues that were pure fiction. They were calculations of the kind you would learn to do when taking a Ph.D in economics at the University of Toronto. They certainly bore no relationship to reality. These bureaucrats divvied up these fictitious numbers. The share of these fictitious numbers were certainly fair but they bore no relationship to reality. The

Government simply took too much money. There was not enough left to keep people interested and provide the economic activity from which jobs and spin-off effects come.

In addition, a terrible precedent was set. For the first time in our history, the Government retroactively changed the rules in a highly pejorative way. The world being what it is, we expect that kind of behaviour, unfortunately, from a banana republic, dictatorship or some of the less stable Third World countries. No one expected that kind of behaviour from Canada. Canada was considered to be a stable, democratic country with a long history of fair play. If we made mistakes in the past, we lived with them and changed the rules in the future. We did not change the rules retroactively until this Liberal Government and this Minister did so.

• (1720)

The impact of all of that has caused the demise of all the energy projects which I have outlined, including oil and gas projects. If those projects were in place today, the jobs which would have been generated would not be in the thousands or the tens of thousands, but rather in the hundreds of thousands. In Canada today there are hundreds of thousands of families whose income earners are unemployed because of the National Energy Program and the demise of the only kind of industrial strategy left, the megaproject strategy.

I would refer Your Honour and the rest of the House to the seventeenth annual review of the Economic Council of Canada. Its predictions as to what disasters would befall this country if those megaprojects did not go ahead are turning out to be exactly on target. It was all there. Those were predictions of three years ago. Probably none of the Hon. Members opposite have read it because they would not like the message. However, we do not need a Royal Commission headed by Donald Macdonald and we do not need some fresh new insight. All we need is for someone opposite to read what has been done by this permanent Royal Commission, the Economic Council of Canada, and to heed its lessons.

I want to refer to what can be done and what needs to be done now. Clearly the most terrible and crucial problem facing Canada is the question of jobs. I had the misfortune of living in a home where the father was unemployed for a number of years and I know what devastation that can cause a family. The numbers involving the unemployed are so large that we sometimes do not comprehend them. We say that 12.2 per cent, 12.7 per cent or 1.5 million people are unemployed. They are numbers, but behind every one of those numbers is a family and I know, firsthand, what that means to a family. It is not enough that we say we will have a Royal Commission to look into the matter and report back in three years. It is not enough that we put together a committee of economists and say that from now on the Minister will listen to some outside advice. It is not enough that we reward the perpetrators of this tragedy by giving them year-long vacations in Paris at our expense. We must take action.

Let me speak in terms of what can be done. It has been noted by apologists on the Liberal side that there is not much we can do about world markets, and that is accepted. There is not much Canada can do now about the fact that the world has an oversupply of nickel, steel, copper, lumber, things that we produce in abundance, and therefore we cannot supply the world. We are unfortunately trapped in terms of those circumstances, but that is not true of our energy. The market is here in Canada. We can displace imports.

So there is no reason for us to blame the rest of the world or wring our hands and say there is nothing we can do, because we can, and we can in the area of energy. I am not referring to jobs in Alberta, Saskatchewan or British Columbia when I am referring to energy development. A recent study by the consulting firm, Foster Consultants (Calgary), on behalf of the Independent Petroleum Association of Canada illustrated that when money is spent for oil and gas in Alberta, when one dollar is spent, 40 cents ends up being spent in Ontario because that is where the pipe is produced as well as the valves, the machinery, equipment, trucks, cars and everything else used by the industry. some 16 per cent is spent in Quebec, with 28 per cent or 29 per cent actually ending up in Alberta and the remainder in the rest of the country. Therefore, we are not referring to something which benefits only one region but, rather, something which benefits the entire country.

The netbacks must be adjusted. During question period the other day, someone asked the Prime Minister (Mr. Trudeau) a question about lowering taxes. He replied by asking, "How can I lower taxes when we have such a terrible deficit? One cannot do both". I will give an example of where lowering taxes would decrease the deficit because it would produce more revenue for the Government than the current tax load. I will quote from a speech by the chairman of the board of Dow Chemical (Canada) Limited. He referred to the experience with the company's ethylene plant in Red Deer. In 1982 the company estimated that the ethylene plant would operate at 100 per cent capacity and, as a result, would create $60 million in income tax obligations, $45 million of which would go to the federal government and $15 million to the provincial government. However, the Feds put on an up front tax, the natural gas and gas liquids tax, which would supposedly gain $60 million a year from that plant, or double the the anticipated income tax revenue. Therefore, the Feds would be receiving in excess of $100 million, $105 million, and the Province would receive $15 million from income tax and, of course, would receive an additional $37 million from royalties on gas.

As a result of the natural gas and gas liquids tax, there was just enough of a marginal on the feedstocks to make it impossible for that plant to sell all its products. Therefore, instead of producing at 100 per cent capacity as planned and anticipated and for which markets were available before the federal tax was imposed, the plant was producing at 50 per cent, or half capacity. What was the result? The federal Government, instead of receiving $105 million as planned, instead of receiving the $45 million from income taxes that it would have received before it imposed the tax, will receive $20 million this year. The Province lost some $34 million in taxes and royalties. Therefore, the federal Government not only lost the extra $60

million in tax which it tried to collect but, in addition, cost themselves and the rest of Canada an additional $140 million. That is plain, stupid taxation. All the Government need do is reverse that stupid tax and it would reduce the deficit and put people back to work.

Second, the Government must cut red tape. Historically, for every three geologists working in the energy industry—those are the people who find the oil—one needed one paper shuffler. As a result of the National Energy Program, and goodness knows how many other things those geniuses in EMR have invented, the ratio is now reversed. Every geologist requires three paper shufflers to handle the red tape so he can do his job. We gnash our teeth about productivity and ask why we are so non-productive in this country. It is no wonder. All we do is produce work for paper shufflers. They do not produce anything but simply satisfy the bureaucrats in Ottawa, Edmonton, Regina and other capitals. Let us not blame it all on the Feds.

An Hon. Member: And Alberta.

Mr. Andre: I referred to Edmonton. That is in Alberta, in case the Hon. Member did not know.

Finally, we must restore trust. I want to quote from an article in *The Calgary Herald*. Francis Reinhardt of the New York investment house, Carl H. Pforzheimer & Co., in reference to Canadian oil stocks stated:

> The mood has improved and some institutions are investing in Canada again. But more who have been long-term investors, and made money here in the past, are staying out because they don't trust Pierre Trudeau not to double-cross them again.

There is the problem, lack of trust.

• (1730)

The best solution is a change of Government. I recognize we are not going to get volunteers for that but at least let us hear a *mea culpa*, at least let them admit that that was a mistake in the National Energy Program, the 25 per cent back-in, that retroactive confiscation of private property was a mistake. Blame it on Ed Clark; blame it on Ian Stewart; blame it on Michael Pitfield, blame it on somebody, I do not care, but say a *mea culpa* and show the world that yes, Canada does recognize the retroactive confiscation of private assets is foreign to the policy of this country, and that we will not do that again in the future.

If we do those three things, Mr. Speaker, cut red tape, reduce the net-back and admit the error so as to try to restore some confidence, we can get this sector back to work and generate not a few jobs, not a few hundred jobs, not a few thousand jobs, but tens of thousands of jobs, and restore some sense of future to the many families in this country.

Mr. Maurice Harquail (Restigouche): Mr. Speaker, I wish to begin my remarks by expressing appreciation to the Official Opposition for providing this opportunity to speak to this motion today. As has been acknowledged by one or two previous speakers, none of the Official Opposition speakers have brought themselves around to discussing their motion or laying out in specific terms for the Canadian taxpayer what they would do. They have failed to identify themselves with the question of industrial development in the country.

The Hon. Member for York-Peel (Mr. Stevens) talked about, in a critical way, moneys that are going to be made available to de Havilland and to Canadair. I find that very strange that an Hon. Member from Metro Toronto would speak critically of assisting that all-important aircraft manufacturing industry.

As was asked of him by one of the Hon. Members of the New Democratic Party, when will he identify what his Party might do if it ever has the opportunity to be a Government in this country? He said not to worry, there were other speakers following him and they would flesh this thing out as they went along.

The last speaker, the Hon. Member for Calgary Centre (Mr. Andre) spent his time talking about the only subject that he seems able to speak about, namely, oil and gas. He ridiculed the Government, went on in the most non-productive, negative way, and finally closed wth his usual attack on the Prime Minister (Mr. Trudeau). What is new about that?

Since they have not bothered to address the subject they have brought to the House today, as I started to say, I appreciate the opportunity of having a few moments of debate in the House to bring the other side of the story.

In industrial policy initiatives since 1980 the Government has, through capital investment, created a favourable investment climate, assured capital availability, set up viable projects in slow-growth areas, and, in exceptional circumstances, it has guaranteed loans. The question of support to high productivity manufacturing, such as Michelin, Chrysler, White Motor Corporation, Massey-Ferguson, Ford—

Mr. Blenkarn: Bail-out.

Mr. Harquail: The Hon. Member for Mississauga South (Mr. Blenkarn) wants to oppose and criticize the system to protect those jobs in Ontario, and now attempts to interrupt my remarks. That is fine. All Canadian taxpayers will take note and good count of this performance. When there is an election and they go into that voting booth, that is when we see the results as to their appreciation of the position of Members from Ontario with respect to serious decisions that are taken to assist plants to ensure and protect those all-important jobs.

Reference was made to the amounts of moneys that have been spent on research and development. In spite of the ridicule and negative talk, the number of dollars that have been assigned by the federal Government to this all-important work is very substantial.

I want to tell Canadians about the dollars that are allocated for ITC and DREE. The new Minister for Industry, Trade and Commerce and Minister of Regional Economic Expansion (Mr. Lumley) has the responsibility for something in the order of $3 billion through current budget expenditures to aid industry and small business. The Opposition Members talk

about paper, they talk about negative things, but never do they acknowledge the fact that this type of commitment is made. In those areas where decisions are taken we see positive results from the expenditure of those dollars. When you look at small business, FDB, ILAP, STEP, tourism, and other areas of expenditures, current expenditures are over $2 billion.

Opposition Members talk of training people. I do not know of any other country in the world that is doing as much as this Government in providing funds for proper training of men and women in preparation for the work force. That program is not in an idle position. There is greater emphasis being put upon this important aspect of having men and women ready to go into the new high-technology jobs.

In so far as National Defence is concerned, again the Opposition claims that not a nickel is being spent by this Government. When the figures are considered, they are quite impressive, at $7.5 billion for the current budget, for the year-to-year operating expenses, not to mention the Aurora Program, the Leopard tank, the F-18, and the frigate program. In the next 12 years or so in excess of $20 billion is budgeted. The spin-off benefits, the ripple effects and the jobs that will be created by the Government's commitment to these important programs have been spelled out by the Minister of Supply and Services (Mr. Blais) and the Minister of National Defence (Mr. Lamontagne).

When we reach the stage of carrying out the commitment we will take the opportunity to highlight the need for directing some of the construction of the frigate program to the dry-docks at Saint John, New Brunswick. They have proven their competence, efficiency and ability to produce an excellent product at that facility. I want to support my colleague who represents that area as well as the other Hon. Members who have identified that need. We know that very shortly hard decisions will be taken as to the location, and successful bidders, with respect to these major projects, and the expenditure to construct these new frigates for National Defence. I certainly want to express my appreciation to the Opposition for this opportunity to highlight the support for the all-important location of those contracts and jobs when we arrive at the final decision to go ahead with the actual construction of the frigates, which are under design at the present moment.

• (1740)

I want to take this opportunity also to flag a very important project in northern New Brunswick, the much talked about zinc refinery which is to be constructed by Brunswick Mining and Smelting, a subsidiary of the Noranda group out of Toronto. We all recall the great enthusiasm when the announcement was made in the course of a budget debate in this House that the plant was going ahead and it was going to create 1,500 person-years of work during the construction stage, and in excess of 500 permanent jobs once completed. I will not take a lot of time to talk about the positive benefits of this type of project when Canadians must find jobs.

Notwithstanding the fact that we have the downturn in the economy of Canada and the United States, not much has been said about the fact that we have three pulp and paper mills under construction in northern New Brunswick, with a total capital expenditure in excess of $700 million. You will not find anyone in the media, CBC or anywhere else, who wants to talk about it for the strange reason that it is too positive, has an upbeat to it. It is good news. Something is happening to create jobs. At the pulp mill at Atholville, New Brunswick, alone, there are over 700 construction workers employed during the modernization stage. That plant will cost in excess of $200 million. The CIP newsprint mill at Dalhousie will have expenditures in excess of $200 million. The Bathurst Consolidated Mill at Bathurst, New Brunswick, will have expenditures in excess of $200 million. These are not projects which are just in the discussion or planning stage. The construction is under way now. The jobs have been created. The money is being spent. All the very positive economic ripple effects from these projects are under way now. But you cannot find anyone, certainly not in the Opposition or in the news media, who wants to tell Canadians the goods news about what is happening at a time when there are difficulties with the economy.

We are very proud of the fact, certainly I am, that we have been successful in convincing these companies to take advantage of the incentive grants provided by the Government through DREE and other attractive programs such as the 50 per cent tax credit, special investment on capitalization, which was brought in. This brings me right back to the urgency of co-ordinating and providing leadership from within the Government, the various Ministries, to ensure that the captains of the industry, one of the largest corporations in Canada, Noranda, continue with their plan to construct this zinc plant at Belledune, New Brunswick.

The Minister of Finance (Mr. Lalonde) has just announced the special allocation of $500 million for job creation, which was well received, and we congratulate him on this initiative, all the time knowing that it is temporary job creation. However, the project I have referred to, of course, results in permanent jobs. I have had meetings as recently as August of this year with officials of the Noranda Group who have stated they want to proceed with this plant, that they will need the plant when the economy turns around.

What I would like to stress today is that we must make sure all the various interested Ministries are very well attuned to the urgency of going ahead with this project in northern New Brunswick because of all of the jobs which will be provided during the construction stage, and, equally important, the permanent jobs which will result upon completion. While I remain optimistic because of the fact that the senior officers of the Noranda Group have stated on more than one occasion their need, desire and interest in going ahead, because of the soft market and the high cost of money in the early part of 1982, the project appears to have been moved to the back burner, certainly it is in the position of just idling at the moment.

What I would dearly love to achieve this afternoon is to focus on this project, bring some attention to it, to stress and underline the urgency of this project. I would also like to take

this opportunity to make an urgent request of the various Ministries concerned and responsible for the co-ordination of such a massive program as the construction of this $360-million plant, and to offer, of course, my energy and assistance in continuing the co-ordination of the work that has already gone into this project.

I had occasion to have some discussion with the people in my area during the recent Remembrance Day observances and have found that there is, of course, a continuing concern as to whether in fact the plant will ever be brought into reality, notwithstanding the jobs that are already in place in the mines there, as well as in the operation of the other smelter, constructed some years ago, which provides more than 500 permanent jobs today. With the current unemployment situation in Canada and, certainly, in that part of Atlantic Canada, I need not take the time of the House to underline how much this project means to the economy and to that area. We must continue to keep the project on the rails, to keep that pressure on the officials of the Noranda Group as well as on the Government Ministries involved so we can see that important project brought to reality.

As I mentioned earlier, when I listen to some of the contributions which were made with respect to what is happening in this country, I came to the conclusion that there is simply gloom and doom, that nothing is happening, nothing is being done. I have been given the opportunity to put some of the figures on record, and they are not miserly or conservative figures; they are substantial figures. These figures are not only in the millions, they are in the billions of dollars, and they are not only being talked about, they are in place. They are being expended now within the economy of the country. Those areas which are represented by Members who are able to show initiative in carrying out the work to create jobs in a positive sense, are the areas which will be able to take advantage of the benefits of those dollars which have been allocated, and they will not have to whine or cry about the situation in the country. We must appreciate and deal with the dynamic entrepreneurial skills which Canadians have proved in the past they have.

I invite, implore and urge all Hon. Members to take a very positive look at these excellent opportunities, certainly now with the interest rates coming down and with the upturn in the economy, according to the Conference Board and the Chambers of Commerce. The new Chairman of the Chamber of Commerce, who is from Moncton, New Brunswick, was talking about his optimism with regard to opportunities to create new industry and jobs. This, if we are sincere at all, is what we should be talking about and addressing ourselves to, in a collective and co-operative way, not in a negative way at all.

My purpose this afternoon, Mr. Speaker, is to make a positive contribution to this aspect of parliamentary procedure where the Opposition has a day to have a go at the Government and bring on a resolution. However, I must say that certainly this motion has been a feeble effort, as shown by its wording which is rather convoluted. Certainly the Opposition Members have demonstrated that they are not really prepared to discuss the issues. They have not brought any concrete recommendations or suggestions to the Government.

• (1750)

I would like to conclude by quoting the Prime Minister's speech of October of this year when he said:

> If we cannot fully employ ourselves in production, we must employ ourselves in preparation to produce and transport and complete and sell when the world is ready to buy.
>
> And if we are to be ready when the world is ready we must recognize another reality, the nature of the competition we now face. Recession has driven other countries, because they are determined or because they are desperate to compete harder to keep their share of a shrinking world market. We face a world, as I have said, where the survival of the fittest nations has become the rule of life.

That certainly will be true for Canada. I certainly hope, Mr. Speaker, that this afternoon I have been able to contribute once again toward the realization of that major project to which I made reference, one which will see the expenditure of millions of dollars and the creation of hundreds of permanent jobs, namely the zinc refinery at Belledune, New Brunswick.

Mr. Don Blenkarn (Mississauga South): Mr. Speaker, I was interested in the attitude of the Hon. Member for Restigouche (Mr. Harquail) when he questioned the Hon. Member for York-Peel (Mr. Stevens) and asked how a Member can possibly attack an investment by the Government in a business in or near his community. I want to say to the Hon. Member that Members on this side of the House were not elected to come to Government with a big pot of money to bail out their constituents, regardless of how it affected the economy of Canada. They were elected to do a job. That is what is wrong with the Government the Hon. Member is with. Members opposite have the idea that somehow they were elected to come here with the attitude that Government has lots of money, let's get some for my riding because that will make me a somebody. A bail-out by the Government, a free-lunch society, and that is what is wrong. Industry is developed by entrepreneurs, not by handouts. In the handouts we have made to the Hon. Member's riding over the many years of this Government have we created prosperity? Have we put people to work? Have we made that riding a viable place where people are going and business is prospering? What have we done with one DREE program, one handout program, one bail-out program after another? Is that an industrial strategy, or is that a strategy of welfare, unemployment and lack of prosperity? I say to you, Mr. Speaker, that is the kind of strategy the Hon. Member for Restigouche has advocated, that is this Government's strategy, and that is a strategy we must now defeat.

Let us speak positively, Mr. Speaker, about where we must go as a country. First of all, I say to Hon. Members opposite that we must have an industrial strategy of freedom. We have to remove the shackles of regulation and red tape from business. If you want to make people think, you have to make them free. Look at the restrictions in the oil and gas industry. They are not increasing production in this country one iota. Look at the restrictions on farmers. Can you really say that we are producing farm products as cheap as we can? Are you really helping the young farmer get organized and build and create

and grow in this country with the restrictions of marketing boards, regulations and red tape? Are you really improving transportation rates, making it cheaper to move goods, with one regulation after another which tells you what you must charge to move a certain product or person from one place to another? Are you really doing anything by not letting the competitive marketplace work? Are you really improving culture and the expression of opinion by one regulation after another, promulgated by the CRTC and the Minister of Communications (Mr. Fox)? Are you really improving the productivity of Canada with those regulations concerning the Post Office now before the Cabinet which will prevent municipalities having their employees reading the meter and delivering the bill at the same time, thus cutting the cost of delivering utility bills? Are you really doing something, or are you really trying to preserve a vested interest here, protect a vested interest there, and make Canada less productive, less profitable and with more people shuffling more pieces of paper than are really needed? Is it not the job of Government to be involved only where the vast public interest is at stake, not the minor public interest of some individuals who might want to be protected and maintain the status quo? Should Government not get out of these areas and give the entrepreneurial spirit of Canada freedom? Do we not need a strategy of freedom? I say to the Government, that is the strategy we need and that is the strategy we should start with.

Let us go on to another strategy. Let us talk about the strategy for investment. My friends from the New Democratic Party mentioned the Foreign Investment Review Act. It was brought up in Question Period today. There was concern that certain investors had bought certain buildings in Toronto and the rents would automatically go up because of it. What utter nonsense. Rent control is handled by the Province of Ontario. This Government should not be involved, and Members need not raise that issue in this Parliament. But what are we really concerned about? Let us look at foreign investment. The test now is whether that investment is of significant benefit to Canada. I say, Mr. Speaker, that almost every investment in Canada is of benefit to Canada. We need money to build, grow, to create plants and equipment.

We do not need to turn it off. What we should be looking at is whether the investment is likely to do significant harm to Canadians. The test should not be significant benefit, it should be: is this investment likely to do harm? Well, if it is going to do harm, then let us stop it. But almost always new investment, new technology, new people and new ideas create new opportunities for Canadians and new jobs. What we must do as part of our industrial strategy is to remove the shackles put on foreign investment.

We need to have another strategy, Mr. Speaker, the strategy of hands off. When I began my remarks I was speaking about the attitude of the Hon. Member for Restigouche. His attitude was that these Government programs were great because here he could, with his political influence, maybe get his constituents a dip in the pot.

I see it is six o'clock, Mr. Speaker. May I call it six o'clock and return after dinner?

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

At 6 p.m. the House took recess.

AFTER RECESS

The House resumed at 8 p.m.

Mr. Blenkarn: Mr. Speaker, prior to the dinner break I was talking about Government programs and about the strategy of "hands off". We have a Government policy that creates one program after another; a total alphabet soup list. Earlier this year I received a phone book, which was roughly one and a quarter inches thick, listing Government programs. Yet we heard the Hon. Member for Restigouche say that his job as a Member of Parliament is to make sure that his constituents can take advantage of these politically oriented programs. Surely, Mr. Speaker, his job is to do something for Canada, not to worry about the political orientation of Government programs.

That is the first problem with these programs, that they are politically oriented. They require someone to submit a brief; they require someone to examine that brief, and they require a grant or decision by the Cabinet, or whoever, that it is going to be of some benefit to someone for something. That is not the way to encourage business. It is not the way to build Canada. You do not build Canada with a bureaucratic nightmare of programs, but that is what we have today. What we have to do now is to eliminate as many of these programs as we can. We have to look at the programs and realize that we can get things moving in the country without this enormous expense list, this enormous bureaucracy, this enormous political influence in the economic activities of the country.

The number of civil servants required to administer the briefs, the payments made out of the envelope of the Department of Industry, Trade and Commerce, the extent of the applications and the quality of the applications, are staggering.

I should like to relate the story of a man who has some political affiliation and who came to my office one day. He told me that he was going to incorporate a company. He said that he knew his way around Ottawa, and he told me that he thought he should call the company "Rip Off Canada Limited". He said that if you know how to write a brief, you could get a grant or loan or something, and that was what his business pattern was going to be. He said "I will only take half the benefit from the businessman. He will get the grant and I will get half the grant, because I got it for him." The concept was "Rip Off Canada Limited", and that was going to be his modus operandi. That is exactly what is happening in the country today. That kind of thing cannot be part of building a nation.

My friend from Restigouche mentioned the fact that $5 billion was going out in this type of program, through regional expansion grants, EDP grants, loans and guarantees. Where are we going with this alphabet soup of programs? In this country have we developed the goal and growth we want? The answer is no, we have not. We would not have nearly 2 million people unemployed if we had developed them.

Just the other day the Hon. Member for York-Peel remarked to me that the unemployment rate is really 20 per cent if you take the Government out of the statistics. Twenty per cent of the people of Canada work for Government one way or another, and they are not laid off. The lay-offs are taking place amongst people who produce real goods and services in the country. That is where the unemployment is, Mr. Speaker.

Statistics show that there is 12.7 per cent unemployment, but statistics do not show that the number of people allegedly in the work force has been reduced by over half a million in a year. The fact is that we have massive unemployment, yet we have this myriad of programs that are supposed to do something. They are politically oriented programs and will not take us anywhere. When John Bulloch appeared before a Committee of this Parliament he told it that over 50 per cent of programs were of absolutely no use to small business and should be abolished. We should get rid of the burden, get rid of the people and get going. We should give business an opportunity to work.

We must have a tax strategy, Mr. Speaker, to encourage growth, not consumption. What have we got from the Government so far? On November 12 we had a budget that discouraged growth, discouraged innovation and new productive machinery by increasing the length of time it takes to amortize the cost of that machinery. In these times is it not appropriate to allow 100 per cent capital cost write-offs for new productive machinery? If you really wanted to increase productivity, is that not what you would do? Would you not tell a manufacturer to buy a piece of machinery that would make things faster and better or to buy robotics or tools that would make him more productive and efficient and able to compete and that he would be allowed to write off the cost in the year of purchase? Is that not what we should do? That is not what we get from a government which is greedy for more money, greedy for money to supply its programs and to feed its amazing bureaucracy. What we want is growth and productivity, but we have not had them.

• (2010)

Should we not have a tax policy in terms of economic development in the poorer regions of the country that ought to provide for tax allowances well in excess of capital costs in the normal sense? Rather than grants, the Government should say to people that they will have a 200 per cent write-off if they invest in depressed areas of the country. They should be told that if they make a profit, they can go home, put it in their pockets and not pay taxes. This is the way things should be done. It should be done by encouragement and by using the tax policy of the country to create productivity, not discourage it; to create savings, not discourage them.

What kind of tax policy was presented last November? The other day the Hon. Member for Etobicoke Centre (Mr. Wilson) asked the Minister some questions with respect to the November 12 budget. He suggested that the Government should rip up that budget, and the Minister said, as reported at page 20615 of *Hansard*:

> —I still maintain that most of those changes which were proposed by my predecessor were fair and just changes. However, the economic environment has significantly changed in the meantime, and we had to make adjustments. Those adjustments are what I have made. However, in terms of equity, I am fully behind the decisions taken by my predecessor in that respect. I think he was right in recommending them to the House.

The answer is clear, that the Government does not believe in growth, in savings or in productivity, but in something called bureaucratic equity. We will not build a country on bureaucratic equity. We build a country by giving entrepreneurs a challenge, a hope of profit or the sizzle of return. We do not build it by regulations or tax positions which are somehow related to something called bureaucratic equity.

Time is running short. The next strategy we must have is one of fairness. The taxpayers of the country are entitled to feel that when they pay their taxes to the Government they will be fairly treated. What is fair about a manufacturer paying his share of taxes only to find some Government Department giving an interest-free loan to his competitor? What is fair about guaranteeing, as the Government did in the Maislin case, the loans of one transport company when there are 15,000 in the country, as if it were a necessity, as if some other transport or truck driver or someone else could not have picked up the Maislin licences and served the public just as well? It is a question of fairness. The bail-outs by the Government have not been fair because they have tended to assist the losers at the expense of the winners. What sense of fairness is this to the business community when a person who is successful is penalized to support the person who has proven management incompetence? Did they improve the farm machinery business by bailing out Massey? To take a look at what happened to Versatile tractor, to White or to International Harvester, did they really create jobs and improve the farm machinery business? Did they really accomplish anything for Canada, or did they just blow $125 million of taxpayers' money down the sewer?

Mr. MacKay: What about Consolidated Computer?

Mr. Blenkarn: Yes, what about Consolidated Computer, as my friend says? Let us take a look at some of the other Crown corporations.

Mr. Towers: Canadair.

Mr. Blenkarn: We will have an opportunity tomorrow in committee to take a look at Canadair. We must have a strategy of confidence. People have to be confident when they deal with the Government or any government of Canada that they will have a fair shake, that when they invest in something, the Government will not unilaterally and by retroactive taxation

take it away from them. When people purchase Canada Savings Bonds and the Government of Canada says that those people can accumulate interest on them for the eight or nine years, is it fair to then say that in three years they will have to pay income tax on the accumulation?

This year the Minister of Finance (Mr. Lalonde) sold cumulative bonds. At the same time he did not tell the purchaser of Canada Savings Bonds, who bought them on a cumulative basis, that in 1985 they will have to pay tax on their earned interest. That is what the budget indicates, that is what he did.

How can one have confidence in a Government which lies, misrepresents, seizes assets retroactively or changes the tax treatment of a business expense? How can one have confidence in a government which says to a public servant who has paid a 1.5 per cent extra premium for an indexed pension that somewhere along the line it does not have to honour that guarantee?

Mr. Deputy Speaker: I regret to interrupt the Hon. Member but his allotted time has expired. He may continue with the unanimous consent of the House. Is there unanimous consent?

Some Hon. Members: Agreed.

Mr. Blenkarn: I thank the House; I will try to be exceptionally brief.

I should like to speak of the attitude of the Government toward co-operation with other elements in the governmental system. Over a very short period we have had a Government which has said that co-operative federalism is dead. Unfortunately or fortunately, as one looks at it, we have a system of government in Canada which essentially depends upon two levels—the Provinces and the Federal Governement. When we wind up in a continual conflict between one element of Government and another, we wind up with a situation where taxpayers, entrepreneurs, business persons and people in every walk of life do not know where they stand. It is essential to have a federal-provincial conference of First Ministers on the economy. The situation in the country in terms of employment is desperate.

The other day in the Senate of Canada the Government introduced Bill S-31. It was designed for no other purpose than to cause a war between the federal Government and provincial governments. If we are to have a strategy on which to build the country and put people to work, we must get rid of the confrontational concept of government. I say seriously that we must be finished with the idea that governments are opposed to each other. Surely we elect provincial governments and we elect federal governments. Surely it is the same voter. Surely the voter's interest is to make things work efficiently. The concept of confrontation must cease. Bill S-31 must be withdrawn. A federal-provincial conference must be called.

Mr. Deputy Speaker: I should like to indicate to the Hon. Member that Bill S-31 is not before the House. I invite him to keep his remarks to the subject before us.

• (2020)

Hon. Ed Lumley (Minister of Industry, Trade and Commerce and Minister of Regional Economic Expansion): Mr. Speaker, I appreciate the opportunity to participate in this debate for several reasons. First, as Hon. Members who have sat through this debate will understand, we have heard only a couple of constructive suggestions tonight. However, by and large what have we really heard? We heard some Hon. Members in the Opposition say, cut the deficit. Others said, spend more money; give more money to industry; create more jobs. Other Hon. Members said, strengthen FIRA, while others have said that we must let more investment into the country and that we should relax FIRA procedures. One Hon. Member from one Party was up endorsing the report of—

Miss Jewett: You don't even know which Party.

Mr. Lumley: —the Special Committee on the National Trading Corporation. That Hon. Member will recall that there was a split among the Parties in the House with respect to the National Trading Corporation, and the Government decided for the time being not to go ahead with it. Yet, at the same time, the Hon. Member's Party advocates that the private sector should be left alone. There is one sure thing we can see from the debate tonight, that is that there is no unanimity in the Opposition with respect to the motion before us. Let me quote one part of the Opposition motion. It reads:

> That this House condemns the Government for its failure to increase exports of Canadian manufactured goods—

It is rather ironic that on this very day the largest export contract in the manufacturing sector in the history of Canada was signed this afternoon.

Mr. Stevens: It was a gift, a $300-million gift.

Mr. Lumley: If my colleague, the Minister of State for International Trade (Mr. Regan) were here tonight, he would be talking about what has happened to the economy of Canada with respect to exports in the last couple of years. Since I have had some small part to play in this activity, I would like to cite a few figures for my colleagues. The latest StatsCan figures are for September, 1982. In these figures we find the following:

> The Canadian trade balance on manufactured goods (using the proxy of inedible fabricated materials plus inedible end products) improved dramatically in September and in the first nine months of this year when compared with the position of a year earlier. In the first nine months of 1982 there was an estimated surplus of $3,837 million in Canada's trade in all manufactured goods compared with a deficit of $2,627 million in the comparable period of last year—an improvement of some $6.5 billion.

How the Opposition can condemn the Government for not increasing exports in Canadian manufactured goods when this year we will have the largest merchandise trade surplus in Canadian history is beyond my comprehension.

Mr. Stevens: How about manufactured goods?

Mr. Lumley: Let us take a look at several other aspects of our international trade figures. First, in the last couple of years

our trade as a percentage of GNP has increased from the historic level of 25 per cent to almost 33 per cent.

Second, one of the Government's priorities, and I am sure the Opposition's, is the diversification of our trading markets. Of our total trade the U.S. has fallen from the 70 per cent mark to around 65 or 66 per cent. In other words, our trade is more diversified now than at any other time in Canada's history.

One of the other areas the Government has been concentrating on during the past couple of years is with respect to its trade strategy. I say trade strategy because the Government in essence adopted a trade development strategy for the first time in modern history with its focus on major capital projects. For example, the Bombardier contract which was announced today will create 25,500 person years of work in Canada.

Some Hon. Members: Hear, hear!

Mr. Lewis: That is a campaign team clap.

Mr. Lumley: The main reason for concentrating on capital projects is the sale of capital goods. I am sure all Hon. Members will join with me in praising the Canadian manufacturing industry as well as the Canadian consulting engineering industry, as a matter of fact, all Canadian business, because it has maximized trade potential in these major capital projects during the last two years, far more than at any other time in Canada's history. For instance, there is the General Motors contract with the U.S. worth over $1 billion in the sale of armoured personnel carriers. Our largest World Bank financed contract was the Suralya Power Project, obtained by Babcock and Wilcox. I might indicate that there was some insinuation from one Hon. Member that we assist only those constituencies that are represented by those on the Government side of the House. This project happens to be in the constituency of an Hon. Member on the other side of the House, the Hon. Member for Cambridge (Mr. Speyer).

There is one important aspect to our trade which very few people in this House realize, and that is that over 70 per cent of Canada's total trade is in some form of manufacturing. We are not the hewers of wood and drawers of water that some Members of this House and some members of the public would like to make us out to be. In terms of manufactured goods in the export market, what has also happened over the last couple of years? What are some of the other constructive measures this Government has taken?

In the first place, the Government of Canada, two and a half years ago, decided to get into the matching export subsidy business. This increase of manufactured goods in export markets is not just by coincidence. For example, we started to make better use of parallel financing in the countries where CIDA assistance was available. We introduced a new financing facility called Credit Mixte to provide Canadian industry with competitive financing to enter into those middle-income markets which did not have a facility before. The PEMD Program is a program for export market development. Companies all across Canada, especially small and medium-sized firms, have been involved in this Program. The Program was expanded from $7 million to $21 million.

In only 20 minutes Mr. Speaker, we do not have too much time to get into all the specific aspects of the Hon. Member's motion. With respect to the portion on providing incentives for training opportunities, if my seatmate, the Minister for Employment and Immigration (Mr. Axworthy) were here tonight and had the opportunity to speak, I am sure that he would talk about the new National Training Act. Over $1 billion from the federal Government this year has been allocated to it. That, I might add, was with the full co-operation of all the Provinces and all the Parties in the House of Commons. Over 250,000 people will be trained under the new National Training Act.

One part of this program that I think addresses the question raised by several Members concerning high technology is the major skilled growth fund. This provides financial assistance to employers, provinces and non-profit groups to help modernize training facilities and to help adjust our labour force to the high technology industries of the future. Most important are our human resources. The Minister of Employment and Immigration over the past two and a half years has more than addressed himself to this particular aspect.

In the motion of the Hon. Member for York-Peel there is mention of an industrial strategy. I would like to call his attention to the November 1981 budget, wherein a special document was produced by the then minister of finance, "Economic Development for Canada in the 1980s". The Government of Canada did not just introduce an industrial strategy, it produced an economic strategy. I would suggest that the Hon. Member for York-Peel and his colleagues read this particular document. If they look at the contents of the document, they will find that the priorities are set out clearly for all to read. There are five major priorities. They are: developing industry, developing natural resources, developing transportation, developing exports, developing human resources—

Miss MacDonald: When are you going to do it?

Mr. Lumley: One can also find the Government's policy direction on ownership of private industry—the Government and the private sector; federal-provincial relations; the international competitive environment, etc. The Government more than produced an industrial strategy. This document sets out a guideline for each and every economic department to follow during the course of its daily operation.

Miss MacDonald: When will it begin?

Mr. Lumley: Let us take a look at the section on industry, Mr. Speaker. One can read our objective for industrial and regional benefits from major projects; industrial investment and innovation; and industrial adjustment obviously. I do not have the time to indicate the details of the specific document—

Mr. Stevens: Mr. Speaker, I rise on a point of order. Would the Hon. Member entertain a question? It is very simple. I

know the program he is referring to, but when is it to be executed?

Mr. Lumley: Mr. Speaker, most of it is being implemented since the document was introduced in 1981.

For example, let us consider a couple of programs which the Government has introduced. I will deal with the industrial side. I think I have already addressed the trade component. If the Hon. Member would like to go through the document, I am sure this can be verified. In October, 1981, just prior to the publication of the document entitled "Economic Development for Canada in the 1980s", the Canadian Industrial Renewal Board was created. It is responsible to our Department. The Board consisted mainly of businessmen from the private sector. Its mandate was, first, to promote the revitalization of the textile, clothing and footwear industry; second, to promote the strength and diversification of the economic base of regions which are heavily dependent on these industries; and third, to assist workers misplaced as a result of industrial adjustment in these sectors. This program, worth about $267 million, as I recall, was initiated around the same time as the economic development strategy was put forward by the then minister of finance. The Industry and Labour Adjustment Program—the ILAP Program—is a $350 million program which includes subsequent designations of communities for benefits under the program and designation of the major appliance sector and the autoparts sector for aid under the industry specific restructuring program portion of the ILAP.

• (2030)

The Hon. Member for York-Peel (Mr. Stevens) asked when some of these programs will be implemented. As I recall his opening comments, he said that the time for talk is over. He obviously has not been paying attention to my colleagues and me in the House during the past two and a half years, otherwise, he would be aware of the number of programs that have been initiated by this Government. I do not know how much time I have left, Mr. Speaker, but my officials have provided me with about 50 pages containing the programs and projects that have been initiated by this Government. I have only outlined a couple of them.

Mr. Stevens: Look at the results.

Mr. McDermid: I am sure they have.

Mr. Lumley: Obviously the Opposition does not want to hear about what has been done. That is fair game. The Opposition wants to indicate to the Canadian public that the Government has done nothing.

Miss MacDonald: Hear, hear!

Mr. Lumley: Yet they do not want to listen to the Government's response. The Opposition wants to indicate that the Government has been in competition with the private sector. They say to let the private sector do its own thing, as I understood one Hon. Member to say. In the area of trade, the Government has been an active partner, in a complementary sense, with the private sector. I would suggest to Hon. Members in the House that if they do not believe that the private sector has been happy with what we have done with respect to international trade, they should look at the statements emanating from the Canadian Manufacturers' Association, the Canadian Exporters Associations or the Canadian Chamber of Commerce. I am sure the indication is that we have been both an active and a complementary partner with the private sector.

Let me deal briefly with the sectorial strategies. In the last two or three weeks I have undertaken discussions with several individuals in the private sector, including both labour and management, regarding the possible implementation of task forces in the automobile and the aerospace sectors to report within a maximum of four months. The House knows that the Government has undertaken to set up a task force with respect to the fisheries sector and that we are looking at petrochemicals as well. We have already undertaken a review of the shipbuilding sector, and that report will soon be announced.

In establishing the sectorial task forces in this way—

Miss MacDonald: Again.

Mr. Lumley: It is not again. I would like to say to the Hon. Member for Kingston and the Islands (Miss MacDonald) that it was this Government in 1977-78 that established the 23 sectorial task forces which included business, labour and Government. I think the results were very beneficial to the Canadian economy.

Mr. Stevens: What did you need the Macdonald Commission for?

Mr. Lumley: When the Hon. Member's Government took office in 1979 I do not recall their restoring those industrial task forces or taking advantage of the input which the private sector made at that time.

Mr. Lewis: I love the results.

Mr. Stevens: What about the Macdonald Commission?

Mr. Mazankowski: Go to confession.

Mr. Deputy Speaker: Order, please. The Hon. Minister has the floor.

Mr. Lumley: Mr. Speaker, one of the Hon. Members opposite talked about too many programs. I happen to agree with him. One of the priorities of our Department is to scrunch those programs. Right now, we have approximately 87 major programs. We will try to reduce this to about thirty, and we are down to about 50 at the present time. We are not doing this for reasons alluded to by the Hon. Member. The main reason is that this Government has a sincere desire to develop the economy in every region of this country. We also have a desire to encourage more small and medium sized businesses across Canada to take advantage of the Federal programs that are available to them. The difficulty is that the majority of the programs are just too complicated, and they are mostly delivered here in Ottawa. Thus one of our major priorities is to

diversify the decision-making and delivery mechanism of all these programs. In the next couple of months I hope to be able to make an announcement in this regard.

Mr. McDermid: Is Industry, Trade and Commerce moving to Stephenville, Newfoundland?

Mr. Lumley: You are right, Stephenville, Newfoundland and Sydney, Nova Scotia. There are two of our priorities, Mr. Speaker.

In the remaining minutes that I have, I want to make some comments about productivity. There is no doubt that improving Canada's productivity must be the priority concern of both the Government and the private sector as Canada evolves from the current recession, a concerted and national effort is needed on the part of Government, business and labour in order to bring down inflation and undertake productive investments, which will, in turn, strengthen the competitive position of Canadian firms in domestic and, more important, export markets. In this context, our Department will be focusing its policies and programs on the promotion of productive investments in areas of strategic importance to Canada from an industrial and regional development and adjustment viewpoint.

Mr. Lewis: Like Maislin.

Mr. Lumley: Policies to support both the development and the utilization of advanced technologies will be an important aspect of the strategy. I will be consulting extensively with the private sector and with labour to ensure a strategic focus in a co-operative manner for our Department's activities, and to ensure that the Department's initiatives are carried out in a co-operative manner with the private sector.

While I was talking about productivity I heard a comment from the Opposition with respect to bail-outs and a few companies.

Mr. McDermid: Tell us about Maislin.

Mr. Lumley: I would like to ask those Hon. Members if they would have let Chrysler Corporation—

Some Hon. Members: Yes.

Mr. Lumley: —and Massey-Ferguson go down the drain?

Some Hon. Members: Yes.

Mr. Lumley: The Opposition would have let all those jobs go down the drain. I find that incredible, Mr. Speaker, when I hear Hon. Members talking, on the one hand, about job creation, high technology, exports, and then saying that they would let the Canadairs, the de Havillands, the Massey-Fergusons and the Chryslers of this world go down the drain.

I think the Chrysler Corporation story is one of the great success stories in the past couple of years.

Mr. Lewis: How many cars are coming off the line today?

Mr. Lumley: I am surprised at these Hon. Members who talk about job creation—

Mr. McDermid: What about Coca-Cola?

Mr. Lewis: Bail it out.

Mr. Lumley: The Chryler Corporation guarantee has not cost the Government of Canada one single cent to this day.

Mr. Lewis: Yet.

Mr. Lumley: If we had lost the Chrysler Corporation, 40,000 people would have been added to the unemployment rolls in this country on the first day. If you go back two years, that is 40,000 people who have been employed for two years in the private sector without the cost of one cent to the people of Canada.

Mr. Mazankowski: Tell us about some of the people you threw out of work with the National Energy Program.

Mr. Lumley: I do not know how the Opposition considers return on investment. In my opinion, when the Government of Canada, by undertaking a guarantee, can keep 40,000 people working for two solid years, that seems to me to be a good return to the country's taxpayers.

I see that my time is coming to an end, and I can tell by the animation shown on the opposite side that they have at least heard my speech tonight. That is a welcome change.

I would like, Mr. Speaker, to reiterate the three main goals of our Department. First and foremost, and I believe that all Members will agree, is the goal to create jobs. The second goal is to help provide a stable economic environment for the private sector in this country. The third goal is to pursue balanced industrial growth in support of Canadian regional development objectives.

I would conclude by saying that I agree with the Hon. Members who have said that what we need in this country is more co-operation and less confrontation. I believe that, with the help of all Members in the House, we will achieve those goals.

Mr. Simon de Jong (Regina East): Mr. Speaker, there is much in the motion introduced by the Conservative Party with which I concur. I condemn the Government also for not having introduced its promised comprehensive industrial strategy, its failure to produce specific strategies to harness the potential of Canadian industry and to promote the advantageous utilization of Canada's human and natural resources and for its low level of research and development in Canada. Indeed, there is much in the motion that I think any fair-minded Canadian would have to agree with and say that what is lacking is a sense of direction and purpose and an effective national strategy to restore our economy and put the country back on its feet. This would offer some hope to the unemployed and particularly to the young men and women who are graduating from the universities without any prospect of meaningful employment.

• (2040)

The record of the Liberal Government during the 1970s and even during the 1960s in the area of research and development is appalling. I think much is already contained in various commissions and studies, to which the Hon. Member referred, regarding the low level of research and development in Canada during the seventies. The percentage of R and D as a percentage of the gross national product dropped to 0.9 per cent. That was around the same level as the expenditure of research and development in countries such as Ireland and Portugal. What happened during the seventies, the years, the decade of Liberal neglect, was that our university research facilities have deteriorated. Studies have shown the deplorable condition of the equipment in our universities. There is no immediate prospect of funding to modernize the equipment which is so badly needed by the research community in Canada. Indeed, if the Government were really committeed to having a strong research and development sector in Canada, I would suggest it would immediately introduce emergency funding to update the existing equipment in our universities. It would be a significant and also a symbolic gesture to show the Government's commitment to improved R and D in this country.

During the seventies also, under the leadership of the Liberals in Government, we saw a massive brain drain. In fact, the projections are that even if we do accomplish our 1.5 per cent of GNP toward R and D, the goal which was read to us during the Speech from the Throne which opened this Parliament, there is grave doubt that there will be enough trained manpower to fill all the scientific positions because of the starving of funds for the scientific community.

Much has been done to blame workers in this country. It is a favourite pastime of our Conservative friends and the Liberal Government to blame Canadian labour. They say Canadian labour is not productive. I would suggest that the fault lies in part with the Government opposite, because during the 1970s, when industry should have been reinvesting in research and development and in more modern plants and equipment, it did not do so. There was a dismally low level of research and development in Canada, below 0.9 per cent of the GNP. In part, both Government and private industry are to blame. The fact that major industries in this country are branch plants of larger multinationals has meant that very little research and development has occurred in the Canadian subsiduaries. It has meant that very little capital has been reinvested in new equipment. In other words, the cream was taken off. Dividends were distributed to shareholders all over the world without the desirable amounts of money being returned for new equipment. Both industry and Government, and industry's lackeys, the Conservatives, have the gall to put the blame on Canadian workers.

To me, productivity is very simple. It is the difference between a person who saws 24 hours a day with a handsaw and another who spends three hours sawing with an electric saw. The person with the electric saw, of course, will be more productive than the person with the handsaw, and it does not matter how motivated they are in their work. The person with the handsaw can have the highest motivation and put in 24 hours a day, yet he will produce less than the person with the electric saw, with some new equipment, with the means to produce more.

Yes, indeed, there is a need for an industrial strategy and, in fact, I would say there is also a need for a social industrial strategy.

The underfunding of the social sciences was another area of Liberal neglect during the seventies. It consisted of the starving of funds for social sciences in this country and the squeeze on the universities. Surely the Government opposite must share a fair amount of the blame for that. We in the New Democratic Party have been calling for an industrial and social strategy for years. In fact, it is a major tenet of our philosophy that one must have some national strategies and establish some national goals in order to bring together industry, science and government into a cohesive whole. If one does not have these strategies, and if one relies upon the blind mechanism of the "market", one will essentially have economic and social anarchy and, indeed, that is occurring today.

I therefore find it somewhat amusing that the Conservatives, in their Opposition motion, should be calling for an industrial strategy, yet most of the speeches I have heard today suggest that that strategy should be one of letting the marketplace take care of things. They suggest that we should just let Government back off, and let the captains of industry, banking, finance, et cetera, make those decisions which will drive the engine of industry and create new science, new research and new developments. I find it just amazing that, on the one hand, they are calling for an industrial strategy and yet, on the other hand, they are saying that the public has no influence or important part to play in the economic life of this country or in the degree of research and development we will have in the future. I find it amazing, especially when I hear people in the Conservative Party who should know better mouthing that line. In this age of rapid scientific discovery and innovation, the public sector has a tremendous need. In the areas of protecting public health and the environment, there is a tremendous need for Government regulation, and concern. However, my Conservative friends say we should do away with all these regulations.

Mr. Stevens: No, we do not.

Mr. de Jong: Yet they are the first ones to complain when private industry has failed to live up to its public responsibilities or when the Government has failed to enforce the public interest. May I take as an example, the case of urea formaldehyde, a new technological innovation which has been proven dangerous to human health. Are the Conservatives suggesting that we should have even less public regulation and have more urea formaldehyde type of situations occurring?

Mr. Stevens: Who led business into it?

Mr. de Jong: Is this the case? However, when the accident occurs, they insist that Government should solve the problem and fix up the mess.

Mr. Lewis: Welcome to the issue!

Mr. Blenkarn: If you had not had Government in it in the first place, you would not have had the problem.

Mr. de Jong: My Conservative friend suggests that if we had not the Government in the first place, we would not have had the problem.

Mr. Blenkarn: Of course not.

Mr. de Jong: Mr. Speaker, it is this kind of thinking that really has me puzzled about my Conservative friends. The problem with the Conservatives is that they are trying to ride both sides of the fence, and I am sorry, but it does not add up.

In the area of rapid technological innovation, there is a tremendous need for public concern and interests to be protected, particularly—

Mr. Blenkarn: Who is going to do that? The policeman?

Mr. de Jong: My friend asks who will do that. There is only one body which has the ultimate responsibility for the public, and that is this institution.

Mr. Blenkarn: More policemen.

Mr. de Jong: That means Governments and that means the strong public sector. If the Conservatives cannot intellectually understand that, they could at least be honest and stand up and say so.

Mr. Blenkarn: We understand it.

Miss Jewett: They are on both sides of the issue.

Mr. de Jong: The history of this country has always dictated an important role for, the public sector—economically, as in the development of the CPR, and culturally, in the development of institutions like the CBC. It has been recognized most in this country that if matters are simply left to the market forces, our provinces would have become additional States in the Union.

Mr. Blenkarn: Nonsense!

Mr. de Jong: A conscious public effort is needed to withstand that pull south. The same is true in the area of research and development. While the Conservatives call for more research and development, and I totally agree with them, how do they propose to get more research and development?

• (2050)

Every major study has indicated that the main problem with research and development in this country is that the private sector in Canada does not invest in R and D as they do in the United States, Japan, Germany, and Great Britain.

An Hon. Member: How do you know that?

Mr. de Jong: Because every study on the subject has indicated that the branch plant economy, the nature of our economy, dictates against the development of our industry in this country. That is the result of studies of economists, sociologists and accountants. These are not ideological figures; they are not political figures; this is the bare-bones reality of where we are at in this country.

Where are the solutions and how are we going to come to these solutions? Unfortunately, the solutions are not alluded to in the motion and the speeches we have heard today.

There is a tremendous need for an industrial-social strategy. Many countries in the Western world are experiencing unemployment at significant levels. There is no immediate hope that that situation will change in the next couple of years. It seems that the economies of the Western world have reached a certain plateau. Many governments now are making a mad dash, hoping to gain some leadership in the only growth area in most economies, the high-tech industries.

The interesting contradiction is that most of those technologies will cause increased unemployment. The new microtechnologies will mean the massive lay-off of hundreds of thousands of clerks. What is missing is a national, social and economic strategy because we are going into the twenty-first century, whether we like it or not. We have essentially two choices. One is to proceed in an unplanned way, in a reactive way, trying to solve the problems as they are created. The alternative is to plan for the changes; to develope some strategies in order to control the pace and direction of these changes so they will have a minimum negative effect on Canadians. Those are the two choices we have.

To me a national economic and social strategy will bring together members of industry, labour, universities and the scientific community. There should be a give-and-take and some co-operation. The only way we are going to survive as a society is through that co-operation because these new technologies will be coming and they will have both a positive and a negative impact upon our society. Yet what I see from the Liberals is just continuing blunder after blunder after blunder. We are going to blunder into the twenty-first century.

Mr. Stevens: They are following your policies.

Mr. de Jong: My Hon. friend from the Conservative Party says that they are following our policies. May I suggest that what the Liberals have done is to give Government a bad name. Years of mismanagement have brought disrespect to the public sector, and I blame the Liberals for that. The Liberals like the Conservatives, they have never believed in a strong public role in managing the economy. That is why it is an ongoing program of blunder and blunder.

We are going to go into the twenty-first century and we are going to have technological innovation, whether it comes from within Canada or without, or whether other countries are going to take the lead. In fact, many other countries now are investing huge sums of money into R and D. I refer to France where agreements between labour, industry and government have meant a massive increase in their R and D expenditure. They are going to take a massive leap, especially in the fields of microtechnology and bio-engineering. Telidon, or their

version of this technology, is being introduced on a massive scale. Whether we like it or not, the twenty-first century is going to come to Canada. It is just a question of how prepared we are going to be for it.

There are certain questions I believe we should ask in discussing R and D. We should also be concerned about the qualitative and not the quantitative aspect of R and D. Research and development for whom? Who will benefit? Who will pay what price? Perhaps we should also look at other forms of technologies. There is a whole other field rarely discussed called appropriate technology. These are the technologies like the innovation of new airtight wood stoves that allow massive decreases in fuel consumption, that reduce the cost of living of average Canadians, make us as a society more self-sufficient and less dependent upon non-renewable resources like the fossil fuels.

Perhaps there are other innovations that will reduce the cost of living that Canadians have to face every year. Those would be technologies and innovations that would reduce the cost of living, that would make it easier for Canadian men and women to live and would require less income on their part.

There are new technologies in alternate energy. Perhaps we can develop new technologies in home construction. I estimate that the Canadian family has to spend up to $750,000 in their lifetime to pay for their housing. Perhaps we can develop new forms, new technologies and new means by which housing can be supplied so that it is no longer necessary for an average family to earn $750,000 just to pay for their housing, therefore, making it less necessary to earn that income.

Perhaps we will never again have full employment. If that is the case, how can those who are unemployed, through no fault of their own, gain the income to buy life's necessities, how can they survive? Are they, as victims, to be blamed, to be called lazy and parasites on society? I do not think so.

I think there are possibilities for Canadian ingenuity to develop other social forms, to develop appropriate technologies that would allow a meaningful existence to all people. We have the brain power, we have the resources. I know there is a natural will in the country to come together and work toward some collective goals. What we need is some leadership. We have not seen that leadership.

In conclusion I thank the movers of the motion for presenting this resolution. It is an important motion. I think it should be debated in terms of its full meaning. Perhaps out of such debates we can begin to come to some understanding as to what an industrial and social strategy really should include, if we are to survive as a society.

• (2100)

Mr. Maurice A. Dionne (Northumberland-Miramichi): Mr. Speaker at the beginning of my remarks tonight I think it is important that we take a look again at this motion which the Tories put on the Order Paper for today, and to look at all the imagined failures for which the Opposition is condemning the Government, for failure to introduce a comprehensive industrial strategy to rebuild the Canadian economy, for failure to produce specific strategies to harness the potential of Canadian industry to promote the advantageous utilization of Canada's human and natural resources, for failure to increase exports of Canadian-manufactured goods, and for failure to provide incentives for training opportunities and to the private sector for new and increased levels of research and development in Canada.

Miss MacDonald: Hear, hear!

Mr. Dionne (Northumberland-Miramichi): The Hon. Member for Kingston and the Islands (Miss MacDonald) is applauding that. The only thing, Mr. Speaker, they did not condemn this Government for failing to do was moving the Canadian embassy from Tel Aviv to Jerusalem. They will probably get around to that one of these days also.

Let us look at that motion and at some of the speeches the Opposition has made here in this House today, and we will start with the Hon. Member for York-Peel (Mr. Stevens). He started off by saying he was going to be positive, then proceeded to be negative once he finished listing some of the great inventors of Canada. And when it comes to inventing and being a great inventor, the Tory Party will probably go down in history as being one of the greatest inventors of political scams in history. The Hon. Member says this Government is still trying to turn trade around, and he went on to talk about some of the trade deficits which the country had. He chose, of course, the year 1979 when he said the trade deficit was $18 billion. Naturally, the Hon. Member went back in history, as Tories always do, because he did not want to talk about the last three years in which the trade surplus for Canada has been the largest of any three years in our history. In fact, for the first three-quarters of this year, the trade surplus is over $14 billion, while in the third quarter, the U.S. trade deficit was over $13 billion. These are the great free enterprisers and entrepreneurs which the Tories opposite hold up to us as an example when they want us to increase our trade.

It is odd, Mr. Speaker, that the Hon. Member conveniently forgot the three latest years which have been the best trade years in our history. He then spoke about the deficit and he compared it to the U.S. deficit and said our deficit is twice as high on a per capita basis, and the U.S. is, of course, more worried about their deficit than this Government is. I do not argue with that, Mr. Speaker, but the U.S. Government is a whole lot less worried about their poor and their ill than this Government is, because this Government believes in protecting the people of this country from forces over which they have no control, like unemployment and illness, and that is what the Tories conveniently forget to put on the record.

The Hon. Member then condemned the Government, and the very Minister at whose Department this motion is aimed, for giving additional capital funding to de Havilland and Canadair. I would like to hear him explain that to his constituents in the Toronto area, because he says it would have been better spent in providing research and development. Apparently, we are to follow the example of the Diefenbaker Government in cancelling the Avro Arrow. But the Hon. Member

fails to mention, of course, at the same time, how much of that capital money de Havilland and Canadair have put into research and development in this country to keep aerospace workers employed, and to develop new aircraft, some of the best aircraft in the world for the purposes for which they were developed.

An Hon. Member: What about the Challenger?

Mr. Dionne (Northumberland-Miramichi): The Hon. Member opposite wants to talk about the Challenger. I would be glad to talk about the Challenger because it is the finest executive jet aircraft built to date. And that is what bothers the Hon. Members opposite. When they see a company which happens to be owned by the people of Canada doing a good job, they become very upset about it. de Havilland has developed two of the best short take-off and landing aircraft in the world. Yet the Hon. Member for York-Peel would have that go down the drain, for some odd reason. He was not the only Hon. Member who spoke about these companies. There was one other Tory member, and that was the Hon. Member for Mississauga South (Mr. Blenkarn), who conveniently left out de Havilland. He only talked about Canadair because that happens to be in Montreal and not Toronto. A good deal of the money which has gone to these two companies, Mr. Speaker, has in fact gone into research and development, the kind of research for which this country is richer.

I am not going to say much about the New Democratic Party because, generally speaking, their remarks were much more positive than those of the Tories. I might just comment on the remarks of the Hon. Member for Regina East (Mr. de Jong), the last speaker for the NDP. He said we were going to blunder into the twenty-first century. He is probably right. Then we heard from the Hon. Member for Vegreville (Mr. Mazankowski) who has a pretty good reputation in this House. He was making a great plea to give private sector a free hand. I do not mind that at all, Mr. Speaker. I think it is good to have a private sector. But the Iron Ore Company of Canada had a pretty free hand, and there is a rather famous Tory who has been promoted on his great management skills in that company, and it is not doing so hot these days. They are walking away from a community which will be dead if they do, along with several other ancillary communities which are dependent on that mine and that production.

An Hon. Member: Talk about Uranium City.

Mr. Dionne (Northumberland-Miramichi): Yes, I will talk about Uranium City. That is a tragedy also, but I do not go around bragging about it as the Tories do. If an operation in which the Government is involved fails it is a great tragedy, but when a whole town may be devastated by private industry walking away from it, that is fair game. Let us be consistent in our logic and not continually use Tory logic, which does not seem to be any logic at all.

An Hon. Member: You are still smarting over the New Brunswick election.

Mr. Dionne (Northumberland-Miramichi): I am not smarting a bit over the New Brunswick election because I was not part of the New Brunswick election. I did not have to be elected in that election, and I will worry only about the next election in New Brunswick.

An Hon. Member: You told me what was going to happen. You were 180 degrees out.

Mr. Dionne (Northumberland-Miramichi): I might have been. I will not argue that. But the voters have spoken and I accept it, and that is something the Tories have never done. They have never accepted the verdict of the voters unless, of course, it is one of those rare occasions when they happen to be victorious.

We had the plea from the Hon. Member for Vegreville to give private enterprise a free hand. We did that with Hawker Siddeley in Nova Scotia and with Clairtone and Brickland, and Massey-Ferguson, Admiral, Chrysler and Maislin, a whole list of them. They were all great exponents of private enterprise, until they got into trouble and made their pilgrimage to Ottawa to get money from the Minister of Industry, Trade and Commerce (Mr. Lumley), then hightailed it back home to condemn the Government for being involved in private enterprise. You cannot have it both ways, Mr. Speaker. It is either fish or fowl, it cannot be both.

The most obnoxious speech, Mr. Speaker, we heard today from the Opposition was the speech of the Hon. Member for Mississauga South. Well, he is the right winger of all right wingers. He would have let Chrysler go down, he said. He did not say it in his speech, but he said it from behind the curtain when the Minister was speaking. He says you build a country by the sizzle of the return of private investment. That is all very well, but at the same time he said that if you reduce taxes, Government gets out of the businessman's hair and lets him have a free hand, then everything is going to be fine. I would say that is a prime example, Mr. Speaker, of a brain in neutral and a mouth in overdrive.

• (2110)

He told us about somebody coming to his office who called the Government incentive programs, "Rip-off Canada". This individual was supposed to have some connection with this Government. From the way the Hon. Member recounted the story, if that gentleman had any connection with this Government, it should have been with the correctional services part of the Solicitor General's Department, and only with that. It is reprehensible, Mr. Speaker, for the Hon. Member to make statements like that in this House, and I suggest to him that he should not make statements like that unless he is prepared to back them up with facts.

Mr. Blenkarn: I ran out of time and you know it.

Mr. Dionne (Northumberland-Miramichi): The Hon. Member says he was running out of time. He was given extra time and used it to talk about something else.

The Opposition, of course, is always making those kinds of demands on the Government. They are always demanding new programs, new incentives and new spending. On the other hand, they also want a smaller budget, a leaner Government, fewer taxes, less regulation and less interference with business.

Mr. Shields: And less Grits.

Mr. Dionne (Northumberland-Miramichi): Well, I guess that is one of the luxuries you have when you are in opposition. You can have your cake and eat it, too. We heard, again from the Hon. Member for Mississauga South, and some of his colleagues still sitting in the House, that they would let Massey-Ferguson and Chrysler go down. But that was not the stance they took in Question Period day after day when those companies were originally in trouble. They were up on their hind legs demanding of this Government that we provide incentives to assist those companies to save jobs. Now that the jobs have been saved they are condemning the whole effort.

Mr. Mazankowski: What did you do with Alsands and Cold Lake?

Mr. Kempling: Tell us about Maislin.

Mr. Dionne (Northumberland-Miramichi): I mentioned Maislin in my remarks. As far as I am concerned, it fits in the same category with Massey-Ferguson, Chrysler and all the others that you are opposed to. Alsands and Cold Lake were private enterprise as far as I am concerned.

Mr. Shields: Yes!

Mr. Dionne (Northumberland-Miramichi): Nothing has been done, they say. Let us take a look at the record, Mr. Speaker. The record is long but I will not go into it in a lot of detail. The Opposition Members do not believe, of course, in assisting the underdeveloped areas of this country either. From what we heard this afternoon we can assume that there should be no tax incentives for the underdeveloped areas, there should be no grants, and yet we have the Hon. Member for Fundy Royal (Mr. Corbett) getting up here in the House, crying crocodile tears over the situation at Chatham where not one job has been lost because of this Government's action, and where I am determined not one job will be lost. Yet they do not want any incentives for areas like that.

Let us look at some of the money the Government has put into the various regions of this country. I am talking about the time since 1980, and this is only part of the list. The Winnipeg core, for instance, $32 million; Northern Ontario, $10 million; Îles-de-la-Madeleine, $13.7 million; southeast New Brunswick, $10 million; P.E.I. development plan, $80 million; Strait of Canso Development, $3.2 million; Sault Ste. Marie infrastructure, $21 million; Manitoba northland, $4.5 million; coast of Labrador, $47.3 million. The list goes on and on and on. I will not read any more, it is available for anyone who wants it, but I do want to talk for another minute or two about the situation in New Brunswick, and Northumberland-Miramichi in particular. We in New Brunswick are very much dependent on the incentives devised by this Government and provided by all taxpayers of Canada for the development of our area. We have the problem of Chatham, and it is a very serious problem indeed. I reiterate, not one job has yet been lost.

Mr. McDermid: Yet.

Mr. Dionne (Northumberland-Miramichi): And we have today from the Minister of National Defence (Mr. Lamontagne) a commitment to the maintenance and operation of the runway, to the maintenance of the third field training and technical unit, and to the maintenance of the infrastructure there so long as it has to be maintained until other uses are found for it. Apart from that, he is committed to transferring to Chatham the pay directorate of the Department of National Defence and some 350 jobs, with a capital investment of $6 million or $7 million.

That is a good start but it is not a solution, it is only the beginning of the solution. We had to have a full solution. I have said time and again that four areas cannot be tampered with: the economic benefits must be maintained; the level of jobs must be maintained; the infrastructure, including the runway, must be maintained; and the accrued rights and benefits of the civilian employees must be protected. That is not a very small undertaking, Mr. Speaker. I suppose if you were losing that many jobs in Toronto there would be all kinds of Tory Members up on their hind legs yelling and screaming that the Government had to provide incentives to retain those jobs. Once the jobs were retained, of course, they would then be up on their feet yelling and screaming that the Government should not be involved. Just like the Hon. Member for Fundy Royal who never had any interest in the Miramichi until the announcement was made with regard to the stand-down of 416 Squadron at Chatham, and then all of a sudden his heart started to bleed. Well, that has not impressed a lot of people in the Miramichi, and I doubt that it will.

Mr. Lewis: Neither have you.

Mr. Dionne (Northumberland-Miramichi): Instead of crocodile tears, our interest is in action. But we must solve problems like that, and I say, Mr. Speaker, that private industry alone will not solve them because private industry, if left to itself, will do exactly what the Tory Members over there want it to do; it will locate in the Edmontons, the Torontos, the Montreals, the Calgarys, the Windsors and Halifaxes, but it will not locate in the small rural areas of this country without incentive from Government, without grants to assist in the development. If anyone here can convince me, for instance, that Mitel would have gone to Buctouche without Government incentives, I am prepared to listen. But I say it would never have happened, and we will never have that type of industry or development on the Miramichi of New Brunswick without Government incentives and grants, and without persuading business to put their industries where the labour is. The Tories, of course, would have us move those workers to their part of the country, to the metropolitan areas of the country, rather than to provide the jobs and opportunities where the people

are, where they have grown up, and where they want their families to live and grow up.

Thank you very much, Mr. Speaker.

• (2120)

[*Translation*]

Hon. Roch La Salle (Joliette): Mr. Speaker, I want to make a few comments about this motion which is quite relevant in the present economic context. I shall try to do so quickly since other Members also want to speak. I wish to congratulate the mover of this motion which, and I quote:

—condemns the Government for its failure to introduce its promised comprehensive industrial strategy—

—for which we have been waiting I do not know how many years. Mr. Speaker, I shall not go over some remarks about partisanship that I was somewhat shocked to hear in such an important debate. I listened closely to the criticisms which the last spokesman for the New Democratic Party levelled at the Progressive Conservative Party, but I think that the Canadian people realize that it was his own party that made it possible for this Government to return to power. It is not the first time that the New Democrats have sold out to the Liberal Party. I am thinking about 1974 and the following years. If one party should be held responsible for the loss of 400,000 to 500,000 jobs in Canada jointly with this Government that refused to maintain our tax credit on mortgage interests, which would have really given a new impetus to the building industry, it is certainly the New Democratic Party. It should be held as fully responsible as the present Government. There are limits! I shall not say too much about the NDP because we in Quebec are not very familiar with it, not even with the meaning of those three letters. I remember the candidate who opposed me in my constituency and the billboards that said: "NDP means No Drawing Power." This party is therefore not our main concern in Quebec.

Mr. Speaker, I would also like to go quickly over the comments made by the Minister of Industry, Trade and Commerce and Minister of Regional Economic Expansion (Mr. Lumley), who referred to the efforts made by this Government since 1981. It is obvious that the Government is making some effort; it is also obvious that it has acted as a fireman must act when a fire breaks out. Today's motion condemns the Government, and I think everyone will agree that it was not the Progressive Conservative Party that has wasted the time of this House during the last 20 years, considering the length of time it stayed in power. We are all well aware that in the last 20 years, except for a very brief period, we have had a Liberal administration which is responsible for our present problems.

Is there any need to refer to the thousands of bankruptcies, to unemployment which has increased tenfold in the last ten years or to the present situation? The Liberal Member who spoke before me stated that the private sector could not manage its own affairs effectively without the co-operation of the Government. Mr. Speaker, we are well aware that within the framework of an industrial strategy, the Government will obviously have to develop an attractive climate for investment, that it must provide medium and long-term directions to private industry if it is willing to make room for private business, and that it must also provide additional assistance to certain disadvantaged sectors or regions. There is no doubt about that, but it must be within the framework of an industrial strategy and a medium and long-term economic policy. As concerns this economic policy and industrial strategy, Mr. Speaker, I shall not be able to devise solutions this evening, but common sense requires that I point out to the House that the government has not made every effort possible to develop such a strategy, which would mean, first of all, bringing together industry, namely investors, businessmen as well as unions—and if productivity is our goal, this is important—and, of course, the Government itself and the Departments concerned. To my knowledge, a real industrial strategy has not been brought before this House in the last 15 or 20 years. In my opinion, we have had no real industrial strategy. Of course, the Prime Minister (Mr. Trudeau) has a clearly socialist view of the economy as a whole.

Anyway, our liberal friends know where the Prime Minister (Mr. Trudeau) came from before leading the Liberal party. This is of significance, and I am serious about this, Mr. Speaker, because the NDP often complains about liberal policy. Well, the Prime Minister has a socialist approach and the liberals do not realize where the Prime Minister has led them. He has done such a bad job of implementing his socialist policy that the socialists will no longer support him, they can not vote in support. This is astounding. And it is a fact that the whole government approach is now distorted by the Prime Ministers' views. Well, the Liberal party was not leaning that way not so long ago, before the last fifteen years. I would simply ask honorable members to ponder seriously and honestly over the prevailing situation. There is no doubt that the outlook is bleak. Canadians are worried.

Canadian youth is losing hope, and why, Mr. Speaker? Because there has not been a genuine industrial strategy. What would have happened? The minister referred earlier to the aid extended for instance to Canadair and de Havilland. Is that creating one single new job right now? Not at all. This is another government effort to salvage what may be left. If we had had a genuine industrial policy or strategy, would the shoe or textile industries have gone through the hardships they have over these last few years? Of course, they will argue they have spent millions. The minister said so earlier. In the textile industry, there was a recommendation to grant millions of dollars, but to what end? To promote early retirement at age 50. Clearly, they have given up hope in the future of the textile industry. They are going to help other industries. How long did we have to wait for the minister to reinstate quotas in the

footwear industry? Five or six months, and in this House, Hon. Members opposite would invite me to put questions, because it was getting embarrassing for them to challenge the minister. Finally, the minister caught on, and I do not blame him too much for his efforts. He has been talking about it since 1981, but we know that an industrial strategy should have been established 20 years ago, and I feel I have to call to account a government that has been in power for 99 per cent of those last 20 years.

So, Mr. Speaker, there is ample justification for blaming the government for the lack of any industrial policy, and this is why it is difficult for Canada, an industrialized nation, to match many other countries at this point. So, here we are, Mr. Speaker, coming with band-aids to salvage what can be saved, and this is unfortunate. A genuine industrial strategy would have enabled a number of industries to stick it out. Those industries would have been forewarned. Union co-operation could have been obtained. The importance of what is called productivity could have been foreseen, to meet international competition. There has been no strategy, there has been no concern for the future, there has been a lack of foresight, although to govern means to be able to anticipate future developments. I submit we have every justification to blame the government for not establishing the industrial strategy that was of vital importance for Canada's future. They failed to do so, and today they resent our blaming the government's failure to create such an industrial strategy. Clearly the government must accept not a part of, but the total responsibility for the want of such a strategy, and therefore the responsibility for the growing misery in this country where Canadians are greatly concerned about the ability of their administrators.

This is the long and the short of it, Mr. Speaker. I doubt there is any government Member who is not embarrassed at having to defend the current economic conditions we are going through, because of the lack of a long-term strategy.

Mr. Speaker, this is not to say that the government must get involved daily in industry or the private affairs of individuals.

• (2130)

The duty of the state is to propose major trends and policies which will be of interest to the private sector, for example, incentives to invest in the country, and therefore it must be in a position to provide this additional assistance which is often required. And the state also has the power to steer those industries toward sensitive sectors and regions which the unemployment rate has made vulnerable. The state can do that, but without substituting for private companies. That is all we are asking for. But again that is part of a well-orchestrated industrial policy and strategy. I repeat—and I have said it before—the situation will remain unchanged until such time as the Government agrees to meet with union and industry spokesmen and spells out its mid- and long-term outlook. But that is not being done in the energy sector.

Everyone knows that investments of $40-odd million will be required because the Government undertook to substitute for private industries. That is what happened because the Government decided to substitute for private industries instead of giving them free rein to do what they can do better than the state. And the same is true in other areas. It has therefore become urgent to introduce an industrial strategy, and we would be remiss if we did not take the Government to task for failing to do anything about it during the past 20 years. As a result, thousands of Canadians are now deeply concerned. The Prime Minister (Mr. Trudeau) did say that a hard winter is ahead of us, and other agencies have confirmed that the unemployment rate will remain at 12 per cent. Of course, nothing has been done to solve that problem.

The Minister of Industry, Trade and Commerce and Minister of Regional Economic Expansion brags about the $1 billion recently earmarked by the Minister of Finance (Mr. Lalonde) for a number of new projects which will make it possible for thousands of Canadians to work for 20 or 26 weeks before going back to the unemployment insurance counters. That is not the way to build our country and give Canadians renewed confidence.

I could recite long lists of figures and talk about the huge bankruptcies we had in 1982; 40 per cent of those 8,074 bankruptcies occurred in my province. And God knows, Mr. Speaker, as you do, that the people of my province are worried as well about the lack of any industrial strategy which they deplore. So we are amply justified in blaming the Government today. I am quite certain that some Liberal members are also extremely disappointed because they were unable to influence the Cabinet which has refused to meet urgent needs and introduce that industrial strategy for the future of our country. We are now demanding it in stronger terms than ever. It has never been so urgent, but the harm has been done and the Government must assume full responsibility for that. With respect to the lack of industrial strategy, the Government will not get off the hook as easily as that, even though its advice is that we should forget the past.

How can anyone ask Canadians to have faith in this Government, responsible as it is for the mess we are in? That is impossible, Mr. Speaker. That is why of course we are again trying today to convince the Government to accept a proposal which has to be implemented, namely the introduction of an industrial strategy. I would hope that this time the government will realize its importance as a key solution for many years to come. Unfortunately, Mr. Speaker, it is too late, much too late, and you cannot ask starving Canadians to tighten their belts further. But Canadians will certainly remember that the blame for this belt tightening is to be laid not on this side but on members on the other side who would take no heed of them. Although I still have a lot more to say, Mr. Speaker, I prefer to let other Hon. Members speak.

Mr. Maltais: Mr. Speaker, would the Hon. Member for Joliette answer a question?

Mr. La Salle: Very quickly, though, because I want to let other Hon. Members speak.

The Acting Speaker (Mr. Blaker): Order, please! The Hon. Member has asked the Hon. Member for Joliette whether he would answer a question. And the Hon. Member for Joliette has clearly indicated that he would rather let other Hon. Members speak.

Mr. La Salle: I have agreed to give a very short reply to the Hon. Member's question.

The Acting Speaker (Mr. Blaker): Agreed! The Parliamentary Secretary to the Minister of Industry, Trade and Commerce and Minister of Regional Economic Expansion.

Mr. Maltais: I will be brief, Mr. Speaker. I would have liked the Member for Joliette (Mr. La Salle) to be more specific about asbestos and iron. I would like to know what would have been the effect of an industrial strategy considering that markets depend on international conditions?

Mr. La Salle: I said that if an industrial strategy had been developed 15 or 20 years ago, the closing down of plants could have been anticipated and prepared, but as there has been no industrial strategy, those conditions were unexpected and the poor people of those areas are now facing a recession and they are concerned because the government has not drawn up any industrial strategy which would have enabled industries to train them and perhaps direct them to another sector.

Mr. Maltais: I would like to ask another brief question. With regard to iron, if we consider private entreprise.

Mr. La Salle: I regret Mr. Speaker, but as I promised I would like to allow some of my time to my other colleagues.

Mr. Jim Peterson (Parliamentary Secretary to Minister of State for Economic Development and Minister of State for Science and Technology): Mr. Speaker, it is with great pleasure that I take this opportunity to discuss this matter with Hon. Members here in the house tonight, especially since I have not heard anyone on the other side of the House mention the hard facts, the real data on what we have done to establish science and technology here in Canada.

[*English*]

It is true that Canadian manufacturers, producers and exporters face incredible challenges. This is for a number of reasons. The inflation rate in Canada is not at the level we would like to see, nor is Canadian productivity as high as it should be by international comparison. Our international markets have gone soft as the world recession has taken a real hold. Other countries are suffering much more than we are because of these circumstances.

In this spirit of diminishing world markets, we see many countries resorting to non-tariff barriers and to a spate of other mechanisms designed to stop our exports, and we are an exporting nation. The way to overcome these problems will not be easy. We have never pretended that it would be, but certainly the cutting edge of our economic strategy for the future must be the encouragement of technological research and development. It is through this approach that we will be able to compete in international markets in the days, years and decades ahead.

The paper released last year entitled, "Economic Development for Canada in the 1980s" recognized the important contribution research and innovation has made in the past and will make in the future to economic growth. Its single most important message was that we must concentrate our efforts on various industries in Canada, including resource and industrial development, export promotion, transportation and communication infrastructure, and the development of manpower skills. A solid research base is fundamental to success in all these areas.

In January 1981 the federal Government committed itself to a major increase in the level of research and development, namely, that we would go up to 1.5 per cent of the gross national product by the year 1985. I believe the way we are doing this is the correct approach. Approximately 50 per cent of this increase will come from industry itself, one-third will come from the federal Government and the remaining one-sixth will come from a combination of provincial governments, universities and private institutions. This ambitious target is one which I believe we have to meet if we are to acquire the newly emerging technologies we need badly in order to create jobs in the country.

What progress have we made in less than two years since the program of 1.5 per cent of GNP devoted to research and development was entered into? One might argue that we have not gone far enough, but the results are most encouraging. In less than two years we have gone up from less than 0.9 per cent of gross national product to over 1.2 per cent. It shows what we can do when we have the collective will, when we set those targets and we set our priorities. This has been no mean accomplishment, particularly in the period of recession that we have faced.

• (2140)

Another thing that happened, which I think is significant, is that during this period we have attempted to achieve more research and development by a co-operative relationship between industry and government. In the first two years covered by the framework, the federal expenditures on research and development rose by nearly $435 million. The main estimates for 1982-1983 will increase R and D expenditures even further by an additional $250 million. It is important to note that this increase is going primarily to industrial research and development where it will have the best opportunity to create more jobs for Canadians. The R and D activities

financed by the federal Government but which are performed by industry will have almost doubled in three years.

Federal assistance to industry in support of research and innovation takes a number of forms. We are all familiar with the Industrial Research Assistance Program administered by the National Research Centre; the Enterprise Development Program and the Defence Industry Productivity Program. These are programs of the federal Government aimed at providing technological information services and creating new centres for advanced technology. We have developed two university innovation centres, and we are developing ten universities with the capability of doing electronic research right across this country in every one of our Provinces. In addition, we have used the federal procurement and contracting out policies to support increased R and D of Canadian industry. Twenty two per cent of the federal Government's 1982-1983 budget for research and development in the natural sciences is directly targeted to industry. All of these efforts and accomplishments to date, in spite of the tough economic times we face, are in addition to the tax incentives granted for innovation and development for new research.

As many Members in this House are probably aware, we have the 100 per cent write-off. In addition to that, we have an additional 50 per cent write-off for new research and development. On top of that, we have a generous tax credit, all of it aimed at increasing the ability of the private sector to go out and invest in new technology and do new research. When you take into consideration these tax incentives that are being offered, you find that they provide up to 80 cents on each dollar of new investment in research and development. That is a fairly generous program. In addition, we are undertaking discussions with the private sector to see if these approaches can be better honed, if they can be better developed, if there are new ways to channel more private sector funds in a more advantageous manner so they can flow into research and development. We have seen some innovations from the private sector, such as the scientific research investment certificate whereby investment firms have been able to raise money from people who might not otherwise be prepared to invest in science and in research and development. These innovations have come hand in hand with the programs that we have been introducing to try to encourage far greater research and development in Canada.

I mentioned that the approach we have been adopting has been one of co-operation between industry and government. I have outlined briefly a few of the Government programs. In terms of what industry itself has done, it has been one of the strongest contributors in the past and, of course, under our new program will be the strongest contributor, contributing at least half of the new expenditure on research and development. In terms of what industry has done, in 1979 industry's contribution to R and D rose 26 per cent. In 1980 it was 18 per cent. In 1981, it was 26 per cent, and for 1982 it is again estimated that it will reach 26 per cent. These are the highest rates of growth in research and development ever achieved in Canada.

One of the problems which I do not think has been completely documented, and I would not want to go overboard in making the case, is the whole role of foreign-controlled firms contributing to Canadian research and development. A study done in 1980 in terms of the electrical products industry indicated that while the foreign controlled firms enjoyed 65 per cent of the Canadian market, they contributed only 40 per cent of the research and development. I am not here to criticize foreign firms. I am here to say that I think every Canadian, every firm operating in Canada, whether Canadian-controlled or foreign-controlled, has an obligation to contribute to the future industrial strength of our country, to job creation, to the strengthening of Canada's capabilities and know-how by doing research here in Canada in fair proportion. By doing that in Canada and being able to export it we will as well be able to gain the royalties for selling the know-how. Research will feed upon itself. It is synergistic. The more you have, the more you will create, the better the atmosphere will be in Canada for creating the type of innovation we need. As I said, this will be the cutting edge of our new technological development.

We have had some tremendous examples of what can happen from this type of government and private sector co-operation when it comes to R and D. Northern Telecom is, I think, a signal example of what has happened in Canadian industry. It highlights the role of our high tech. I am pleased that Northern Telecom announced just recently that over the next five years it will spend an additional $1.2 billion on an R and D program in high technology digital communications systems. It estimated revenues from this new technology will be at least $13 billion, and it will create hundreds, even thousands of new jobs here in Canada. This is just one example of how Canadian industry, the Canadian private sector, has responded to this call we have put out for more R and D, is taking the risks and is working with Government, because people did come to Government to get assistance for these programs.

What we have accomplished is encouraging, and the Government is determined to use this solid basis to help develop technologies that we as Canadians need to adjust to changing world realities, the rapidly changing realities where in certain industries, such as computers, one seems to have a new generation coming out almost every year.

[*Translation*]

However, Canada is facing a shortage of highly qualified scientific manpower in certain sectors. We now need practical experts who are capable of guiding and directing the new technologies that are being created in communications, information and biotechnology, while at the same time renewing our traditional resource-based industries.

Young people today are aware of these trends and more and more, they are opting for courses in applied science and commerce at our universities. The latter are starting to adapt their training programs to the demands of the eighties, but are

having to cope with financial constraints. Engineering, computer science and commerce departments are finding it difficult to recruit staff and are losing experienced teachers to the lure of higher salaries offered by the private sector. Furthermore, excellent labour market conditions for students with a bachelor's degree in fields where the demand is high prevent those students from doing graduate work. For instance, the Ministry of State for Science and Technology examined the outlook for engineering graduates and found that between 1979 and 1985, the demand for engineers would exceed the national supply. The shortage will be particularly acute at the postgraduate level. There will not be enough engineering specialists to fill teaching and research positions in industry, government and the universities. The ministry also found that industry was very concerned about the availability of highly qualified research staff and the problems that universities were experiencing in meeting demand. We are glad to see, however, that the industrial and commercial sectors are approaching this problem in a very constructive and innovative fashion.

Some industries are entering into co-operative agreements with the universities, which is another way of meeting their requirements for human resources. Similarly, during the past year, a number of companies have entered into direct aid agreements with universities in Canada. For instance, the Bank of Montreal is subsidizing studies on international finance, IBM is supporting marine sciences and Mitel and Systemhouse are encouraging studies on office automation.

• (2150)

[*English*]

The federal Government has recognized that Canada's supply of skilled human resources is critical to our technological development and has taken major steps to strengthen university research and training capacity in Canada.

I would like to summarize some of these measures that we have taken in recent years. First, the three federal research granting councils, the Medical Research Council, the Natural Sciences and Engineering Research Council and the Social Sciences and Humanities Research Council, were reorganized to focus on training research manpower and maintaining a basic university research capacity in respective fields of study and on orienting more of their research support toward issues of national concern. These Councils have prepared five-year plans and have reassessed their programs in light of past experience and future priorities.

The Natural Sciences and Engineering Research Council supports university research and research training in areas directly related to industrial growth. It has greatly expanded its highly qualified manpower programs by increasing the number and the value of graduate scholarships, providing long-term research associateships, both at the universities and in the private sector, and by establishing undergraduate summer research bursary programs so that more students can be attracted to postgraduate studies in the scientific and technological areas.

We also have direct federal support of university research and research training. It now totals $477 million. Since 1979 the budgets of the granting Councils have been increased by $170 million, or 75 per cent. These figures demonstrate our Government's commitment to doing something about research and development to manpower training in Canada.

The impact of these measures has indeed been encouraging. The strategic research grants are attracting some of the best researchers. We have seen the emergence of fibre optics, video techs, radio relay systems and many other products of the future through our co-operative programs. We stand in the forefront with the Canadarm and with satellites such as the one Canadians proudly saw launched, recently. Our domestic communication satellite system is the best in the world.

I understand that I am running out of time. I would not want to strain the indulgence of the House, which has always been courteous in the past. Perhaps I could ask for one more minute in order to get these important facts on the record.

Some Hon. Members: Agreed.

Mr. Peterson: I thank Hon. Members for their indulgence. These are areas where we have become world leaders in technological development. We have shown that we can do it.

Most important, the challenge in the days ahead is to ensure that we have not only technological development and manpower development but that the public and private sector, business, including those which are foreign controlled, labour, our universities and academics and governments at all levels, lock arms to increase further our ability to compete. This can be done by working together in our collective will and effort, our collective ability united in a consensus for action, a consensus for action based on new research and new ideas for the 1980s.

Mr. Jack Shields (Athabasca): Mr. Speaker, I want to thank Hon. Members for allowing me to participate in this debate, however short it might be. I was particularly interested to hear the Hon. Member for Willowdale (Mr. Peterson) because he made a statement which I believe is very appropriate to the remarks I wish to make this evening. He stated that research feeds on itself.

I would like to remind all Hon. Members that 15 years ago Great Canadian Oil Sands, 100 per cent owned by the Sun Oil Company of the United States, ventured into the tar sands in northeastern Alberta to conduct a giant research and development project. Today, that project produces 145,000 barrels of oil each and every day. This has contributed at least $20 billion to the Canadian balance of payments picture over the life of that one giant research project. It was not done, as the NDP says, with Government intervention. It was not accomplished by the Government saying that it will prop the company up if it tries to develop these oil sands. This was accomplished by foreign private enterprise, without one nickle of the Canadian taxpayers' money either at the provincial or federal level.

I remind Hon. Members of that fact. We heard the NDP Member for Regina East (Mr. de Jong) who said that what

the development strategy in Canada needs today is more Government regulations, more Government input, more Government control and more Government ownership. I simply want to ask how much more government the Canadian people must suffer before the Socialists realize the destruction they have wrought upon our country.

When I talk about Socialists, I am talking about the NDP who have propped up the Liberals during the 1970s. The NDP is saying that development strategy of the 1970s was not there. It was the New Democratic Party that propped up the present Government.

I would like to return to the remarks made by the Hon. Member for Willowdale who said that research feeds on itself. I would point out that from the original investment at the Sun plant of Great Canadian Oil Sands, which is now Suncor at Fort McMurray, a town of 30,000 people developed. From there, the next plant, Syncrude Canada, came on stream. Once again, this was a result of private investors with no Government subisidies, loans or guarantees. It was only with the lack of Government intervention that they started another plant, Syncrude of Canada.

Before you call it ten o'clock, Mr. Speaker, could I ask the indulgence of the House for a further ten minutes? If the House would agree, I would forgo my time on the "Late Show".

The Acting Speaker (Mr. Blaker): I think the Chair should seek the unanimous consent of the House. The Hon. Member is proposing to give up time available to him during the late show this evening in return for the House not seeing the clock for the same length of time, that is, ten minutes. Is there unanimous agreement?

• (2200)

Some Hon. Members: Agreed.

Some Hon. Members: No.

The Acting Speaker (Mr. Blaker): There is not.

It being ten o'clock, pursuant to—

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

The Acting Speaker (Mr. Blaker): Ordinarily, I cannot recognize a point of order after ten o'clock.

Mr. Flis: Mr. Speaker, since one minute was kindly extended to the Hon. Member from this side of the House, I think it would be only fair if an additional minute could be granted to the Hon. Member speaking at present.

The Acting Speaker (Mr. Blaker): It being ten o'clock, it is my duty to inform the House that, pursuant to Standing Order 58(11), proceedings on the motion have expired.

PROCEEDINGS ON ADJOURNMENT MOTION

[*English*]

A motion to adjourn the House under Standing Order 40 deemed to have been moved.

MINES AND MINING—MAP DISTRIBUTION COSTS

Mr. Lorne Greenaway (Cariboo-Chilcotin): Mr. Speaker, the issue I want to address tonight is a good example of what I call government waste. It might not involve a very large amount of money, but the whole scenario is pretty wretched.

It was first drawn to my attention early last July by the editor of the Bridge River-Lillooet *News*, who received this package by courier; actually, on July 4 or July 5. This package was sent out by the Minister of State for Mines (Mrs. Erola) and was to be in the hands of 576 community newspapers across Canada by or in advance of July 1 for use during the Dominion Day celebrations. This particular editor was incensed because it had come by courier and he wanted me to check into the matter. I therefore put a question on the order paper and asked what was the purpose of the package and what it contained. The answer was that the package contained a photograph of the Minister of State for Mines and the Governor General of Canada. There was also a "Canada Then and Now" map package and a news release from the Minister's office for use in conjunction with Dominion Day. It was distributed by Prestige Mailing Systems Limited and sent by courier service to 576 members of the Canadian Community Newspaper Association. As I said, this package was supposed to have arrived in advance of July 1.

I then asked, whether any packages were mailed through Canada Post Corporation and, if not, for what reason, and the answer was, "No". Technical problems with printing and packing the maps had resulted in an unforeseen delay of the availability date for mailing the package. Therefore, courier service was utilized in order that the package would reach recipients as close to Dominion Day as possible. These packages were sent out on June 30. There was no possible way they could reach their destinations by July 1.

I then asked what the cost of production of the package was and the total cost of delivery. The answer was that the cost of producing these 576 packages amounted to $1,783 and the cost of the courier service was close to $6,000. This cost of production bears some scrutiny because we found out that the three maps alone contained in the package itself sell for $5.95. We thought that because there were 576 maps, perhaps the Government might have received a discount on the bulk sale. That was not the case, sir. We telephoned the Department of Energy, Mines and Resources, the Canada Map Office, and were informed that there was no discount given and that they cost $5.95 per package. If one multiplies this amount by the 576 sent out, one arrives at a figure of $3,427. We therefore see a discrepancy of $1,650 just in the production of the package.

If that were not bad enough, even though these packages were put into shape too late to be sent out to arrive at their destinations by July 1, a courier service was employed and $6,000 was spent to get these packages to their destinations. All of them arrived too late for their purpose.

When I asked the Minister of State for Mines last week whether she could justify this expense, she said that the cost of distribution was completely justified in the national interest. What kind of national interest is served by a clear waste of $6,000? I would ask for a more complete answer. I would like to have the whole situation explained to me and to the taxpayers. I hope the Auditor General will consider the matter at some point.

• (2205)

Mr. Dave Dingwall (Parliamentary Secretary to Minister of Energy, Mines and Resources): Mr. Speaker, responding to the Hon. Member for Cariboo-Chilcotin (Mr. Greenaway), I must say that his concern is one which ought to be placed before Parliament. Perhaps, as he said in his closing remarks, it ought to be reviewed by the Auditor General and we should have the pleasure of his comments at some point in time so that we can pursue the debate even further. However, let me just say a few words with regard to the national atlas of Canada to which the maps in question belong.

Canada has had a national atlas since 1906 and five editions have been produced over 75 years under both Liberal and Conservative governments. Granted, the Conservative government was only short-lived. These atlases contain maps which reflect and summarize our national resources, growth and achievement. They parallel the evolution of Canada since almost the beginning of this century. The lastest Fifth edition is especially significant this year. It portrays Canada as we were in 1867, the complex evolution of our lands and territories and the make-up of the modern nation.

The medium of maps is a very effective way in which to inform Canadians about national development and to celebrate our progress as a nation since Confederation in this our constitutional year. For this reason, it was appropriate to make the maps available as near as possible to Canada Week.

Furthermore, while it is usually not very difficult for large newspapers and the major media organizations to obtain rapid access and awareness of new publications, that is not always so easy for the hundreds of relatively smaller weekly newspapers in this country. These grassroots community papers are read by many Canadians outside the major cities and they were our target group in this particular mail-out.

Technical difficulties in completing the maps reduced the time available for distribution by Canada Post. Courier service was chosen in order to ensure delivery as reasonably close as possible to Canada Week. The first Canadian to receive a copy of the maps was His Excellency the Governor General of Canada, and rightly so. A photograph of this presentation was provided with the package of maps for possible use by recipient newspapers thus informing their readers of the existence of the maps. The approximate cost of this was $3,000.

In view of the significance of the subject matter of the maps and our wish to let all Canadians know about them, this was very low-cost advertising in the marketing of these national maps.

ENERGY—COLD LAKE PROJECT—LOAN MADE TO IMPERIAL OIL. NATIONAL ENERGY PROGRAM—REQUEST FOR WITHDRAWAL

Mr. Jack Shields (Athabasca): Mr. Speaker, on June 30 I rose in the House and asked the then minister of energy, mines and resources the state of the $40 million loan to Imperial Oil in an attempt to salvage the Cold Lake project. The Minister did advise the House that the loan was lost forever, that the loan would not have to be repaid on July 1 because there was the agreement in place that if the project did not proceed at Cold Lake by July 1, 1982 these funds would be lost forever.

I then asked the Minister if he did not now recognize that the most destructive piece of legislation to hit Canada in a number of years was the National Energy Program, that it was the single instrument that was deterring investment in Canada, particularly in the oil and gas sector. The Minister totally ignored that question; he did not answer.

• (2210)

I would like to point out something to the Parliamentary Secretary who has been chosen to answer this question. The investment in Alsands and the Cold Lake Project in northeastern Alberta, both giant research and development projects, particularly the one in Cold Lake where the very first commercial in situ extraction was to take place, was approximately $10 billion, producing 140,000 barrels of oil a day. That would contribute approximately $2 billion a year or more to Canada's balance of payments. Over 25 years it would have produced 1.3 to 1.5 billion barrels of oil and would have employed, at peak construction, 10,000 people. Ongoing employment for the life of the project would have been between 3,000 and 4,000 people; indirect employment would have been approximately 6,500 people; total engineering man-hours would have been approximately 50 million. Those figures apply to the one project only, the project at Cold Lake. Having regard to Alsands, which went down the tube, you could double all those figures. The amount of money to have been spent on facilities, which would have tremendous impact on the Canadian economy, was $9 billion for one plant; on facilities, $1 billion; infrastructure, another $1 billion; sustaining investment for the life of the project, $20 billion; operating expenses for the one project, and I am talking about Cold Lake, over its 25-year life, approximately $60 billion. This is a total of $90 billion of a direct investment into the economy of Canada at a time when jobs are needed and when the engines of the economy are winding down.

If you use the normal multiplier to determine the injection into the Canadian economy over that 25-year period, we would be looking at $250 billion to $350 billion as a result of the investment in that one plant at Cold Lake in northeastern Alberta. Can you imagine, Mr. Speaker; $500 billion to $700

billion if two plants, the Alsands and the Cold Lake, were allowed to proceed.

Why did they not proceed? We talk about research and development. The Alsands consortium and Imperial Oil at Cold Lake were ready to proceed. Because of the lack of foresight on the part of this Government, which would rather import oil from offshore, we lost $2 billion a year per plant. That represents a drain on our balance or payments. This money has to come from somewhere. When you drain off money for the purchase of off-shore oil, you affect interest rates and the money markets, and you hit jobs in Canada. I am not talking of just jobs created in northeastern Alberta, or in one province, I am talking about jobs in the steel industry, the automotive industry—jobs clear across this country. It was estimated that not one province would fail to benefit from the development of the Cold Lake project. Not one province would fail to benefit from the development of the Alsands project.

• (2215)

Eighteen months ago, Mr. Speaker, a number of Members of Parliament visited the Cold Lake and Alsands plants. The Hon. Member for Cape Breton-East Richmond (Mr. Dingwall), who will be replying to this question tonight, was with us. We toured those plants. He saw the vast investment and vast potential for Canada's energy scurity. He saw the vast potential for investment in the supply of pumps, steel and manpower from right across the country. He knows, if anyone knows, exactly what I am talking about.

Mr. Dave Dingwall (Parliamentary Secretary to Minister of Energy, Mines and Resources): Mr. Speaker, I normally enjoy listening to the Hon. Member for Athabasca (Mr. Shields), but I must say that tonight he has gone a bit overboard. It is correct to say that I was with him in his constituency at Fort McMurray and visited a number of the sites he referred to, but he forgets to mention in his remarks that the reason or reasons why the Alsands consortium decided against going ahead with the project was because of the economic realities of the time.

The Government of Canada and the Government of Alberta made a very, very strong proposal to the Alsands consortium; two levels of Government, Mr. Speaker, and it was the Alsands consortium decision alone not to proceed. When the Hon. Member stands in this House and points his finger at the Government of Canada, that is complete gobblydegook on his part. Those are the facts, and he ought to know better. To perpetrate that kind of thing on the Canadian people I think is intellectually dishonest.

I should remind the Hon. Member of the nature of the agreement effective February 1, 1981, whereby Imperial Oil Limited received advances to a maximum of $40 million to maintain the Cold Lake project. It was agreed that if, before the repayment date, the board of directors of Imperial Oil had passed a resolution suspending or cancelling the Cold Lake project, Imperial Oil would have no obligation to repay the amount borrowed. The effective date in this case was the latter of July 1, 1982, or the first anniversary of the full payment date. In fact, the project was suspended before July 1, 1982 and consequently the obligation for repayment was removed.

As the former Minister of Energy, Mines and Resources noted when the matter of the Cold Lake project was discussed on July 30, 1982, Mr. Speaker, the period during which the Cold Lake project operated on the basis of the $40 million advance was a productive one, during which further engineering information was developed and employment was provided for a number of people in the Cold Lake region.

The Hon. Member for Athabasca notes that these two projects did not go ahead. I remind him that other projects in other countries have not gone ahead for the same economic reasons, that of world recession. Those are the reasons, Mr. Speaker, and those are the facts which the Hon. Member refuses to acknowledge and to place before this House. In fact, Mr. Speaker, his idol, his mentor, the Premier of the province of Alberta, has stated explicitly on a number of occasions that people ought not to be using 1980 as the benchmark for reference to oil and gas activity. But somehow the Hon. Member refuses, intentionally or otherwise, to recognize the facts of a world recession which has played havoc with these projects and many others, not only in Canada but in the U.S. as well as in European countries.

ENERGY—INQUIRY RESPECTING PROGRAM CUTBACKS. (B) CHIP AND OFF-OIL PROGRAMS

Ms. Lynn McDonald (Broadview-Greenwood): Mr. Speaker, I want to pursue a question which I raised with the Minister of Finance (Mr. Lalonde) on his economic statement. The economic statement said that $616 million would be freed in the energy area by scaling back funds allocated to a number of programs, although he did not mention any specifically. He did, however, state that allocations for the Petroleum Incentives Program would remain at their existing levels.

• (2220)

If the economic statement were really serious about job creation, it would have delineated which projects were to be cut, at what loss of jobs, and for what gain in jobs in the new program, which is clearly a job creation program. Any reallocation of funds must mean a net increase in jobs. Nevertheless, nothing was specified.

Rumour has it that the CHIP program and Off Oil Program were again considered for cuts, and I asked about these. The Minister of Energy, Mines and Resources (Mr. Chrétien) gave a wholly unsatisfactory reply, not giving assurances that they would not be. What is happening, it seems to me, is that we are seeing a further erosion of the valuable parts of the National Energy Program. We are losing the energy self-sufficiency and job creating aspects of the Program, while the give-aways to the corporations are continuing. I believe this is a sorely mistaken sense of priority.

First of all, let us consider the question of conservation. It is still true that conservation is the cheapest source of new energy and that it provides the most jobs. A study by the Economic

Council of Canada estimates that adding insulation to one million existing homes would produce 27,000 person years of employment, at a cost of 7,000 person years in the oil industry or, in other words, a net gain of 20,000 person years in jobs. Estimates are that it cost nearly $1 million to create a job in the tar sands, as an extreme example, while it costs $50,000 to $100,000 in conservation or the renewables. Further, the jobs are created where they are needed; that is, where people are living. They do not require the disruption of families or starting up new, single industry towns in trailer parks. Conservation programs minimize environmental destruction. Fixing up old houses where people already live is greatly to be preferred to disrupting native communities and risking serious environmental destruction by oil spills, for which we have as yet no technological solution.

It is true that there are problems in existing CHIP programs, quite apart from the urea formaldehyde scandal. There have been abuses, as the Government was warned. It was urged to establish proper inspection procedures. The answer now is not to abandon that Program but to correct the flaw in it and to institute proper inspection procedures.

The National Energy Program, as originally set out, had some laudable principles; self-sufficiency in energy and a move to conservation and the renewables being most notable amongst them. There was a recognition of the basic facts of life in energy, that we could not achieve self-sufficiency in Canada without substantial reliance on the renewables and conservation. But what happened then, Mr. Speaker? The highminded principles were relegated to the low budget area of the Program.

Petroleum Incentives Program grants are measured in the billions, but conservation is measured in the millions. What is wrong with the Petroleum Incentives Program grants? They are give-aways to corporations which pay no taxes, or less than their fair share. They mean that the public pays for exploration and gets no equity for it, while the companies talk about risk taking. They deplete the heritage which we have been given and which we have some obligation to pass on to future generations. Petroleum Incentives Program grants mean that expensive oil will be pursued, dug out and sent south at enormous cost in money and in social terms. People will pump more gas into their gas guzzlers and let heat seep out of their non-airtight houses. The Petroleum Incentives Program grants are a slow route to Canadianization. More fundamentally, they do not address our need for long-term energy security. They are directed at a non-renewable resource and, at best, postpone the day of reckoning. Eventually, and not all that far aheard, we are going to have to switch to renewable resources. The less we use now of the non-renewables, the easier it will to be make the switch.

The Petroleum Incentives Program is also inflationary, a factor that should count nowadays. It means pursuing ever more expensive forms of energy. The same money invested in conservation measures means savings in the here and now and in the long run, for with conservation you save year after year after year. Conservation means finding cheap oil again, the equivalent of oil at $5, $10 or $20 a barrel, depending on the particular measures used. That is far less than the oil that the Petroleum Incentives Program grants are directed toward.

Conservation and the renewables happen to be matters in which we can have our cake and eat it too. We can pursue a number of worthy objectives at the same time, instead of having to play one off against the other. We can create far more jobs than would be created from conventional non-renewables. We can promote environmental protection instead of risking serious damage. We can respect native concerns and give them time to develop their priorities instead of imposing ours, from the south. We can maintain our standard of living, for alternative energy resources are rich and the technology is available. The lack has been in implementation, not in knowledge of what needs to be done. That is where the serious gap is. Meanwhile, we subsidize conventional energy sources and make the new ones "pay their own way", as they say, and make them compete unfairly.

● (2225)

The Minister of Energy, Mines and Resources referred to maintaining the CHIP and off-oil programs, and wanting to use them more efficiently. Naturally I would want to commend him for any greater efficiency he can manage, but I would like to hear more. What does he mean by cutting? Does he mean to cut those, and if he does not cut those two particular programs, which programs will he cut?

Finally, I would like to challenge the Government to consider the real potential of the National Energy Program, especially its job-creation aspects. If it did the necessary calculations and took a critical look, I think it would find that its priorities would be reversed.

Mr. Dave Dingwall (Parliamentary Secretary to Minister of Energy, Mines and Resources): Mr. Speaker, the subject matter of the question and of the comments of the Hon. Member is not only of concern to her Party but to my Party as well.

Let me state quite clearly that the Government of Canada has no plans to abandon the Canadian Home Insulation Program and the Canada Oil Substitution Program. On the contrary, the Government is looking forward to maintaining strong support for energy conservation and substitution in the residential sector.

With respect to the Canada Oil Substitution Program, it is heartening to note that off-oil conversion activity has continued rather strongly during 1982, at a time when generally consumer spending is weak. Conversions from oil to electricity and renewable energy sources are on target. Conversions to natural gas are below target, as they were last year. From the time the Canada Oil Substitution Program was launched late in 1980 to the end of September 1982, it paid approximately 270,000 grants for a total of $183 million.

On the subject of CHIP, there existed some concern that the Program was not as effective as it might have been in helping to achieve potential saving available from home energy conser-

vation. A large part of the problem appeared to lie in the structure of the CHIP grant which had the effect of encouraging some inflated prices and some questionable sales techniques, such as the marketing of attic and weatherstripping "specials" priced at or near the amount of the CHIP grant. To ameliorate the sitution, on November 9 the Minister of Energy, Mines and Resources (Mr. Chrétien) announced changes in the grant formula and criteria of CHIP. These changes are intended to achieve more effective conservation activity and contribute toward the energy budget savings announced on October 27 by the Minister of Finance (Mr. Lalonde).

Briefly, the changes to CHIP include that a home owner doing his own insulation work would obtain a CHIP grant on 60 per cent of the insulation materials, up to a maximum of $500. Originally, CHIP provided 100 per cent of material costs and 33.33 per cent of labour costs. Second, for work done by a contractor, 60 per cent of the contractor's bill would earn a CHIP grant, up to a maximum of $500. However, the home owner will be required to file a copy of the contractor's billing, showing a breakdown on labour and material costs so that the several costs could be checked by CHIP administrators against acceptable standards.

The Acting Speaker (Mr. Blaker): The motion to adjourn the House is now deemed to have been adopted. Accordingly, this House stands adjourned until tomorrow at two o'clock p.m.

At 10.29 p.m. the House adjourned, without question put, pursuant to Standing Order.

HOUSE OF COMMONS

Tuesday, November 16, 1982

The House met at 2 p.m.

• (1405)

MOTIONS UNDER S.O. 43

[*English*]

AUTOMOTIVE INDUSTRY

COMPETITION FROM RUSSIAN-MADE AUTOMOBILES

Mr. Gordon Taylor (Bow River): Madam Speaker, whereas the Soviet-made car called Lada is sold in Canada below its actual cost because many of its parts are made in prison camps and it is manufactured by non-union workers, and its artificially low price is a benefit when going through customs; and whereas this constitutes unfair competition for the Canadian auto industry which is presently facing a crisis with thousands of its workers unemployed, I move, seconded by the Hon. Member for St. Catharines (Mr. Reid):

That this House urges the Canadian Government to take all necessary steps to protect the Canadian workers from this unfair competition.

Madam Speaker: Is there unanimous consent for this motion?

Some Hon. Members: Agreed.

Some Hon. Members: No.

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EXTERNAL AFFAIRS

POLAND—RELEASE OF IMPRISONED SOLIDARITY LEADER, LECH WALESA

Hon. John C. Crosbie (St. John's West): Madam Speaker, I rise under the provisions of Standing Order 43. I move, seconded by the Hon. Member for Simcoe North (Mr. Lewis):

That this House commend the Government of Poland for releasing from imprisonment Lech Walesa and for restoring him to his family and to a position where he can represent the views of Solidarity as soon as the Government of Poland opens up a dialogue with Solidarity, the Church and with the Polish people as to the best way in which to deal with the many problems facing Poland and her people, and this House wishes Lech Walesa a successful re-entry into the public life of his country and expresses its support for a liberalization of conditions in Poland and the release of all other prisoners incarcerated in Poland since the imposition of martial law and for the immediate lifting of martial law in Poland.

Madam Speaker: Is there unanimous consent for this motion?

Some Hon. Members: Agreed.

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

Some Hon. Members: Agreed.

Motion agreed to.

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AIR TRANSPORT

SURVIVAL OF QUÉBECAIR

Mr. Les Benjamin (Regina West): Madam Speaker, under the provisions of Standing Order 43 I wish to raise a matter of urgent and pressing necessity. In view of the fact that the Quebec Government has proposed joint federal-provincial financing to maintain Québecair to see it through a difficult period and maintain an airline which could be regionally viable, I move, seconded by the Hon. Member for Beaches (Mr. Young):

That the federal Government immediately take measures to ensure the survival of Québecair and its 1,000 jobs.

Madam Speaker: Is there unanimous consent for this motion?

Some Hon. Members: Agreed.

Some Hon. Members: No.

* * *

CANADA PATENT ACT

DEMAND FOR REPEAL OF AMENDING LEGISLATION

Mr. Gordon Gilchrist (Scarborough East): Madam Speaker, inasmuch as Bill C-102 of 1968, the amendments to the Canada Patent Act, has denied pharmaceutical companies in Canada the protections and proprietory rights available to all other kinds of businesses and has (1), impeded research and development of the Canadian drug industry (2), resulted in the loss of respected companies such as Ayerst with attendant job loss for highly trained Canadian scientists and researchers (3), stands in the way of future biotechnological development in Canada (4), reduces career opportunities for young Canadian scientists, and (5), conflicts with stated Liberal Government aims of increasing research, not diminishing it, I move, seconded by the Hon. Member for Oxford (Mr. Halliday):

That Bill C-102 be repealed at once.

S.O. 43

Madam Speaker: Is there unanimous consent for this motion?

Some Hon. Members: Agreed.

Some Hon. Members: No.

* * *

NATIONAL CAPITAL

ANNOUNCED CHANGE IN NAME OF RIDEAU CENTRE

Mr. Jean-Robert Gauthier (Ottawa-Vanier): Madam Speaker, I seek unanimous consent under the provisions of Standing Order 43. After ten years of co-operative planning of downtown Ottawa between the private sector and all levels of Government in a joint development and construction project known as the Rideau Centre, the T. Eaton Company Limited, one of the participants, announced its intention to change the name of Rideau Centre to Rideau Eaton Centre.

Considering that the name Rideau is an important part of the cultural heritage of the National Capital; considering that, while the T. Eaton Company Limited is a welcome backer of the project, many other private companies and all levels of Government have also financed a large share of the Rideau Centre area; considering that all local officials consulted, namely, the City of Ottawa, the Regional Municipality of Ottawa-Carleton, and merchants and citizens associations have expressed their opposition to the proposed name change, I move, seconded by the Hon. Member for Nepean-Carleton (Mr. Baker):

That this House ask T. Eaton Company Limited to reconsider its decision and maintain the name Rideau Centre, Centre-Rideau.

Madam Speaker: Is there unanimous consent for this motion?

Some Hon. Members: Agreed.

Some Hon. Members: No.

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REGIONAL ECONOMIC EXPANSION

SENATE COMMITTEE FINDINGS

Hon. J. Robert Howie (York-Sunbury): Madam Speaker, I too rise under the provisions of Standing Order 43. Whereas the report of the Standing Senate Committee on National Finance concerning government policy and regional development released in September of this year reflects the apprehension of many Canadians in a scathing indictment of the Government's plan to dismember DREE and bury it in two departments of Government, and whereas the report finds that the long and the short of the 1982 re-organization is that some basic components of the past ten years' efforts to encourage the development of Canada's least prosperous regions have been abandoned and it is not at all clear how they are to be replaced, I move, seconded by the Hon. Member for Central Nova (Mr. MacKay):

That the Government be directed to address the constructive criticism in the report and in particular readjust the focus of development policies so that disadvantaged regions will be stimulated by an increased, not a diminished effort.

Madam Speaker: Is there unanimous consent for this motion?

Some Hon. Members: Agreed.

Some Hon. Members: No.

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• (1410)

NATIONAL SECURITY

ALLEGED EXISTENCE OF MOLE IN INTELLIGENCE SERVICE

Hon. Elmer M. MacKay (Central Nova): Madam Speaker, following the shocking interview with Leslie James Bennett, former Director of Counter-intelligence for the RCMP, carried on CBC radio last Sunday morning, I move, seconded by the Hon. Member for Esquimalt-Saanich (Mr. Munro):

That the Government order an immediate intensive investigation of Mr. Bennett's contention that a mole still exists in the echelons of the federal Government.

Madam Speaker: Is there unanimous consent for this motion?

Some Hon. Members: Agreed.

Some Hon. Members: No.

* * *

SOCIAL SECURITY

DEFENCE OF UNIVERSAL PROGRAMS

Mr. Neil Young (Beaches): Madam Speaker, I rise under the provisions of Standing Order 43. In view of the Government's continued and ongoing kite flying about the need to end the universal payment of Family Allowances and even the Old Age Security and other Programs, I move, seconded by the Hon. Member for Vancouver East (Mrs. Mitchell):

That this House instruct Members of the Cabinet to keep their hands off these valuable and important social Programs and, if they really believe in the need to redistribute incomes to those most in need, they do so through a revised, fair, and more equitable tax structure.

Madam Speaker: Is there unanimous consent for this motion?

Some Hon. Members: Agreed.

Some Hon. Members: No.

EDUCATION

INCREASE IN UNIVERSITY TUITION FEES

Mr. Blaine A. Thacker (Lethbridge-Foothills): Madam Speaker, whereas today's Consumer Price Index reveals that tuition fees for Canada's university students this fall are 13 per cent higher than last year; whereas last fall fees rose only 8.2 per cent, and whereas this increase is directly related to the decision of the federal Liberal Government to reduce its obligations under Established Programs Financing, I move, seconded by the Hon. Member for Bow River (Mr. Taylor):

That the Government, which also presided over an increase in the unemployment rate for returning students from 18.4 per cent in 1981 to 27 per cent this summer, stand condemned for increasing the cost of a university education while reducing students' oportunities to pay for such an education.

Madam Speaker: Is there unanimous consent for this motion?

Some Hon. Members: Agreed.

Some Hon. Members: No.

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HEALTH

MINISTER'S VIEWS ON CANDY CIGARETTES

Mr. Bud Bradley (Haldimand-Norfolk): Madam Speaker, as a professional man I am not one to contradict any activity that would reduce cancer in Canadians. However, Madam Speaker, when the Minister of National Health and Welfare calls on the Confectionery Manufacturers Association of Canada to cease importing, manufacturing and distributing products that resemble pipes, cigars and cigarettes, because they may encourage children to take up smoking in later life, I feel she is going a little too far. Surely the Minister has enough to do running her Department that she need not dabble in areas where she should not. I move, seconded by the Hon. Member for Oxford (Mr. Halliday):

That the Minister of National Health and Welfare immediately table her medical evidence substantiating the link between candy cigarettes and adult smoking or withdraw her request to the Confectionery Manufacturers Association of Canada and apologize to that Association and to cigarette manufacturers for her totally irresponsible action.

Madam Speaker: Is there unanimous consent for this motion?

Some Hon. Members: Agreed.

Some Hon. Members: No.

S.O. 43

LOUIS RIEL

ANNIVERSARY OF EXECUTION—PLEA FOR POSTHUMOUS PARDON

Mr. Rod Murphy (Churchill): Madam Speaker, 97 years ago today the Metis leader, Louis Riel, was hanged on a charge of treason for leading his people against the insensitive government of the day. In light of the fact that this hanging remains a black mark on Canada's record for justice and political tolerance, and continues to be an insult to the Metis people of this nation, and as the role of Louis Riel in creating the Province of Manitoba has been recognized with a statue near the Legislature of that Province, I move, seconded by the Hon. Member for Saskatoon East (Mr. Ogle):

That Louis Riel be granted a posthumous pardon on this, the anniversary of his death.

Madam Speaker: Is there unanimous consent for this motion?

Some Hon. Members: Agreed.

Some Hon. Members: No.

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SOCIAL SECURITY

MATERNITY BENEFITS SOUGHT FOR PARENTS ADOPTING CHILDREN

Mr. Doug Lewis (Simcoe North): Madam Speaker, in July, 1981, the Task Force on Unemployment Insurance recommended that, in the interests of equity and fairness, maternity benefits under the Unemployment Insurance Act should be extended to newly adoptive parents. Parents who adopt children face the same physical, mental, social and economic adjustments as natural parents, but they often have no advance notice of the date of adoption. The present system discriminates against these parents. Therefore I move, seconded by the Hon. Member for York-Sunbury (Mr. Howie):

That this House urge the Minister of Employment and Immigration to extend maternity benefits to the parents of adopted children who do not now qualify.

Madam Speaker: Is there unanimous consent for this motion?

Some Hon. Members: Agreed.

Some Hon. Members: No.

• (1415)

ORAL QUESTION PERIOD

[*English*]

EMPLOYMENT

IMPLEMENTATION OF JOB-CREATION PROGRAM

Hon. Flora MacDonald (Kingston and the Islands): Madam Speaker, my question is directed to the Minister of Employment and Immigration. The Minister announced that application forms for his new job-creation program will not be available until the end of December. He knows that it takes another six to eight weeks for application forms to be filled out by groups and to be processed, as we have just seen with the community development projects. This would mean that there would be no new jobs created under the program until approximately the end of February.

Given the fact that there are thousands of people who run out of unemployment benefits each week, that welfare rolls are soaring, and that 1.5 million people are out of work, why does it take three to four months of delay before a program is implemented to provide new jobs, even when it was announced in October?

Hon. Lloyd Axworthy (Minister of Employment and Immigration): Madam Speaker, the Hon. Member is really asking several questions. The answer to them is basically that we have set the target date of January 1 for the program and that it may be possible to deliver it earlier. Because of the success of negotiations with the provincial Governments, we may be in a position to start processing proposals even before Christmas so that they will be in place in January. I think her comments about three to four months of delay are not well taken. In fact, we will be offering employment under the program before then. Also, I remind her that in the period beginning now, through to Christmas, a number of work programs are being initiated through the Canada Community Development Program which will provide close to 60,000 jobs for the very people about whom she is talking. Those are coming onstream at the moment.

Miss MacDonald: I am concerned about the urgency of the situation. The Minister's own press release indicated the end of December.

* * *

WELFARE

REQUEST FOR FEDERAL-PROVINCIAL MEETING OF MINISTERS

Hon. Flora MacDonald (Kingston and the Islands): Madam Speaker, my supplementary question is directed to the Minister of National Health and Welfare. Between now and February approximately 70,000 people per month will run out of unemployment insurance benefits. Some of those people will qualify for welfare, but a great many of them will not and will be in very real difficulty. Although the Minister may see this as primarily a provincial responsibility, will she consider, in this emergency situation, calling together the provincial Ministers of Welfare to see if something could be done about the increasing number of people who are running out of unemployment insurance benefits and cannot qualify for welfare?

[*Translation*]

Hon. Monique Bégin (Minister of National Health and Welfare): Madam Speaker, I do not quite understand the Hon. Member's question. In Canada, people who run out of unemployment insurance benefits or who for any other reason are indigent, can qualify for welfare. That is why I do not see who could not qualify. I fail to see a problem here that would require consultation with the provincial ministers, with whom our relations are consistently very good, since we automatically refund to them the amounts they spend on welfare payments. Could the Hon. Member possibly elaborate?

[*English*]

NATURE OF INDIVIDUAL CASES

Hon. Flora MacDonald (Kingston and the Islands): Madam Speaker, perhaps if I exlain it to the Minister she would understand better. I am talking about the people who are falling between the safety nets, for example, a family where the husband has run out of unemployment insurance benefits and the wife has only a part-time job. The part-time job does not provide a sufficient income to look after a family of four, but it is too high to allow the husband to qualify for welfare and, as a result, they end up losing their home, car and other assets. These are the things which I feel the Minister could discuss with her provincial counterparts. I would like her to consider situations of this nature.

Hon. Monique Bégin (Minister of National Health and Welfare): Madam Speaker, I assure the Hon. Member that there are not many Canadians, not at all, who will fall between the safety nets as she suggested. The NEED Program announced by my colleague is especially conceived to employ the very people who are exhausting their UIC benefits for the time needed in order to requalify for benefits. As to the rate paid by the Provinces for welfare—and they know it very well—we are in constant discussion about the situation today, and for any Province that wants to increase its rates we would reimburse half of it immediately and automatically.

* * *

• (1420)

EMPLOYMENT

IMMEDIATE EMPLOYMENT CREATION PROGRAM—REQUEST FOR UPDATE REPORT

Hon. David Crombie (Rosedale): Madam Speaker, my question is for the Minister of Employment and Immigration. The Minister will recall that last June a job-creation program

was announced entitled the Immediate Employment Stimulation Program. This Program was allocated approximately $100 million for 1982-1983 and it was to employ in the order of 14,000 people. Unlike a lot of the other job-creation programs which the Minister has, there is very little known about this Program and it seems there is some mystery surrounding it. Would the Minister be willing to make a public statement which would give us an update on where the program is now, so that we will understand where the money has been spent and on what projects?

Hon. Lloyd Axworthy (Minister of Employment and Immigration): Madam Speaker, as the Hon. Member for Rosedale knows, I am not reluctant to talk about the job-creation programs we have. I think it is important that Canadians understand what we are attempting to do. The particular Program he has referred to really is not a program as such, but an allocation of funds that were set aside in the June budget by the Minister of Finance. They were allocated to a number of different Departments to fund projects which were on the shelf or which could be funded directly through them. The Department of Fisheries, the Department of Public Works or others each spent proportional funds across Canada in different areas to provide for a stimulus for those projects in which jobs could be created in the light construction area. In effect, what we would have to do is find particular projects that were initiated by individual Departments. My Department was only one among several participating in that particular allocation of funds.

REQUEST FOR REPORT ON PROJECTS FUNDED

Hon. David Crombie (Rosedale): Madam Speaker, I understand the nature of the program and the allocations to the various Departments that were made at that time. Indeed, according to the Minister at the time, money was allocated for the construction of small craft harbours, local airports, and various other sorts of community-based projects. I think all Hon. Members would like to be a part of that Program and they would like to speak on behalf of their constituents for that Program. What I am asking the Minister, and I would like him to give us an undertaking now, is whether he will undertake to do what I think is normal and put out a public report indicating where the money has gone and on what projects?

Hon. Lloyd Axworthy (Minister of Employment and Immigration): Madam Speaker, as I explained to the Hon. Member, the information concerning the projects themselves is certainly public, but they are being initiated by several Departments. Therefore we would have to get together the different Ministries and provide an over-all list of those projects. I am sure that can be done. If the Hon. Member wants to put that request on the Order Paper, we would be glad to gather that information for him.

CANADIAN BROADCASTING CORPORATION

CULTURAL POLICY REPORT RECOMMENDATIONS—MINISTER'S POSITION

Mr. Mark Rose (Mission-Port Moody): Madam Speaker, my question is for the Minister of Communications. It concerns the Cultural Policy Report that was released today. My Party has supported the concept of public broadcasting for the past 50 years, and we do not intend to stand idly by and let that tradition go down the drain. We know that broadcasting really has only two choices, either support by the state or a sell-out to the United States. Does the Minister agree with the Applebaum-Hébert recommendation that the CBC's production of programs be emasculated and, in turn, go for a privatization, American-style, of CBC? If the Minister does not agree with the recommendation, what does he intend to do about it?

Hon. Francis Fox (Minister of Communications): Madam Speaker, I just received the final edited version of the Applebaum-Hébert Report this morning, which I intend to table in the House at the first opportunity this afternoon. As Mr. Applebaum himself indicated this morning, he thought that the general gist of the report was to have an even better CBC in the long run. I expect that the recommendations of Messrs. Applebaum and Hebert on the CBC will obviously be a matter of in-depth debate throughout the country. The Government will listen to that debate, obviously including any contributions from the Opposition and Parliament, before making up its mind.

• (1425)

I would like to say, however, that it is quite clear in the mind of the Government that, in a country like Canada, there is an important role to be played by public broadcasting.

REQUEST THAT MINISTER SUPPORT CANADIAN FILM AND TELEVISION PRODUCTION

Mr. Mark Rose (Mission-Port Moody): Madam Speaker, that is not much of a response by the Minister since he has had the Applebaum-Hébert Report for at least two months and has been sitting on it. In fact he has already made responses to it in a leaked document, yet he gives us that kind of answer, that he is not in a position to tell us what he is going to do today, but that it is a matter for public debate.

Where does the Minister stand on this issue? What will he do about public broadcasting? It is ironic that the only two radical recommendations in the whole Report which talks about job-creation for Canadian artists—that is one of its themes—are job destruction in the CBC for approximately 6,000, and job destruction in the National Film Board.

Can the Minister assure the House that the Government will give more support and not less to Canadian film and television production, and that he will take some steps to ensure that our productions are not boycotted across the country by foreign-owned theatre chains?

Hon. Francis Fox (Minister of Communications): Madam Speaker, all of the areas mentioned by the Hon. Member are obviously of deep interest to the Government. I think that the Applebaum-Hébert Report does indeed call for a thrust into that direction. I believe that when one talks about broadcasting, in view of its real importance to a country like Canada, and in view of the past history of broadcasting policy in Canada which has developed with the very wide ranging support from all political parties in the House, that it would indeed be more appropriate to have public debate on the Applebaum-Hébert Report. It is an avenue that they suggested themselves. They suggest that the Report is the beginning of a public debate on the major directions of cultural policy in this country over the years to come.

All that I can add is what I have said before, that, as far as I am concerned, public broadcasting will, of course, remain an important part of the broadcasting system in Canada.

AUSTRALIAN MODEL

Mr. Mark Rose (Mission-Port Moody): Madam Speaker, what the Report indicated to me was a concern for jobs, training, employment and culture. We want to know when the Government will stop its dilettante type of approach to our cultural industries and begin doing something more than throwing money at potential investors. Has the Government considered the Australian model which has produced such outstanding feature films recently as "Gallipoli" and "Breaker Moran"?

Hon. Francis Fox (Minister of Communications): Yes, Madam Speaker.

CABINET COMMITTEE STUDY

Mr. John Bosley (Don Valley West): Madam Speaker, I have one supplementary question for the Minister. Not only was there an earlier leaked document on general policy, but it was a leaked document with regard to the preparation of a green paper on broadcasting policy. Will the Minister first tell the House what he plans to do with the entire Applebaum-Hébert Report and, second, is the news report of today that the Minister has asked Senator Jack Austin to head a group of Ministers to review cultural policy true? Who are the members of the group and is it intended to delay Government action on culture as the Government plans to delay action on economic affairs?

Hon. Francis Fox (Minister of Communications): The Hon. Member has a great deal of experience with leaked documents, Madam Speaker, but I hope that he will take the trouble to read this one as soon as I table it in the House. My first intention is to table the document in the House so that Hon. Members can then read it.

As for the other question, the Government has indeed decided to set up a special committee of Cabinet because of the importance we give to culture, to consider the Applebaum-Hébert Report and whatever measures that will develop from the Report and which will be recommended to Cabinet following wide-ranging consultations with the Canadian public.

* * *

THE ECONOMY

PREMIER'S CALL FOR HOLDING OF FEDERAL-PROVINCIAL CONFERENCE

Mr. Pat Nowlan (Annapolis Valley-Hants): Madam Speaker, my question is directed to the Deputy Prime Minister. I am sure he is aware of the constructive speech made by the Premier of Nova Scotia before the Canadian Club in Toronto yesterday when John Buchanan, Premier of Nova Scotia, a fellow Nova Scotian and a fellow ex-Cape Bretoner, renewed the provincial call for a federal-provincial conference. Since conditions are much worse now than they were when this was first advanced in August, and knowing the Deputy Prime Minister's concern for unemployment in his own riding, let alone for the million and a half unemployed Canadians across the country, will this request of Premier John Buchanan, that the Premiers of Canada hold a federal-provincial conference to deal with problems now, receive a favourable, positive response?

• (1430)

Hon. Allan J. MacEachen (Deputy Prime Minister and Secretary of State for External Affairs): Madam Speaker, I cannot predict what the response will be because the matter has not yet been considered by the Government, but I do remember that following the August conference of the Premiers, which Premier Buchanan chaired, we had requested that the Premiers put some flesh on the rather vague proposals they had advanced at that time.

There were a number of very vague ideas asking for changes in this policy and that policy, without any explanation as to what all the changes were to be. At that time the Prime Minister and myself both requested the Premiers to really tell us what they proposed, as once we had that it might help us decide whether a First Ministers' conference would be useful. I have read reports of Premier Buchanan's speech, and I do not think it added a single thing to the rhetoric which came out of the Halifax conference.

Mr. Nowlan: Madam Speaker, speaking about flesh, as the Deputy Prime Minister did, the only flesh which has been advanced in this equation of conference and/or Royal Commission is the flesh of one Donald Macdonald, and that is the only new ingredient which has entered into the situation.

POSITION OF PRIME MINISTER

Mr. Pat Nowlan (Annapolis Valley-Hants): Madam Speaker, in view of the fact that not so long ago the Prime Minister wanted Canadians to trust Canadians, so that we could start down a new road of economy recovery, does the Deputy Prime

Minister not think that the best way to start that trust would be for the Prime Minister to start trusting the Premiers of the ten Provinces rather than to throw up roadblocks? Does he really think, as we go into this winter, that the diet for the million and a half unemployed Canadians is a recycled, regurgitated Big Mac who will be heavy on politics and short on any economic solution?

Some Hon. Members: Hear, hear!

Hon. Allan J. MacEachen (Deputy Prime Minister and Secretary of State for External Affairs): Madam Speaker, I do not think it is a question of trust. It is a question of what can be expected from a First Ministers' conference.

Mr. Nowlan: Who knows until you try?

Mr. MacEachen: We had one last February, I believe, and I do not think we need a second disaster like that. Unless appropriate preparations are made, I certainly would not be one who would advocate a repetition of what happened—

Mr. Nowlan: But you are no longer there.

Mr. MacEachen: —last February, because up to the present time no preparations have been made by the Provinces and no detailed proposals have been brought forward. It is a continuation, a repetition of the same rhetoric, that we heard yesterday from the Premier of Nova Scotia in Toronto.

* * *

[*Translation*]

HOUSE OF COMMONS

PRESENCE IN GALLERY OF PRESIDENT OF NATIONAL POPULAR ASSEMBLY OF THE DEMOCRATIC AND POPULAR REPUBLIC OF ALGERIA

Madam Speaker: I have the honour of drawing the attention of the House to the distinguished presence in our gallery of a delegation of parliamentarians headed by Mr. Rabah Bitat, Member of the political bureau and President of the National Popular Assembly of the Democratic and Popular Republic of Algeria.

Some Hon. Members: Hear, hear!

* * *

[*English*]

MULTICULTURALISM

REQUEST FOR RELEASE OF HANDBOOK ON ETHNIC ORGANIZATIONS

Hon. Perrin Beatty (Wellington-Dufferin-Simcoe): Madam Speaker, my question is directed to the Secretary of State, whose Department was responsible for drawing up the 1974 document entitled "A Revised Handbook of Selected Ethnic Organizations in Canada". In view of the fact that yesterday the Minister of State for Multiculturalism said that he had ordered his copy of the book destroyed, may I ask the Secretary of State whether he is prepared to release a copy of the handbook so that the various ethnic organizations and individuals portrayed in the handbook may see how the Government portrays them and may respond to the portrayals?

[*Translation*]

Hon. Serge Joyal (Secretary of State): Madam Speaker, I wish to thank the Hon. Member for his question. When the existence of this document was made public, I asked officials of the Department of the Secretary of State to find out exactly when the data were compiled. According to the cover, it seems the document was updated in 1974, while according to my information, the document was originated as far back as 1960, when another government was managing the business of our country. I therefore asked that any copies that were in the department's possession be destroyed and not be made available to the public, to avoid giving Canadians the impression that the document is still being used.

[*English*]

USE MADE OF HANDBOOK

Hon. Perrin Beatty (Wellington-Dufferin-Simcoe): Madam Speaker, if the Minister has some difficulty locating copies, I can give him the call numbers for the Secretary of State's Library. It was there as of noon today and was consulted by an officer of P.C. Research. I would indicate as well that, if the Minister is not prepared to release the document, I am prepared to release a copy which was inherited by the Clark administration from the Liberal Government, which drew it up. Can the Minister give the assurance to the House, and to groups and individuals portrayed in the document, that no individual was denied rights and that no group was denied funding as a result of the portrayals? If he cannot do that, will he undertake to do research to determine how the document was used? For example, could he determine whether it was used by the Security Service of the RCMP and by the Immigration Department, and will he give some recourse to the groups mentioned in this document by which they may challenge the descriptions which are made of them?

[*Translation*]

Hon. Serge Joyal (Secretary of State): As far as I am concerned, Madam Speaker, the list of organizations and persons who received the document was drawn up by the government in power at the time, that is, in 1960. Consequently, if the information was distributed to the various government agencies whose names appear in the opening pages of the document, it was not the present government who took this initiative. I can also assure the Hon. Member that as far as I am concerned, and to the extent of my knowledge, the information contained in the document was never used for the purpose of obtaining financial contributions from, or providing grants to, any of the organizations mentioned.

[*English*]

POSSIBLE USE BY ROYAL CANADIAN MOUNTED POLICE

Right Hon. Joe Clark (Leader of the Opposition): This document was not only in use by the Liberal Government in 1979, but it is now on active file in the offices of the Secretary of State as well. Can the Solicitor General give this House of Commons a categoric assurance now that the document was never used by the Security Services of the RCMP in the course of their actions with regard to any of those groups mentioned in the document? Can he give us that categoric assurance now in this House?

Hon. Bob Kaplan (Solicitor General): Madam Speaker, I have requested the Security Service to provide me with information about any use which was made by the service of the handbook which it was given. I am not yet prepared to answer that question. I hope I will be shortly. However, I would remind Hon. Members that it is not a list of individuals, from what I understand, and I examined the copy briefly this morning. It is a list of ethnic groups and is quite different from the list which was the subject of the question asked earlier of my colleague, the Minister responsible for multiculturalism.

Miss MacDonald: Do you mean there are two lists?

REQUEST THAT RESULTS OF MINISTER'S INVESTIGATION BE MADE PUBLIC

Right Hon. Joe Clark (Leader of the Opposition): I trust we are dealing with only one list. If the Solicitor General knows of other lists, I trust he will let the House of Commons know of that fact. I am asked how many were passed on to our Government. One was passed on to our Government. We will be publishing it today in the absence of this Government's courage to publish that document.

Some Hon. Members: Hear, hear!

Mr. Clark: The Solicitor General also indicated that he is conducting an investigation to determine on how many occasions this information was used by the Security Forces. I ask that he give us an undertaking now that when that information is found by him, whatever its nature, it will be made available to the House of Commons of Canada.

Hon. Bob Kaplan (Solicitor General): Madam Speaker, I am certainly not prepared to give that assurance until I have the answers from the Security Service—

Some Hon. Members: Oh, oh!

Mr. Kaplan: —and have examined them, but I am certainly prepared to say now that there are no files open and no lists collected by the Security Service of any individuals who are not legitimate targets described in the mandate of the Security Service. The preliminary examination I have made of this list of ethnic groups indicates that it is totally unrelated to the mandate of the Security Service.

USE BY IMMIGRATION AUTHORITIES

Right Hon. Joe Clark (Leader of the Opposition): My supplementary question is directed to the Minister of Employment and Immigration. Can the Minister give the House a caterogic assurance now that at no time was any of the information contained in this list, which named such individuals as Mr. Papandreou and others, used in the exercise of responsibilities pertaining to the Minister or his Department?

• (1440)

Hon. Lloyd Axworthy (Minister of Employment and Immigration): Madam Speaker, I have to remind the Right Hon. Leader of the Opposition that, when it comes to matters of immigration, judgment is made on the application of those abroad, not in terms of any domestic organization. Certainly as long as I have been Minister I have not known of the existence of any list nor certainly of its application in the Department. I am quite prepared to ask the Department if any such list is in existence. As other Ministers of this Government have pointed out, it is the Opposition who are probably much better informed about it, as it was their Government in 1960 who prepared the list originally.

Some Hon. Members: Hear, hear!

USE OF HANDBOOK IN SECURITY CHECKS

Right Hon. Joe Clark (Leader of the Opposition): Madam Speaker, one learned long ago that the Liberal Party shouts hardest when it is trying its best to cover up activities that the public of Canada should know about.

Some Hon. Members: Hear, hear!

Mr. Clark: I have two questions for the Minister of Immigration. One, he has said that he will carry out an inquiry in his Department. Will he give an undertaking now that he will publish in this House of Commons all of the details of that inquiry, whatever their content? Secondly, will he give us an undertaking, or can he tell us now whether there was any use made, in any security checks that were carried out by the Department of Employment and Immigration, of this list?

Hon. Lloyd Axworthy (Minister of Employment and Immigration): Madam Speaker, if shouting is a criterion for someone who is covering things up, I would say that the Leader of the Opposition obviously has a great deal to cover up. No one on this side is shouting. We are simply answering the question. I will simply tell the Right Hon. Leader of the Opposition that I will ask questions, not make an investigative inquiry, but I will remind him again that the decisions on immigration are based on one's behaviour or performance abroad and the security investigations are undertaken by the Security Forces of the RCMP.

I can assure him that as long as I have been Minister I have never seen a list, I have never used a list, and I will ask the Department if they have ever used any, and of course I will make that public. I want to say to him that, as far as we are

concerned, the list is of little relevance because we make decisions based on the background of the individuals involved and the advice we get from the Security Service on those individuals.

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FINANCE

EXTENSION OF HOUSING TAX BENEFITS

Mrs. Ursula Appolloni (York South-Weston): Madam Speaker, my question is addressed to the Minister of Finance. I refer to the announcement that the restrictions on soft costs rules and the undue delay test as they apply to multiple unit residential buildings, or MURBs, will not take effect until after December 31 of this year. Can the Minister indicate what effect this is likely to have on the construction industry?

Hon. Marc Lalonde (Minister of Finance): Madam Speaker, I was pleased to announce yesterday that the undue delay test and the soft costs provisions for MURBs have been extended to January 1, 1983. I am advised that there is between $400 million and $500 million worth of construction projects that have been held in abeyance and I would hope that, following this decision and following the recent decline in interests rates, we will see those projects proceeding now and giving needed stimulus to the construction industry and that indeed this figure of $400 million to $500 million will be realized in the course of the next year, thanks to the changes that have taken place.

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FISHERIES

MINISTER'S POSITION ON PEARSE COMMISSION RECOMMENDATIONS

Mr. Ted Miller (Nanaimo-Alberni): Madam Speaker, my question is directed to the Minister of Fisheries and Oceans. At a well-attended conference at the University of Victoria on the Pearse Report this past weekend, there was unanimous opposition to the licensing program advised by Dr. Pearse. There was equally unanimous opposition to the present advisory council procedures in the Department of Fisheries and Oceans.

In view of the necessity of co-operation, if there are changes going to be made in the fishing industry, is the Minister prepared to listen to the advice of the industry to make the Department more accountable to some of the advisory councils that the Minister appoints, and will the Minister take immediate action to look at some of the recommendations of Dr. Pearse which call for a specific fisheries council to be formulated?

[*Translation*]

Hon. Pierre De Bané (Minister of Fisheries and Oceans): Madam Speaker, it is a pleasure for me to inform the Hon. Member that I will be on the Pacific Coast starting Friday of this week and will be meeting the various parties concerned. If the Hon. Member is correct in saying that there is great unanimity among the various parties, obviously this would simplify my task enormously, and I fully intend to listen very carefully to all representations that will be made to us at this first meeting I shall be having with the parties concerned.

[*English*]

METHOD OF APPOINTMENT TO PROPOSED FISHERIES COUNCIL

Mr. Ted Miller (Nanaimo-Alberni): The Minister will be aware that Dr. Pearse has recommended a council which would be appointed by the Minister of Fisheries and Oceans. The industry is not satisfied with that kind of a board. The present board acts in that way and simply is a rubber stamp for what the Department of Fisheries and Oceans imposes.

Would the Minister seriously consider, if indeed he does decide to have a fisheries council, having that council selected by industry and the various aspects of that industry, and have the Department of Fisheries and Oceans more accountable to that council? Also, would he provide for that fisheries council free access to the Minister so they can give him some direct advice rather than going through the Department?

Hon. Pierre De Bané (Minister of Fisheries and Oceans): Madam Speaker, I am open to all the suggestions that will be made to me, but ultimately I am the person accountable, not to Mr. So-and-So, representative of that particular segment, but I am accountable to you as Member of Parliament in this Chamber.

METHOD OF IMPLEMENTING RECOMMENDATIONS

Mr. Benno Friesen (Surrey-White Rock-North Delta): Madam Speaker, may I direct my supplementary to the Minister of Fisheries and Oceans. Would he then deny that the Department has any intention of implementing provisions of the Pearse Report by Order in Council before Christmas?

Hon. Pierre De Bané (Minister of Fisheries and Oceans): Madam Speaker, I am at the moment studying each of those recommendations with my officials. As you know, they are very numerous. Some of them are far-reaching, others are revolutionary, and I would not be able at this time to make a definite answer. We are still in the process of assessing each of those recommendations. The meeting that I will be having this weekend on the Pacific Coast has precisely as one of its objectives to get the reaction to this Report of the different parties involved.

Oral Questions

MEDICAL CARE

STATUS OF NEGOTIATIONS WITH PROVINCES

Mr. Bruce Halliday (Oxford): Madam Speaker, my question is directed to the Minister of National Health and Welfare. On November 9 last, as reported at page 20545 of *Hansard*, in responding to a question from the Hon. Member for Winnipeg-Birds Hill on the subject of the proposed Canada Health Act, the Minister said that she had refused to make, and I quote, "any statements to the press on a health insurance issue since negotiations are now taking place".

Will the Minister say if negotiations are still taking place at the ministerial level, or indeed at any level and, if so, precisely who is currently involved in these active negotiations and what progress is being made?

[*Translation*]

Hon. Monique Bégin (Minister of National Health and Welfare): Yes, Madam Speaker, I must apologize, but negotiations are still going on between ministers and officials.

[*English*]

PREPARATION OF DRAFT LEGISLATION

Mr. Bruce Halliday (Oxford): Madam Speaker, I trust that the state of the Minister's voice is not indicative of any slipping of our health care system. I trust that she will seek urgent consultation with the medical profession on her own personal problems.

As part of her recent negotiations, the Minister allowed all of 12 minutes for a meeting with representatives of the provincial health ministers on November 1 last after which the chairman of that group reported by telegram to his nine colleagues that, and I quote, "she advised that it was her intention to seek approval of the federal Cabinet to prepare draft legislation". May I ask the Minister whether she can confirm that she is not going to have further negotiations prior to draft legislation being prepred, and why, in view of the importance she places on health care, she has not convened a national health conference comparable to the pension conference where representatives of the Provinces, the professional groups and the consumers could be heard?

• (1450)

Hon. Monique Bégin (Minister of National Health and Welfare): Because everybody wants action, not talk.

Some Hon. Members: Hear, hear!

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CANADIAN BROADCASTING CORPORATION

COVERAGE OF EVENTS IN LEBANON

Mr. Arnold Malone (Crowfoot): Madam Speaker, my question is directed to the Minister of Communications. Bearing in mind the very difficult situation which took place in the City of Beirut, Lebanon, this past summer, and recognizing that that situation had the potential to change the map and the history of that area, and indeed of the world, for some long time, why was it that, night after night, we listened to feeds from NBC in the United States and had hardly any coverage from CBC from that area? And why was CBC so short-staffed in that region?

Hon. Francis Fox (Minister of Communications): Madam Speaker, obviously, the mandate of the CBC is to give Canadians as wide a range of programming as possible in all fields, including news and public affairs. The CBC tries to run its operations efficiently and for reasons of economy, or for other reasons, which I would be very pleased to check out with the management of the CBC on behalf of the Hon. Member, it undoubtedly found it more efficient and more economical to take feeds from other networks.

COVERAGE OF EVENTS IN MEXICO AND AUSTRALIA

Mr. Arnold Malone (Crowfoot): Bearing in mind what the Minister has just said, Madam Speaker, I would now like to ask him, if efficiency was the cause for having so few people in a city like Beirut where history could be changed, why was it in the month just preceding, at Cancun, Mexico, when Global TV had one reporter and CTV had four, that CBC was there with 41, and just after the situation in Lebanon, in Brisbane, Australia, where Global took their feed from CBC, CTV had one reporter and CBC was there with 91. Why is it that everyone from CBC who raises his hand gets to go when the place is luxurious, opulent and plush, but we do not send people to the places where there is real news which could affect the history of the world, taking place? Could you justify that in the name of efficiency?

Some Hon. Members: Hear, hear!

Hon. Francis Fox (Minister of Communications): Madam Speaker, the Hon. Member does a great deal of injustice to the CBC correspondents, many of whom in the past had their lives endangered in various circumstances. The Hon. Member cannot have it both ways. He is trying to win on both sides of the question this afternoon by blaming the CBC for not being in one place, then blaming the CBC for being in another place. He also compares apples with oranges, Madam Speaker, when he speaks of networks such as Global or CTV, for he is indeed talking about one network—

Some Hon. Members: Oh, oh!

Mr. Fox: The Hon. Members on the other side do not want to hear me out, but it so happens that CBC runs more than one network. It runs two radio networks in two official languages in this country, and two television networks in two official languages in this country. And it runs a CBC international service, and a Northern service. If CBC wants to give coverage over all of these networks at the same time, it obviously takes

more people than to give coverage over one single-language network.

Some Hon. Members: Hear, hear!

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NEW EMPLOYMENT EXPANSION AND DEVELOPMENT PROGRAM

TIMING OF FUND EXPENDITURES

Mr. Cyril Keeper (Winnipeg-St. James): Madam Speaker, my question is for the Minister of Employment. The economic statement of the Minister of Finance claimed that the latest job-creation program called NEED would create, and I quote, "jobs for 60,000 individuals over a period of 18 months." This time frame is crucial, given the fact that we have over one and a half million people unemployed, and given the fact that some 55,000 people, projected to reach up to 90,000, are exhausting their unemployment insurance benefits each month. Will the Minister confirm that in fact these funds will be spent over a period of two and a half to three years?

Hon. Lloyd Axworthy (Minister of Employment and Immigration): Madam Speaker, I would like to explain to the Hon. Member that the job-creation programs initiated in this fiscal year, which only has three or four months to go before the April deadline, will operate in the next fiscal year. However, because they are operating on a 12-month basis they will overlap. The entire job-creation program will run through three fiscal years, but in fact will be operative for two and a half years. I think if the Hon. Member would look at the simple calculus based upon that example, he would correct his statement.

EXPENDITURES IN QUEBEC

Mr. Cyril Keeper (Winnipeg-St. James): Madam Speaker, the prospect that Canadians are facing, to use the example of Quebec, is this: during this fiscal year there will be something like $10.5 million spent on employment in a Province which now has 23 per cent of its working population on welfare or unemployment insurance. I wonder if the Minister could confirm these statistics which we are receiving from the Provinces, that for Canada as a whole, in this fiscal year, they will be spending some $30 million, in the next fiscal year, $320 million, and in the third fiscal year as much as $150 million? And why, Madam Speaker, is the Minister saying one thing to the public through the economic statement of the Minister of Finance, and another thing to the Provinces in private?

Hon. Lloyd Axworthy (Minister of Employment and Immigration): Madam Speaker, again I would like to point out to the Hon. Member that his figures are dead wrong when it comes to how much is being allocated for job creation, because in the Province of Quebec alone, if one totals up what is being spent on the NEED Program, as well as the other job-creation programs, it would come closer to $100 million in this period of time, not the $10 million he talks about. I think, Madam Speaker, before we get down to answering his question, he should do his sums a little better, and then we can get down to a fair exchange.

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ENVIRONMENTAL AFFAIRS

UNITED STATES STORAGE OF RADIOACTIVE WASTES IN NIAGARA AREA

Mr. Joe Reid (St. Catharines): Madam Speaker, my question is directed to the minister responsible for the protection of the Canadian environment. Despite the fact that the Niagara area is one of the most heavily chemically-contaminated areas on the whole of this continent, it is proposed by the United States authorities that they establish a 1,000-acre dumping ground for radioactive waste, waste coming from several of the American states. This site is located within five miles of the Niagara River and there are already some 16,000 tonnes of radioactive waste stored since World War II. This should not be allowed to happen.

People's groups on both sides of the river are looking to the Canadian Government as their last hope. What action, Mr. Minister, is your Department proposing to take, or the Government of Canada, to halt this proposal which would endanger the lives of over four million Canadians who use the Niagara-Lake Ontario waterway as a source for drinking water?

Hon. John Roberts (Minister of the Environment): Madam Speaker, this is indeed a very serious question. The Hon. Member for Niagara Falls has already been very vigorous in his representations to me on exactly the same point. As a result of these representations, we have opened discussions with the American authorities to try to make sure they are entirely conscious of the kinds of concerns which the Hon. Member has expressed.

RADIATION LEAKAGE FROM DUMPS

Mr. Joe Reid (St. Catharines): Madam Speaker, as one of the Minister's colleagues mentioned earlier, the time is now for action, not talk. The Minister already knows there is a radiation leak from the contamination dumps already there, which is leaking into the Niagara River. With a situation like that, scientific authorities say there is no safe level for radiation. In light of the facts which his Department has in its files, what action, really, does the Minister propose to take, or is this one of the trade-off areas which he has said himself are necessary in the environmental world?

Hon. John Roberts (Minister of the Environment): Madam Speaker, I am not sure what the Hon. Member is referring to when he talks of "trade offs". We are not talking about trade offs in this regard. We are taking the kind of action I thought he was recommending in his original question. The action required is on the part of the American authorities. It is

exactly that which we are seeking, and exactly that which is the purpose of the representations we are making.

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ATOMIC ENERGY OF CANADA LIMITED

ANNOUNCED LAY-OFFS—REQUEST FOR GOVERNMENT ASSISTANCE

Mr. G. M. Gurbin (Bruce-Grey): Madam Speaker, my question is for the Minister of Energy. I think that is his right elbow behind the curtain. He was just here.

Mr. Clark: Here he comes.

Mr. Gurbin: Port Hawkesbury and Glace Bay both stand to lose 900 heavy water nuclear jobs. The AECL in Toronto has indicated its intentions to release 600 engineers from its facility there. Indeed, 36,000 direct jobs which are related to the nuclear industry in Canada are in desperate condition. Does the Minister and Cabinet have any possible action in mind which may assist these nuclear workers?

● (1500)

Hon. Jean Chrétien (Minister of Energy, Mines and Resources): Madam Speaker, of course it is all related to the Candu program and the possibility of selling more Candu reactors which will need heavy water and the engineering which will provide work. At this time the prospects for sales of new Candu reactors are very limited indeed, and that is why AECL was obliged to let go some 600 or 700 people last week in Toronto.

As far as the question of heavy water production in the two plants in Cape Breton is concerned, at this time there is some discussion about the level of activity there but no decision has been made by Cabinet as yet.

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NUCLEAR ENERGY

QUERY RESPECTING GOVERNMENT POLICY

Mr. G. M. Gurbin (Bruce-Grey): Madam Speaker, after years of mismanagement the Government is now letting the Canadian nuclear industry go bit by bit, engineer by engineer, and technician by technician. We in this party have been asking for the last year if the Liberal Government has a nuclear energy policy. Will the Minister tell us if the Government has a nuclear energy policy?

Hon. Jean Chrétien (Minister of Energy, Mines and Resources): Madam Speaker, I think Atomic Energy of Canada has developed a technology which has been very useful up until now. As I said, because of the change in energy needs around the world, it is more difficult at this time to sell Candu reactors. Of course, if you are not selling in a business you have to make some cuts. That is why AECL was obliged to let some people go in Toronto last week. I do not know if the Hon. Member is arguing at this time that, if we do not sell, we should keep the people on the payroll. I do not think that is a good management policy.

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PRIVILEGE

MR. FRIESEN—PRODUCTION OF PAPERS ALLEGED INCOMPLETE

Madam Speaker: I am prepared to rule today on the question of privilege raised by the Hon. Member for Surrey-White Rock-North Delta (Mr. Friesen). This question of privilege arose from an order of the House adopted on April 1, 1982 which called for all documents relating to an Emergency Planning Order in Council to be laid before the House.

I just want to remind Hon. Members that, of course, there is no doubt in my mind that deliberate disobedience of an order of the House is contempt of the House, provided, of course, the order is made within the limits of the House's competence and jurisdiction. Criteria have been laid down stating the general principles governing notices of motions for the production of papers which have been followed since 1973, although not formally approved by the House. Those principles are to be found in Citation 390 on pages 138 and 139 of Beauchesne's Fifth Edition.

The Hon. Member cited a number of precedents when raising this issue in the House. He cited, for example, a decision rendered on July 16, 1955 in which the Chair declined to rule that a prima facie case of privilege had been established in respect of non-compliance with an order of the House to produce a certain document. The Speaker pointed out on that occasion that if the Member wished to pursue his complaint, the proper course would be to move another motion. In another ruling alluded to by the Hon. Member of March 20, 1962, the Chair offered similar advice to a Member who complained that an order of the House to produce documents had not been sufficiently complied with.

The Hon. Member also referred to a decision of February 21, 1979, in relation to which he said, I believe—paraphrasing the Speaker:

> The Speaker clearly indicates that if the Hon. Member had actually said he had made application pursuant to motions for the production of documents and that the Minister subsequently refused to produce them, then it could have been brought forward within the ambit of privilege.

I have studied this particular ruling and should like to quote the two paragraphs from which the Hon. Member drew this implication:

> If I were to grant that that matter were to become a question of privilege because the minister was refusing on some grounds to produce that document to a member, I think that I would be stretching the limit of the definition of privilege beyond recognition. If I were to decide that a prima facie refusal by a minister to produce a document became privilege, I would be altering the law or privilege considerably.

> The Hon. Member does not actually say that he has made an application pursuant to motions for the production of documents and that the minister subsequently has refused to produce them. He does say in his argument that the minister has refused his other request for information, but he does not identify this particular one.

I do not think these paragraphs clearly indicate how the Speaker might have ruled in the hypothetical situation referred to by the Hon. Member. In the present case, I should also draw attention to the distinction between papers which may be ordered directly by the House and those which may be sought by an Address to the Crown.

Citation 382 at page 136 of Beauchesne's Fifth Edition states that the House may order papers directly when they relate to matters under the immediate control and direction of the different departments, or to the business of the House. The following Citation 383 lists the documents which can be sought by means of an Address to the Crown. The documents with which this question of privilege is concerned fall into this latter category. Although the distinction may be a technical one, the House did not order the direct production of documents. It resolved that an Address be presented to His Excellency praying that they be produced. Technically, therefore, the order of the House was fully complied with.

I think it is clear in terms of the precedents I have cited that the failure of the Government to produce some of the documents pursuant to the order of the House adopted April 1, 1982 does not amount to a violation of privilege. The Hon. Member in his submission drew attention to the fact that no date was attached to his motion and that the order of the House was specific in calling for all documents relevant to the Emergency Planning Order. Well, somebody has to judge which documents are relevant and I suggest that this is a matter for the Government to decide, in general. It is certainly not a matter for the Chair to decide.

I would also underline the fact that the order of the House was adopted on April 1, 1982 and that it would be reasonable to regard this date as a cut-off date. If any relevant documents became available subsequent to that date, as indeed one apparently has, and quoted by the Hon. Member, it would be open to the Hon. Member to move another motion if he wished them to be produced.

I do not think we can assume that the order of the House is open-ended as far as the date is concerned. The Hon. Member, in referring to documents, indicated the date of only one of those documents, which was after the cut-off date, and the Chair cannot take the responsibility of determining whether these documents fall within the ambit of the order of the House or not.

If the Hon. Member is still not satisifed, it would be open to him to pursue the matter by means of another motion, in accordance with the practice referred to by my predecessors in previous rulings.

Mr. Benno Friesen (Surrey-White Rock-North Delta): Madam Speaker, I would just like to raise a point of clarification on your ruling. I respect your ruling but—

Madam Speaker: I am sorry, there cannot be any points of clarification. The ruling speaks for itself. I have thoroughly studied the precedents, and the Hon. Member knows exactly what I am talking about when I refer to documents which were dated after the order was given by the House. On that ground alone it could have been ruled out, but there were many other grounds. So I feel I cannot agree to the Hon. Member making any comment.

* * *

THE LATE HON. CLARENCE WALLACE

TRIBUTE TO FORMER LIEUTENANT-GOVERNOR OF BRITISH COLUMBIA

Mr. Bill Clarke (Vancouver Quadra): Madam Speaker, I would ask the House to join me in a tribute to Colonel the Hon. Clarence Wallace, CBE, CD, LL.D, former Lieutenant-Governor of British Columbia, a great contributor to the Canadian nation, who died last Friday at the age of 88. Colonel Wallace was born in Vancouver in 1894, and after being educated in British Columbia and Ontario he embarked on a distinguished business career in shipbuilding where he spent over 60 years, the last 40 years plus as president of Burrard Drydock, until 1972.

His war service, Madam Speaker, started in 1914 when he became a private in the Fifth Canadian Battalion in the years 1914 to 1916. At the time of his death he was Honorary Colonel of the Duke of Connaught's Own Rifles of the B.C. Regiment.

• (1510)

He served as Lieutenant-Governor of British Columbia from 1950 to 1955 and was the first British Columbia born person to do so. He was a Knight of Grace in the Order of St. John of Jerusalem and was named Chief Red Cloud of the Kootenay Indians.

On behalf of this House, Madam Speaker, may I extend our sincere sympathy to the family of Col. the Hon. Clarence Wallace, his wife and two sons in Vancouver, and his brother in Victoria.

Some Hon. Members: Hear, hear!

* * *

PRIVILEGE

MR. AXWORTHY—ALLEGED UNPARLIAMENTARY LANGUAGE OF MR. BLAIKIE

Hon. Lloyd Axworthy (Minister of Employment and Immigration): Madam Speaker, I rise on a question of privilege relating to remarks made during the adjournment debate on November 8 by the Hon. Member for Winnipeg-Birds Hill (Mr. Blaikie). I apologize for rising so late on this matter but, as Your Honour may know, I was away all last week and did not have an opportunity to read *Hansard* until the Remembrance Day weekend, so I raise this at the first possible opportunity.

I rise because of the language used by the Hon. Member for Winnipeg-Birds Hill in describing events relating to supposed decisions by the CNR to move some work from Winnipeg to

other parts of Canada. During the course of his remarks the Hon. Member referred to me as being a stooge for the CNR and as being a hypocrite, and he used similar language which I think goes far beyond the bounds of what is acceptable in debate in this House. This is particularly so because in this case what we were trying to do was cool down an inflammatory situation which had been caused by the Hon. Member, who had relayed false information in that city. We were trying to relate, on behalf of the CNR, what its intentions were and to provide a proper solution to the problem.

To be accused of being a stooge by the Hon. Member extends far beyond what is normally acceptable in this House.

Madam Speaker: I understand the reasons for the Hon. Member not raising this question before, but in his absence the Hon. Member for Parkdale-High Park (Mr. Flis) raised it. At the time I ruled that questions relating to unparliamentary language have to be dealt with immediately when the language is used. The reason we do not allow unparliamentary language in the House is that it is likely to create difficulties, such as a commotion in the House or noisy rebuttals and so on. If that kind of atmosphere was not created at the time and if the Speaker did not have to deal with anything, then I suppose we have to let it go by.

To satisfy the Hon. Member who is complaining about the use of the word "hypocrite", I have to say that it might please him to know that Beauchesne puts it in the list of words that are acceptable and also in the list of words that are not acceptable. I am puzzled that the word appears in both lists but I suppose Speakers have put it in both lists because it depends in what context it is used. In this particular case there seems to have been no incident which might have prompted the Speaker who was on duty at the time to intervene.

I thank the Hon. Member for raising the question. This might be a reminder to Hon. Members that, as far as I am concerned, even if the word is in both lists, I feel Members should try to use words that are not liable to give rise to objection from other Hon. Members.

MR. BOSLEY—RESPONSE OF MR. FOX DURING QUESTION PERIOD

Mr. John Bosley (Don Valley West): Madam Speaker, I rise on a question of privilege of which I have given notice to you and to the Minister of Communications (Mr. Fox). It arises out of an article which appeared in the November 13 issue of "TV Guide" containing an interview with the Minister. It gave substantial and lengthy quotes from the Minister's October 14 memorandum to Cabinet on broadcast policy.

You will remember, Madam Speaker, that when we released that document it contained a substantial section on the marketing plans of the Government with regard to its broadcast policy. It also indicated that its earliest plank would be an interview with "TV Guide" because it was felt that that was the way to spread the message.

Madam Speaker: Order, please. I should like the Hon. Member to tell me forthwith what his question of privilege is. His note was quite incomplete. I can perhaps accept that, but I cannot accept that the Hon. Member should start to argue the case or to expose the question before telling me exactly where he feels his privilege has been breached.

Mr. Bosley: Madam Speaker, according to the Minister's words, that interview had to have been given on or about October 2. In the House on November 2 the Minister answered a question about whether he intended to give such an interview by saying that as to communication plans there was no final decision on these matters and that obviously, from time to time, he would make speeches. The implication of that answer was that the Minister had no intention of giving such an interview or that no interview had been given.

My question of privilege is that, as a Member of Parliament, I believe that I am entitled to complete answers on these matters and I believe the Minister seriously misled the House.

Madam Speaker: I see that the Hon. Member has chosen his words. Of course, he is entitled to complete or better answers to his questions if he feels that he has not received them, but that does not constitute a question of privilege. The Hon. Member can seek satisfaction by asking further questions of the Minister until such time as he is satisfied. Perhaps he will never be satisfied with the answers, but the fact that he is not satisfied with an answer given by a Minister does not constitute a question of privilege.

Mr. Bosley: Madam Speaker, I accept what you say. The normal remedy in such circumstances is to raise the matter through the late show debate. But when the Minister has said in the House that nothing has been done and one does not find out for three weeks—

Madam Speaker: Order, please. If the Hon. Member accepts what I said, then I advise him to accept it.

ROUTINE PROCEEDINGS

[*Translation*]

CULTURAL POLICY REVIEW

TABLING OF REPORT OF FEDERAL COMMITTEE

Hon. Francis Fox (Minister of Communications): Madam Speaker, in accordance with the provisions of Standing Order 41(2) I should like to table the final copy of the Report of the Federal Cultural Policy Review Committee, and it is a great pleasure for me to do so.

[*English*]

Madam Speaker, I take great pleasure in tabling in the House, under Section 41(2) of the Standing Order, the final copy of the report of the Federal Cultural Policy Review

Committee which was so ably chaired by Jacques Hébert and Louis Applebaum.

* * *

QUESTIONS ON THE ORDER PAPER

(Questions answered orally are indicated by an asterisk.)

Mr. David Smith (Parliamentary Secretary to President of the Privy Council): Madam Speaker, the following questions will be answered today: Nos. 3,748, 4,148, and 4,283.

[*Text*]

GASOLINE TAX REBATES

Question No. 3,748—**Mr. Herbert:**

By Province, for each year since the inception of the excise tax program, what amount was claimed in rebates for federal taxes on gasoline used for (a) farms (b) commercial purposes?

Hon. Pierre Bussières (Minister of National Revenue): (a) and (b) See list below.

Province	Type	1975	1976	1977	1978	1979	1980	1981
Newfoundland	(a) Farmers	$ —	$ 13,508.48	$ 118,418.50	$ 105,014.86	$ 89,122.45	$ 51,630.53	$ 37,797.21
	(b) Commercial purposes	—	217,110.21	1,809,275.74	2,185,398.46	1,994,899.95	1,647,210.21	1,718,971.21
P.E.I.	(a) Farmers	—	13,503.27	126,926.16	154,270.76	154,001.32	116,159.19	92,220.14
	(b) Commercial purposes	320.00	75,223.64	391,700.67	563,571.96	534,555.35	592,193.21	469,629.89
Nova Scotia	(a) Farmers	—	26,591.89	178,139.09	198,306.84	202,265.92	124,325.22	118,647.81
	(b) Commercial purposes	330.50	191,679.70	1,769,827.49	2,639,510.55	2,446,055.71	2,259,119.98	2,378,729.96
New Brunswick	(a) Farmers	—	20,404.75	201,471.87	255,580.89	247,655.27	195,701.01	177,069.02
	(b) Commercial purposes	—	268,569.52	2,214,181.07	2,831,291.35	2,723,464.32	2,630,877.11	2,558,046.57
Quebec	(a) Farmers	—	156,575.04	1,305,481.17	1,477,936.15	1,435,969.76	1,067,159.51	911,834.34
	(b) Commercial purposes	72.53	3,040,710.77	22,389,750.17	26,034,150.14	23,740,804.14	22,794,946.19	22,151,323.79
Ontario	(a) Farmers	—	1,083,171.54	5,155,555.62	5,105,092.96	4,472,243.47	3,399,657.32	3,011,201.79
	(b) Commercial purposes	16,901.44	4,054,702.56	31,477,462.94	38,210,532.48	33,650,919.06	31,270,219.23	30,054,431.04
Manitoba	(a) Farmers	—	495,867.85	3,756,901.61	4,026,813.65	3,960,453.29	2,812,445.21	2,419,266.29
	(b) Commercial purposes	—	406,849.25	3,249,127.73	4,006,805.17	3,873,777.10	3,180,787.27	3,461,225.95
Saskatchewan	(a) Farmers	115.60	405,454.99	7,560,428.85	6,995,354.82	7,640,253.30	5,124,554.25	4,367,160.38
	(b) Commercial purposes	—	240,676.33	2,598,091.76	2,645,078.20	2,741,248.47	2,567,517.24	2,754,655.84
Alberta	(a) Farmers	—	808,910.78	8,038,541.60	8,416,208.55	6,992,527.93	5,439,288.10	4,630,828.19
	(b) Commercial purposes	—	960,945.87	8,068,462.80	10,299,800.48	9,203,397.24	10,217,136.71	10,400,053.89
British Columbia	(a) Farmers	—	83,881.91	894,512.49	986,075.28	823,610.68	642,295.46	513,033.64
	(b) Commercial purposes	—	815,015.68	6,802,961.32	8,187,732.27	7,256,666.33	7,289,584.20	7,826,032.88
Northwest Territories	(a) Farmers	—	339.40	910.46	490.20	272.39	302.09	215.45
	(b) Commercial purposes	—	7,536.88	111,907.94	84,864.58	83,469.77	66,668.89	98,951.37
Yukon	(a) Farmers	—	103.30	659.65	1,275.62	754.83	323.67	564.44
	(b) Commercial purposes	—	4,163.16	36,094.96	40,786.86	67,842.83	51,286.51	70,630.81

CUSTOMS AND EXCISE COLLEGE

Question No. 4,148—**Mr. Cossitt:**

1. What is a brief description of the facilities at the Customs and Excise College at Rigaud, Quebec maintained by the Department of National Revenue?

2. Are there suites on the premises available for the use of visiting dignitaries and, if so, what are the names and job designations of all those who used the suites since the present government took office, including the names and job designations of all persons accompanying them?

3. (a) Were any purchases made at taxpayers' expense for anything supplied to the visitors in the suites (b) were purchases of alcoholic beverages made and, if so, who authorized them and what was the cost?

Hon. Pierre Bussières (Minister of National Revenue): 1. The Customs and Excise College, located at Rigaud, Quebec, is a departmental training centre dedicated to the training and development of Customs and Excise officers. At present, the College has ten classrooms, 14 syndicate rooms and a residence capacity for 127 students enrolled in basic recruit, technical and management training programs.

2. On the premises there are four residence rooms with bathroom facilities which are assigned to trainees and employees attending training courses and departmental confer-

ences. Since April 1, 1980 when Customs and Excise assumed occupancy of the buildings, none of these residence rooms has been assigned to visiting dignitaries.

3. (a) No. (b) No.

SMALL BUSINESS DEVELOPMENT BONDS

Question No. 4,283—**Mr. Schellenberger:**

1. As of March 31, 1982, by Province, what was the total number of Small Business Development Bonds approved by the Department of National Revenue?

2. For the same period, by province, what was the (a) total sum loaned under the Program (b) total number of unincorporated farmers who received the Bonds (c) total number of incorporated farmers who received the Bonds (d) total number of businesses which received the Bonds?

Hon. Pierre Bussières (Minister of National Revenue): 1 and 2. Part A provides statistics on the Small Business Development Bond Program under existing legislation and takes into account information available, which is as of January 15, 1982. This Program was directed to corporations for development purposes and to assist those corporations in financial difficulty. Part B provides statistics on the Small Business Bond Program, as of April 28, 1982. This Program was provided for in the November 12, 1981 Budget. The Small Business Bond Program will cover, in addition to corporations, unincorporated businesses and partnerships, including farmers and fishermen, in financial difficulty.

Part A—Small Business Development Bond Program

As of January 15, 1982

Province	Elections Received and Processed	Amount Loaned
Nfld.	215	$ 24,785,567
P.E.I.	77	10,096,989
N.S.	358	45,815,201
N.B.	406	44,848,746
Quebec	1,716	239,694,003
Ontario	4,724	679,647,834
Manitoba	771	124,477,274
Sask.	1,224	189,340,341
Alberta	1,788	311,755,063
B.C.	2,467	405,978,976
N.W.T.	4	769,000
Yukon	16	3,838,334
N.W.T./Yukon	38	5,965,516
	13,804	$2,087,012,844

Part B—Small Business Bond Program

As of April 28, 1982

Province	Elections Received	Amount Loaned	Unincorporated Farmers	Incorporated Farmers	Other Businesses Unincorporated	Other Businesses Incorporated
Nfld.	13	$ 1,181,898				13
P.E.I.	34	3,787,020		4		30
N.S.	79	8,925,816	7	2		70
N.B.	68	8,465,921		9		59
Quebec	49	8,469,094		3		46
Ontario	1,077	172,432,789	129	122	11	815
Manitoba	164	27,197,753	13	61		90
Sask.	108	21,975,105	6	10		92
Alberta	480	94,004,389	5	101		374
B.C.	354	80,090,874	25	54	6	269
	2,426	$426,530,659	185	366	17	1,858

[*English*]

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

[*Translation*]

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

Some Hon. Members: Agreed.

GOVERNMENT ORDERS

[*English*]

INTERNATIONAL DEVELOPMENT (FINANCIAL INSTITUTIONS) CONTINUING ASSISTANCE ACT

AUTHORIZATION OF CONTINUING FINANCIAL ASSISTANCE

The House resumed, from Wednesday, November 10, consideration of the motion of Mr. Cosgrove (for Mr. MacEachen) that Bill C-130, to authorize continuing financial assistance to be provided to certain international financial institutions, be read the second time and referred to the Standing Committee on External Affairs and National Defence.

Mr. Roy MacLaren (Etobicoke North): Madam Speaker, it is a great pleasure to participate in discussion of this Bill, not only because it is one of substantial importance in terms of Canada's international policy, but also because it deals with support for international financial institutions which are of leading importance to developing countries.

On a personal note, I might say that having participated as a Canadian representative at various meetings for the International Bank for Reconstruction and Development, it is especially gratifying to me to have this occasion to contribute to the debate.

The Bill before us seeks authority for the Government to provide contributions to several leading international financial institutions. These include the four regional development banks which date from the 1960s and other more recent funds dealing with agriculture and with trade and commodities which were established as recently as 1980. All of them have one element in common, and that is the more equitable distribution of the world's resources.

In all, I am pleased to say, Canada participates. Support was evident in the remarks of other Hon. Members who have joined in in this discussion. Almost without exception, they recognized that even in difficult economic times internationally, human needs everywhere must remain our principal concern. Those needs demand of us more than simply lip service. We all know that in difficult economic times the poor suffer first and indeed the most. This is especially true in developing countries which lack the essential infrastructure of social programs which Canadians have come to regard as entitlements.

● (1520)

Bill C-130 now before us is proof of Canada's commitment to share internationally, as we do within Canada, with those most in need. It is no great act of imagination to extend our concern for each other beyond our own borders to encompass the deprived in other countries as well. An understanding of the need to extend our sense of mutual responsibility beyond our own borders was reflected in the remarks of speakers when this Bill was under discussion last week.

For example, the Hon. Member for St. John's West (Mr. Crosbie) spoke with some eloquence about his experiences in Peru and referred in particular to the plight of the urban poor. The External Affairs critic of the New Democratic Party raised questions of land reform and human rights in the context of her work on the Latin American Subcommittee of the Standing Committee on External Affairs and National Defence. The Hon. Member for Edmonton South (Mr. Roche), as he frequently does, shared with us his thoughts, drawing upon his considerable experience. He also drew our attention to some of the disturbing observations on the North-South imbalance made by our parliamentary task force on North-South Relations. It is obvious that many members, having thought about our relations with the developing world and having made their own assessments, have indicated that they support the Bill now before us.

More important even than the Bill is the underlying support for the principle of sharing represented by the institutions in question. International financial institutions have grown out of the greater collective consciousness and indeed the will to rebuild that followed the Second World War. When the great collective effort of the Marshall Plan had run its successful course in Europe, our eyes naturally turned to other facets of world reconstruction, whether financial as in the case of the Bretton Woods Agreements which we discussed last week, or as investments in human and capital resources as represented by the Colombo Plan of Commonwealth countries of 1950.

From that basic philosophy of greater mutual concern flows the current configuration of international agencies. Those under discussion today represent an international United Way, if I may put it in those terms. Those institutions are the sharing mechanisms for development efforts beyond the scope of any one donor country alone.

I should like to take a moment to examine those institutions. Essentially the legislation before us deals with ten. These include four regional development banks for Asia, Africa, Latin America and the Caribbean for assisting the development of poorer countries in each of the four regions. Many in this House are now well acquainted with the World Bank and its concessional fund, the International Development Association, because of their high profile and world-wide activities which have met with so much success during past decades. Regional banks and their funds do similar work but involve a smaller cast of players and specialize in particular areas. While the four regional development banks cannot attempt to match the World Bank in its comprehensive grasp of global development, they have not only impressive records but certain special virtues which give them a unique role. Their strengths include intimate knowledge of their region, expertise in dealing with its main problems, and roots within the region which give them special insights into the values, cultures, traditions and attitudes of the people whom they are attempting to serve. In addition to the four regional banks, Bill C-130 deals with two other funds, perhaps even less familiar to most than those institutions upon which I have just touched. The International Fund for Agricultural Development, a specialized agency of the United Nations, was established as recommended by the World Food Conference of 1974 in response to the food crisis of the first half of the 1970s. It succeeded in mobilizing new resources notably from member countries of OPEC to help improve food production, nutritional levels and living conditions among the poorest population in developing countries. By the end of the last year, the International Fund for Agricultural Development had committed close to $1.5 billion to 90 projects in Asia, Africa and the Americas, with a focus on the needs of small farmers and landless peasants in particular.

The Common Fund is the second of the two funds upon which I want to touch for a moment. It is an even newer institution arising from a resolution of the 1976 United Nations Conference on Trade and Development which finally led to its final definition in 1980. It is a laudible attempt to bring more stability and predictability into volatile market places by creating stockpiles of certain commodities to even out fluctuations in prices, fluctuations which can disrupt even the best laid plans of commodity-dependent Third World countries.

The Common Fund also attempts to cope with the need for measures other than stockpiling, such as research and productivity improvement to benefit countries with economies which are vulnerable to volatile international commodity markets. We are hopeful that the countries involved will soon ratify the agreement in sufficient numbers to permit the Fund to undertake its vital activities which have been under discussion for many years.

These two Funds represent at least a degree of enterprise and innovation which is all too rare in tackling world problems. Canada supports the institutions and Funds which I have mentioned because we believe that co-operation among nations is the best way, indeed the only way, to cope with an international environment which seems to grow more complex and to change more quickly as each year passes. We support these institutions and Funds because they are effective in their work

for world development and because our financial and human resources can help them come to grips with some of the problems of underdevelopment.

But there is another side to the equation which involves certain benefits that flow to Canada. By supporting these multilateral institutions, we achieve a number of our own foreign policy aims. We broaden our development assistance program by diversifying its geographic and sectoral reach and, through the borrowing power of the banks, our aid dollars gain a multiplier effect. Beyond this we demonstrate Canada's commitment to international co-operation, a stronger North-South collaboration and our willingness, as befits one of the industrialized world's major economies, to share the burden, to contribute some degree of leadership and to take part in shaping international assistance policy.

Our participation gives us some influence over the course of events in those institutions and well beyond. In fact, we have a Canadian executive director on the board of each institution. It is a tribute to the role Canada has played over the years that in most cases our executive director also represents a group of other countries; for instance, the Nordic group and The Netherlands in the Asian Development Bank and the Caribbean group in the World Bank. All of this allows us to work toward a goal that is vitally important to every Canadian, helping to build a world that is more stable, safe and sane because it is more just and decent.

● (1530)

There are also certain economic benefits that flow back to Canada through our participation in word development. Many people make the mistake of looking at our aid budget and thinking: "Those funds are sent overseas, so they are subtracted from our wealth". The truth is quite different. In reality, our development assistance program not only creates or safeguards a substantial number of jobs for Canadians today, but enables us to help Third World countries build stonger economies that will become tomorrow's markets for our goods and services and will sustain the jobs that our children will need in the future.

In light of this, I would take issue with the view that there is any reduction in the constituency for development assistance in Canada today. Now more than ever our business community is recognizing the benefits to them, their employees and their shareholders of activities linked to Canada's international development program. Never before has the imperative of overseas markets been as pronounced and Canadian businesses are recognizing, if they did not do so before, that the excellent reputation Canada enjoys in countries of the developing world is in great measure due to our development assistance. Most Hon. Members will be aware that an average 80 per cent of expenditures under our bilateral aid programs return to Canada in the form of purchases of goods and services, thereby creating jobs for Canadians.

International financial institutions, the subject of the Bill before us today, also provide opportunities for Canadian businesses to prove that Canada has competitive goods and services to offer the developing world. There are things that Canadians do particularly well—building railways, exploring for, developing and transmitting energy in various forms, developing agriculture and forestry programs, supplying telecommunications, and performing the roles of consultants and evaluators of development activities. Experience has shown that Canadians win a large proportion of the contracts for which they compete. The Government has over the years undertaken a number of initiatives to encourage Canadian businesses to seek out more opportunities in this promising field. Such efforts will certainly continue in the immediate future with all the vigour the Government can muster.

In the course of their comments on this legislation, a number of Members have expressed some legitimate concerns on a variety of subjects related to international development or to Bill C-130 itself. I should like to respond to at least some of these points now, although Hon. Members may wish to explore them in more detail later in Committee.

Canada's policy on international development is evolving to meet the changing conditions which we face in today's world. Some Hon. Members have, however, expressed concern that no formal statement of that policy, along the lines of the Strategy for International Development Co-Operation, 1975-1980, has been published. I can assure the House that the desire to have something in print, an authoritative text as a reference to help Members measure and judge the results of Canada's efforts, is a need appreciated by the Government.

At the same time, I would ask Hon. Members to consider carefully whether the current international environment of rapid, unpredictable change does not diminish the value of putting a great deal of effort into preparing a definitive strategy that would be partly outdated before it could be issued. A strategy issued during the period when the Parliamentary Task Force on North-South Relations was at work would have been ill-timed. Instead, the Government chose to wait for the report, then issue its response. We look forward with interest to the final report of the Parliamentary Subcommittee on Latin America and the Caribbean.

Understandably, Hon. Members have asked for information on the effect of the reductions in our anticipated aid expenditures announced in June and October. For the current fiscal year, these cuts can be accommodated from funds as yet unallocated, but the reductions mainly affect the coming two years. Because their scope is so substantial, it seems likely that virtually all parts of our aid program will be affected to some degree. The Government's decisions on proposed allocations for official development assistance for the next fiscal year will be announced when the Main Estimates for 1983-84 are tabled in Parliament.

In this context, I noted with interest the comments of previous speakers relating to the positive efforts and programs of the non-governmental sector.

We can all be proud of the record of our country's voluntary institutions in carrying out effective, fundamental development work that truly gets our help to those who need it, often through projects that show creativity and vision.

The proportion of our development budget dedicated to such work has been growing steadily. I am pleased to state that it rose by more than 40 per cent last year to well over $100 million. The Government hopes to see further growth of this kind, without any loss of the project quality and the human touch that have distinguished the efforts of Canada's non-governmental organizations.

We can all draw real satisfaction, too, from the knowledge that, despite these difficult times, many non-governmental organizations are meeting or surpassing their fund-raising goals, clear evidence that the people whom we represent feel that in hard times the need for aid is even greater, that the poorest people must not become the prime victims of economic problems.

In the course of his remarks, the Hon. Member for St. John's West raised the matter of the disturbing slowdown of the United States in providing share of the Sixth Replenishment of the International Development Association of the World Bank. That element of the World Bank provides concessional financing to the poorest of the developing countries. This replenishment was originally agreed upon among major donors at a level of $12 billion over the three-year period 1980 to 1983.

Due to difficulties which the International Development Association had experienced in the past in receiving contributions on time from certain members, especially the U.S.A., we co-operated with other key donors in building into the Sixth Replenishment a provision that contributions would be paid according to a predetermined schedule. If the U.S.A. as the major donor slowed its rate of contributions, other donors could pay at the same rate. This is the so-called pro rata rule.

When it was clear that the U.S. was reducing the level of its payments, we joined with other donors to encourage the U.S. to maintain the original schedule. Moreover, in September, 1981 Canada took the initiative in constructing an international agreement which recognized that the U.S.A. was somewhat late with its first contribution, but which allowed other donors to maintain their rate of payment because of our joint commitment as donors to maintain the flow of resources through the International Development Association to the poorest countries of the world.

It is true that the problem of the slowdown of U.S. payments has continued in 1982. The Prime Minister (Mr. Trudeau) has received messages from a number of Third World leaders calling for action to preserve the International Development Association. They recognize that the institution was facing the serious risk of donors, other than the United States, declaring that the International Development Association had become moribund. The reason was that the fundamental principle of burden-sharing in the association was being jeopardized by the approach of the United States.

• (1540)

Faced with the prospect of the demise of the International Development Association and the severe consequences that this would entail for developing countries, the major donors held a series of meetings. This September in Toronto they agreed, in effect, to extend the Sixth Replenishment of the International Development Association to a fourth year. The United States is making its payments over four years while Canada and other donors are contributing to special funding arrangements in order to keep the Association afloat, thereby ensuring that the life blood of IDA assistance for the poorest countries continues to flow.

Later this month negotiations on the Seventh Replenishment of the International Development Association will commence in Washington. The institution continues to be in serious jeopardy, especially since the principle of equitable burden-sharing has been undermined by the difficulties over the Sixth Replenishment. But Canada will be at those negotiations, making its best effort to aid the poorest countries by ensuring, to the extent possible, that all major donors make solid international commitments and then live up to them. To do any less is to disregard our responsibility as a strong and active supporter of the Association since 1960 and to disregard our commitment to assist directly, through the Association, the poorest in the developing world.

Questions continue to be asked about the criteria upon which international financial institutions base their decisions about the approval of specific projects. Two basic principles of multilateral aid have an important bearing here: the prohibition of any political activity by these institutions, and collective decision-making through voting rights at the board of executive directors and governors.

The membership of these institutions is highly diverse, reflecting a broad range of political and economic viewpoints. It is a testament to institutional integrity that few votes are ever taken, and that these usually serve primarily to register a point of view rather than attempt directly to change policy. The original model for multilateral institutions was the World Bank, whose charter sets out the accepted criteria clearly. Article IV of the Bank's charter states:

> The Bank and its officers shall not interfere in the political affairs of any member; nor shall they be influenced in their decisions by the political character of the member or members concerned. Only economic considerations shall be relevant to their decisions.

I believe that this principle is fully in harmony with the recommendations of the recent report of our Standing Committee on External Affairs and National Defence regarding our relations with the Caribbean and Central America. As Members may recall, recommendation 7 of that report proposed:

> —the Government affirm the principle that international financial institutions encourage peaceful economic development by supporting all countries and projects that meet legitimate development criteria. Countries should not be excluded because of ideological considerations.

In the final analysis, the legislation before us today, and indeed our whole effort for world development, comes down to one question: is it working? Sometimes, in frustration and impatience, we feel that international development is like a bottomless pit into which we can pour any amount of money and effort without visible effect, so vast and profound are the problems of development. Yet the Hon. Member for Edmonton South has spoken convincingly of the solid progress that he

and I have both seen toward self-reliance in India, for example. We have all heard specific examples of projects that are working well and transforming people's lives for the better.

When we go beyond the specific to the general situation, we must keep two factors in mind. One is that the situation is always changing and many problems increasing. If the work that has been done over the past 30 years had not been done, many of these problems would have grown indeed to catastrophic proportions that would dwarf today's present troubles. Instead of 800 million people living in absolute poverty, there might be a billion and a half. Instead of 40,000 children perishing each day, it might be 80,000.

Another factor that I should ask Hon. Members to consider is the time scale. There can be no instant solutions to problems as big as those of the Third World. Change takes time. But if we look at what has happened over a reasonable period of time—roughly a generation now—there is sufficient cause for hope and optimism.

Agricultural production in the Third World has grown twice as fast over the past three decades as in previous periods. For low-income countries, life expectancy rose from 42 years in 1960 to 57 years in 1980. It is at a level now in developing countries that we had reached in the 1930s. In the same 20 years, from 1960 to 1980, infant mortality dropped from 165 per thousand live births to 94, although, of course, that is still many, many times higher than in Canada. In the three decades from 1950 to 1980, adult literacy in the developing countries has increased from one-third to more than one-half.

The picture that we see, then, is still far from perfect. Our contribution to world development can still be improved in many ways. This is an observation that I can share with Members of the House based on my own experience in development programs around the world. I would ask Hon. Members to help make those improvements and to keep firmly in mind the justifiable conviction that our effort is worth making and, in the long run, will certainly be successful.

Mr. Nielsen: Mr. Speaker, I rise on a point of order. Since this is one of the Bills that the Government House Leader was urging us to pass quickly, I wonder if it is the intention of Government Members to filibuster its own legislation and to talk it out. We are ready now for the question to be put and to give the Government its legislation, if that is what it wants. If that is not what it wants, it will be quite evident by Members over there rising to speak on the matter.

[*Translation*]

Mr. Lapierre: Mr. Speaker, on the point of order raised by the Hon. Member, a number of Government Members consider this matter so important that they would like to speak to it, and I would ask the Hon. Member's cooperation in giving two other Members an opportunity to speak.

[*English*]

Mr. Deans: Mr. Speaker, I rise on the same point of order. We understood that the Bill was to go to the Standing Committee to receive a good airing and so that Members would have an opportunity to look into the matter in some detail. Like the House Leader of the Official Opposition, I expected the Bill to go there quickly. Of course, I have no objection to Members speaking; I do not think anyone has. We would like to be as co-operative as possible in order to get this Bill out of the House and to meet the Government's request that the legislation be passed as quickly as possible.

Mr. Nielsen: Mr. Speaker, I am at a loss as to whether to believe the Government House Leader when he says that the legislation is urgent and that he wants it as quickly as possible. Since both House Leaders on the Opposition side are now prepared to give the Government its legislation, it obviously does not want it, thus making the House Leader's request to have the legislation dealt with immediately because of its urgency highly questionable. If it is urgent, he can have it. Why raise more speakers?

• (1550)

Mr. Smith: Mr. Speaker, with regard to this point of order, I fully anticipate that the matter will be going to Committee later this afternoon; but I do not think Hon. Members on our side would very strongly feel that we should be denied the opportunity to make a few brief remarks.

Some Hon. Members: Right on!

Some Hon. Members: Oh, oh!

Mr. Nielsen: At my request, Hon. Members on this side are deliberately staying seated. There are many over here who want to speak on the measure but, in a spirit of co-operation with the Government, they have agreed with me to give the Government the legislation which it states is urgent and which it wants. I agree with my colleague the Hon. Member for Hamilton Mountain when he says that the matter should go to the Standing Committee where it can be fully aired, where witnesses can be called and where Hon. Members can speak. I strongly suggest to him that if any weight is to be given to the Government House Leader's request—and I would like to give it full weight—that the legislation pass as urgent legislation, we should get on with it and send the measure to Committee forthwith.

Mr. D. M. Collenette (York East): Mr. Speaker, I did want to—

Mr. Nielsen: Filibuster your own legislation.

Mr. Collenette: —participate in the debate. I take great umbrage at the comments made by the House Leader for the Opposition, the Hon. Member for Yukon (Mr. Nielsen), who seems to want to deny me a mere five to ten minutes to speak on this very important piece of legislation.

Some Hon. Members: Shame!

Mr. Collenette: I think those people viewing the proceedings of the House at home or those Hon. Members in the Chamber

should perhaps look askance at what the Hon. Member for Yukon has just tried to do in preventing Hon. Members on the Government side from making a modest contribution.

Mr. Nielsen: Your House Leader asked for the Bill.

Mr. Collenette: In fact, we know that it is urgent legislation. Whether it goes to Committee at ten minutes to four or at 4.30 p.m. is really irrelevant.

Mr. Thacker: Or next week.

Mr. Collenette: The whole purpose of debate is to state one's views and to be satisfied that all Hon. Members have at least participated and made their concerns known.

I am a Member of the Standing Committee on External Affairs and National Defence. There is a meeting taking place right now which I was to attend at 3.30 p.m., but I felt that participation in this debate was of such importance that I must speak, and I am now late for that very important meeting.

Mr. Nielsen: Tell your Government House Leader that.

Mr. Collenette: This particular piece of legislation is obviously very germane to the work of the External Affairs Committee. In fact, this morning the chairman, the Hon. Member for Saint-Denis (Mr. Prud'homme), told the Committee that we had a high degree of expectation that we would be seized of this Bill later this day. I can assure the Hon. Member on the other side, the Hon. Member for Yukon, that it is not my intention or, I am sure, the intention of any of my colleagues on this side to delay unduly the passage of this Bill.

Mr. Nielsen: You already have.

Mr. Collenette: I would like to remind the Hon. Member for Yukon that Hon. Members on the Government side have rights as well.

Mr. Nielsen: Your Government House Leader asked for the Bill.

Mr. Collenette: One particular point I wanted to address related to the origins of this Bill. If the House Leader for the—

Mr. Nielsen: So much for the urgency of it.

Mr. Collenette: —Opposition would be quiet, I was about to pay a compliment to a Member of his own Party—

Some Hon. Members: Hear, hear!

Mr. Collenette: —one who does not receive compliments from this side of the House very often, and that is the Hon. Member for Calgary Centre (Mr. Andre), who raised a very important procedural point which resulted in Madam Speaker ruling that an item in the Estimates was out of order and that the Government had to bring in legislation to cover that particular item. Those of us who are concerned about procedure—and I assume that the Hon. Member for Yukon has some concern with parliamentary procedure—have felt for a number of years that items were being presented in the Estimates which perhaps should have been presented in statutory form, in legislative form, on the floor of the House. I think it is a tribute, in a sense, to the Hon. Member for Calgary Centre that he raised this matter and that the Speaker agreed with him. Hence, we have this particular piece of legislation.

I am glad the Hon. Member for Yukon has regained his composure, since I was complimenting one of the Members of his own Party.

Mr. Nielsen: We want to give you the Bill. Why are you holding it up?

Mr. Collenette: In essence, the ruling that Madam Speaker made was that the appropriation legislation could not be used to seek authority to establish new programs or activities. With the establishment of VIA Rail a few years ago, we saw how this particular technique was used and we now have a situation where we have a national passenger rail corporation in Canada without statutory authority. I must say in all due respect to the Government that it is taking steps to remedy the situation in its undertaking to present to the House of Commons a VIA Rail Act at some point in the near future. So that was the origin of this particular Bill.

In order to meet Canada's obligations to various international financial institutions for the fiscal year 1981-82, a separate Bill, Bill C-74, was introduced a year ago last June which closely followed the wording of the deleted votes and provided program authority. Since no ongoing statutory authority exists at present, appropriations for 1982-83 could not be included in the Main Estimates for the current fiscal year.

I would like to refer briefly to the particular institutions in question. I draw the attention of Hon. Members to the fact that we are seeking appropriations for the Caribbean Development Bank, the Asian Development Fund, the Inter-American Development Fund and the African Development Fund, among others. As vice-chairman of the House of Commons subcommittee dealing with Latin America and the Caribbean, I want to say a few words about this particular matter, because the whole question of overseas development aid from Canada at this particular time is a contentious one in this country.

There are those in Canada who believe that, with economic conditions as they are, we in this country should not be increasing our commitment or, indeed, maintaining the level of our commitment to overseas development aid and to international financial institutions. This is perhaps a logical, rational argument, but it is certainly not a humanitarian one nor a Liberal one, and Hon. Members on this side of the House will do all possible to ensure that our overseas development aid is not cut at this particular time of need. If the argument can be made that the world and Canada are in a great recession, then we must surely increase our overseas development aid, not cut it. If things are tough in this country, think how things are much tougher in some of the poorer countries in the world.

This summer I had the opportunity of leading a delegation to South America from the External Affairs Committee. We went to Brazil, Uruguay and Venezuela, and the Committee also travelled to Guyana. These are countries which, in the past, have been recipients of various financial assistance, certainly from the Inter-American Development Bank, and the Caribbean Development Bank has also given funds to a number of Caribbean basin countries. Through the course of the work of the Committee and its travels, we saw how these international agencies are literally vital to the ongoing sustenance of these poorer countries in the world. Some of them, such as Brazil, are on the threshold of becoming industrial powers. Indeed, that is a happy event for us and Canada is trying to nurture this by increasing our own trade with countries such as Brazil and Venezuela. However, there are countries such as Guyana, Colombia, Ecuador and Peru which do vitally depend on the goodwill and financial assistance of these international financial institutions.

I am extremely glad that we in this country make contributions to these funds and that, of course, is the reason we are debating this particular Bill this afternoon. We are giving statutory authority to Canada's financial commitment.

These international financial institutions constitute, as I have stated, an effective and important component of Canada's multilateral development assistance programs. For the purpose of this Act, they comprise four regional development banks, the Asian Development Bank, the African Development Bank, the Inter-American Development Bank and the Caribbean Development Bank, the various concessional funds associated with these Banks, plus the International Fund for Agricultural Development and the Common Fund for Commodities. Canada participates financially in each of these institutions by subscribing to their share capital and/or contributing to their concessional funds. Our financial payments are made either directly or through the issuance of non-interest bearing non-negotiable demand notes.

The basic rationale underlying Canada's participation in the international financial institutions is the efficiency and effectiveness of their program activities in the Third World. These regional institutions provide a particularly appropriate vehicle for promoting regional co-operation and increasing self-reliance among developing countries. The ownership structure and nature of the collective financial participation in international financial institutions serves as an excellent example of a successful partnership approach to development.

• (1600)

A significant feature of our participation in these institutions is the multiplier effect. That is, our aid dollars do, in a sense, compound the economic activity by institutional borrowing on the world's priority capital markets. They also complement other Canadian aid channels, diversify our aid both geographically and sectorally and support the multilateral institutional framework created by these financial institutions. Canada also derives foreign policy and commercial benefits from our participation in these institutions. Our participation is an important basic element of our relations with LDCs and reflects the Government's approach to multilateralism and North-South Relations. Canada's membership in these institutions allows Canadian firms to compete for certain project inputs financed by the IFIs in developing countries. We saw this summer in Brazil and in Venezuela where Canadian firms have been, in a sense, assisted by this kind of financial aid in providing services and in undertaking projects in South American countries.

The Bill is quite straightforward, and that is the reason I will not be speaking very long, contrary to the admonitions of the Member from Yukon who in his point of order spent about half as much time as I propose to spend in debate. I think it is a sad commentary on the House Leader of the Official Opposition that he would try to delay the proceedings and workings of the House in this manner.

Paragraphs 2 and 4 and the Schedule of this legislation specify the institutions covered by this Act and provide authority to the Governor in Council to add or delete institutions from the Schedule. Paragraph 3 authorizes the provision of financial assistance to these institutions by way of direct payment, demand notes and share participation. Paragraph 5 directs that the funds required for the purposes of this Act shall be appropriated by Parliament and shall be limited to the amount appropriated.

Paragraph 6 provides an interim appropriation until the submission of the Main Estimates next spring. These appropriations cover the following investments: the fourth and final payment to the fourth general capital increase of the Inter-American Development Bank. Of course, as I have pointed out, these funds are in dire need. When we see countries with a debt burden such as Brazil has, when we see the growing insolvency of countries such as Venezuela plus a myriad of other South American countries, we obviously must appreciate that this payment is crucial at this particular point in time.

It provides also the fourth instalment to the third general capital increase of the Caribbean Development Bank which, of course, is also greatly needed. The Caribbean countries have suffered extremely in the current recession. The oil price increases that they have had to swallow over the past few years, the decline of tourist revenues because so many North Americans, in particular, are staying at home as a result of the recession, have literally put these countries over the barrel. It is only with assistance from overseas financial institutions such as the Caribbean Development Bank that such countries can continue to subsist and be tied over until times become somewhat better.

This Act also provides for the fourth and final payment to the Third Replenishment of the Asian Development Fund of $56,722,000; the fourth and final payment to the Inter-American Development Bank's Fifth Replenishment to the Fund for special operations of $18,156,000; a contribution to the Special Development Fund of the Caribbean Development Bank which totals $531,000; and the first payment to the Third Replenishment of the African Development Fund which is, I think, in the neighbourhood of $34 million. With the

exception of a portion of the payments due to the Caribbean Development Bank, all of the above appropriations I have mentioned will be made in notes.

In closing, it is important for the House to be aware that some of the appropriations that I have referred to in the course of this debate are required to meet immediate obligations to these institutions. Passage of this Bill will also facilitate Canada's international undertaking to increase its overseas development aid in order to reach a level of 0.5 per cent of the gross national product by 1985.

As I said earlier, Mr. Speaker, there are those in this country who argue that we should be cutting back on overseas development aid, otherwise known as foreign aid. Certainly as long as I am in politics, and I am sure I speak for many of my colleagues on this side and others in the House, not only on the Liberal benches but even on the Conservative benches, we must be vigilant in this country, this country of wealth, this country of great economic opportunity, which although suffering is not suffering nearly as much as many of those poorer countries in the world that vitally depend on the financial assistance that will be accorded them by the passage of this Bill.

This is not a partisan issue; it is an issue that crosses all Party lines. I want to thank Hon. Members on the other side for their rapt attention this afternoon, despite the House Leader for the Official Opposition who did his best to inject a note of partisanship into this highly non-partisan and technical debate.

[*Translation*]

The Acting Speaker (Mr. Corbin): Is the House ready for the question? The Member for Manicouagan (Mr. Maltais).

[*English*]

Mr. Nielsen: A point of order, Mr. Speaker. With respect to the remarks made by the Member for York East, nothing could be lower than for him to accuse me of partisanship. They laugh over there, but the Government House Leader asked me and the Member for Hamilton Mountain, the House Leader for the New Democratic Party, for an agreement to get this legislation through.

We have both said this afternoon that we want to see it go through now, yet what is happening? We are being treated to the dubious value of departmental speeches being read by Government Members, with one Government Member after another getting up and blocking their own legislation. Surely, if we are to believe the Government House Leader that the Government wants this legislation, that it is urgent, then let us have the question put and send the legislation to Committee without any further delay on the part of Government Members.

Some Hon. Members: Hear, hear!

Mr. Collenette: With all respect, Mr. Speaker, I am not sure whether the Hon. Member for Yukon was really rising on a point of order or just engaging in partisan rhetoric. But I have a point of order which is almost a question of privilege. The imputation that I would come into this House and be set up with a speech is thoroughly distasteful, and I resent this kind of accusation by a gentleman who should know better from his years in this House.

I have tried to speak from my experience with the Latin American affairs subcommittee. I have tried to speak as one who is vitally concerned with overseas development aid.

Mr. Deans: Mr. Speaker, I do not want to enter into a debate on the quality or merits of the speeches, but I do want to say to the Acting House Leader for the Government that there is a small problem that begins to develop as more and more Government Members rise, one after the other, to speak. I have asked at least two of my Members if they would allow the Bill to go straight to Committee in order that the matter could be studied there. They have said to me quite bluntly that that was fine provided we had some understanding that the Bill would be completed quickly and would go to Committee. I thought we had that understanding. Perhaps I was wrong.

I was wondering if the acting Government House Leader would consider whether it is not counterproductive at this stage to put up seriatim Members of the Government Party's backbench, knowing that it may provoke Members on the other side to want to rise—let me be quite fair about this—in order that today's *Hansard* not reflect that there are no Opposition Members sufficiently concerned about the matter to rise and enter the debate.

• (1610)

If there are other Government Members who wish to speak, then I would feel compelled to suggest to my good colleague who has already agreed not to speak that perhaps he should, in order to protect us against the possible thought that maybe we did not care about the debate which was currently going on.

At this stage, I would be happy to see the matter disposed of and go to Committee. If we have yet another speaker, without trying to create a problem—I am trying to be as non-partisan as I can in this—I feel the debate might go on for some time, which I think would not be terribly productive. I want to say to the Hon. Member who rose to speak that I am not trying to prejudge his contribution. It may well be very valuable.

Mr. Nielsen: Mr. Speaker—

The Acting Speaker (Mr. Corbin): Order, please. I see a number of Members rising. The Minister of State for Finance (Mr. Cosgrove) was the first to rise.

Hon. Paul J. Cosgrove (Minister of State (Finance)): Mr. Speaker, it is not my intention, either, to further engage in what has been referred to as "partisan" consideration or debate over a subject which is of serious concern to many Members on both sides of this House. I had the privilege, though, of leading off debate on the Bretton Woods Agreements Act last week which was discussing support to developing nations in a similar way. I think all Members would agree that when I, for example, restricted my remarks to a very

short period of time, perhaps ten minutes of introductory debate, I was criticized, indeed, by Members on both sides, who said that the issue was an important one and needed a fullsome explanation. It had to engage the public, both their interest and, with their interest, their support, in the commitment of the Government and the support of both Parties.

I congratulate both Parties and the Leader of the Official Opposition (Mr. Clark), for the support given the Bretton Woods Agreements Act and this Bill. But, there was criticism from them that we have not engaged the public in the awareness of the importance of this legislation and hence their support of the expenditures of tax funds in these areas. I wish it was not cast in the light of a "partisan" discussion. Indeed it has not been that way. These Bills dealing with support and this commitment in this budget area, Mr. Speaker, has had the support of many Members. I think the public has to be engaged in this important debate.

Mr. Nielsen: Mr. Speaker, the Minister's words ring rather hollow because surely, if his argument has any merit, we would have been treated to the privilege, which we have a right to expect in this place, of the Minister responsible for this legislation introducing it and explaining it. That comfort and privilege was not even given to us. Surely the Government cannot take the position that backbenchers on the Government side, in the absence of the Minister, are now explaining the nature and extent of the legislation.

It boils down to this. The Parliamentary Secretary to the Government House Leader was at those House Leaders' meetings. He knows the urgency which the Government House Leader attached to this and to other pieces of legislation. He knows the Government House Leader wanted agreement to get this legislation through quickly. I have stated, as has the Hon. Member for Hamilton Mountain (Mr. Deans), our total co-operation in getting this legislation through second reading and to Committee right away. Yet obviously there is a deliberate intention on the part of Government Members to filibuster their own legislation, contrary to the urgency which the Parliamentary Secretary knows very well the Government House Leader stated he attached to this legislation.

All we can conclude is that in future when the Government House Leader makes the assertion that some legislation has some urgency to it, at the very least such a statement has to be taken with a grain of salt, if at all, in the light of the conduct of Government Members in attempting to talk out their own legislation.

Mr. Smith: Mr. Speaker, on the point of order, I think that if this Bill completes second reading today, the amount of time spent on second reading will be brief as compared to the average amount of time spent on second reading debate.

The contribution made by the House Leader of the New Democratic Party is a very fair one. I think he made it in a spirit of co-operation. I wish to advise Hon. Members opposite that I believe the speaker who now has the floor, the Hon. Member for Manicouagan (Mr. Maltais), will in fact be the final speaker from this side of the House. I do not think that is an unreasonable contribution from Members on this side of the House. I do not think anyone would wish to deny an Hon. Member the right to state his views on important legislation, regardless of which side of the House he sits on. If Hon. Members opposite wish to make a contribution, they are fully aware of their rights regarding that. I think we may well see second reading completed this afternoon and there will only be one further speaker from this side of the House. I am very anxious to hear his remarks because I know they will be well thought out, pertinent and worth listening to.

Mr. Yurko: Mr. Speaker. I am going to be speaking on the point of order very briefly, but I would like to say I have found the debate very refreshing and am encouraged that some Members demand the right to speak regardless of whether or not three House Leaders have agreed on something. There is the right in this House for Members to speak, apart from whether or not the House Leaders agree. Nobody asked me. I do not belong to a Party and I do not take orders from the House Leader. I do not take orders from any House Leader. I have a right as an individual Member of this House to speak, as have all Members. I find it very refreshing and, indeed, encouraging that some people have the guts to stand up and say in this House: "I have the right to speak".

Some Hon. Members: Hear, hear!

Mr. Nielsen: One last effort, Mr. Speaker, in an attempt to salvage the good intentions, I am sure, of the Government House Leader, and also of the Hon. Members on this side who also want to speak and are not speaking at my request. We already have an indication that if another Government Member speaks, the NDP is going to have another Member rise, but he will not rise if the Government will let the legislation go through now. That may well happen here also; I can give no guarantee at this point. I can guarantee, as can the Hon. Member for Hamilton Mountain, that if the question is put now, the Government will get its legislation quickly. Obviously, that guarantee cannot be given if another Government Member speaks.

I can go further than that. In the spirit of co-operating with the Government House Leader and agreeing to the request of the Government which we have heard so often for co-operation, I can tell him that if he deals now with Bill C-130, we will deal just as expeditiously with the following piece of legislation, Bill C-90, and they are likely to get them both today; but not if the Government Members keep on talking out their own legislation.

[*Translation*]

Mr. André Maltais (Parliamentary Secretary to Minister of Industry, Trade and Commerce and Minister of Regional Economic Expansion): Mr. Speaker, I wish to thank the Opposition for having been so anxious to let me speak. I think it is very edifying to see an Opposition that is so insistent on giving the Members of this House a chance to express their views. I may add, especially since I am on the same wave length, as it were, as the Member for Yukon, (Mr. Nielsen),

the riding of Manicouagan being more or less on the same parallel as his, that on that level we should get along very well.

Mr. Speaker, I wanted to speak to this particular bill, namely Bill C-130, because I want to explain to the people of Canada, including the Members of this House, why it is important to contribute financially to international institutions, in connection with aid to Third World countries. I also would like to speak as Parliamentary Secretary to the Minister of Industry, Trade and Commerce and the Minister of Regional Economic Expansion, because often, when the subject of financial contributions by industrialized countries to Third World countries is discussed, people tend to think that exploitation is involved. That is an aspect I would like to discuss this afternoon. Furthermore, I shall be co-operative and try to be very brief and not take forty minutes just for the sake of using up my allotted time. On the other hand, I feel it is important that in a debate like this one, we should do our utmost to explain to the public, in a positive manner, what the Government can do within the framework of international co-operation with Third World countries.

Mr. Speaker, first I shall describe the direct relationship between industrialized countries and Third World countries at the technological level. When a country like Canada proceeds to invest funds in one of the regional banks, whether it is in Africa or in the Caribbean or Asia, the purpose is to provide funds for projects of a social or economic nature in countries unable to provide funding themselves. It is important, first of all, to remember when these funds are distributed, that $10 million in a regional bank in a given country can be used to implement projects worth $100 million. And in the countries receiving these funds, Canadian technology can be used to help Third World countries that need it. I would like to point out for the benefit of the House that for several years, Canadian companies have been working in partnership with Third World countries to help develop those same countries. I am thinking of Lavalin in Montreal which operates in countries all over the world. I could mention SNC and the technology exported by Bombardier, Hydro Quebec and the Science Council of Canada. These funds and services simultaneously benefit both the lending country and the receiving country. Unfortunately, this aspect of co-operation between Third World countries and industrialized countries is seldom brought up. However, Mr. Speaker, it is very important to achieve a balance, so that Third World countries are not exploited and countries like the United States and Canada or other industrialized countries do not take advantage of their knowledge to make windfall profits as a result of the very development operations that form the nucleus of international development.

Mr. Speaker, with Bill C-130, Canada will be able to continue to play its peaceful role but also educational role as a transmitter of skills to Third World countries. That is what is so important. It is not simply a matter of investing funds and exploiting countries. It is a matter of developing skills and developing minds, to help Third World countries become the architects of their own development. This is fundamental, and I want to emphasize this to the public, so that it will be better able to follow this debate, since often the terms being used seem artificial and very technical and the language rather obscure, understood only by professionals and experts. I may add that by engaging in funding at the level of regional banks in certain Third World countries, industrialized countries are contributing to the development and advancement of this entire planet. In wealthy countries such as Canada and the United States, even if we are going through difficult times as far as the economy is concerned, we must do our part to help these countries and their people. This is something we must not forget.

The second aspect I want to discuss, is that through research funds, through funds that are passed on directly to these countries, we are also contributing to international peace. It is very sad to see the total lack of proportion between the situation in some countries on this planet and other, highly developed countries. This despite the fact that the funding provided under Bill C-130 at that level involves very substantial amounts. I see the parliamentary secretary to the Secretary of State (Mr. Bossy) who explained in his speech the peaceful goals of international co-operation. Often, Hon. Members have an opportunity to travel on missions to see for themselves what is happening in these countries. I am reminded of Nepal, to give an example where Canadian money has been used to fund irrigation projects to help the people not so much expand, as actually establish new farmlands, because there had been nothing there before. Today, 3,000 people in Nepal can now make a living from a given piece of land. That is significant and it was done with Canadian funds.

• (1620)

Another example is the islands in the Caribbean, where much work is being done with Canadians of all origins. Technology has made it possible to reach people at home, and subsequently, industries are established which benefit both the receiving and the donor country, as I explained earlier. These are aspects of co-operation between rich countries and less developed countries that are often forgotten.

Mr. Speaker, I know time is running out, and I do not wish to dwell too long on the subject, but there is another factor I wish to emphasize and that is education, because when we talk about international development, we often refer to tangibles such as raw materials, and we tend to forget that these funds can also finance training for young people in those countries. In committee or in the House itself, we often tend to discuss general policy, but it is also important to determine what the direct and concrete impact will be of our international aid.

After all, perhaps we should be most concerned with helping minds, in the medium and long term, because if we want to

achieve real development in these under-industrialized countries and establish some kind of balance on this planet, we must help Third World countries with education and training. With Bill C-130, which is a vehicle for demonstrating the generosity of the Canadian people with respect to others who are less fortunate—I should mention CIDA which is doing tremendous work in various countries—in fact we realize that notwithstanding its small population, Canada is making a real effort to help people achieve a decent standard of living, and if we compare it to our own, we realize that Canadians have a very extraordinary standard of living, that we cannot keep all this to ourselves and that we must help others to achieve it for themselves, by immediately providing certain resources to enable other countries to share the general standard of well-being we enjoy here in Canada.

Mr. Speaker, I think that what I had to say on the subject was important. However, I was disappointed just now when I saw the members opposite trying as hard as they could to limit the duration of the debate on a party basis, but I still think that in our parliamentary system, we have principles on the basis of which all members can choose to express their own particular views, and personally, I felt it was very important to stress the relationship between rich countries and Third World countries with respect to industry and trade, because it is not just a matter of sending money for the sake of sending money, it is a matter of mutual development, and we should never forget that. In discussions heard regularly on TV or in newspaper articles, the public often seems to think it is a relationship of superior to inferior, where the same side always wins and the same side always loses. Again, if we consider Bill C-130 and its international development strategy, which authorizes continuing financial assistance to be provided to certain international financial institutions, it should be pointed out that all this has a very positive impact on the economy of our own country. I feel it is an important consequence of international development which sould be given particular emphasis.

In concluding, Mr. Speaker, I would like to ask the Government, in the next few months, to make a list of all international projects in the Third World in which we are involved. I am sure that on both sides of the House Hon. Members will be surprised to see what Canadians have achieved abroad during the last twenty years. Tremendous work has been done everywhere in underdeveloped regions, and I think that if we could have a direct response from the countries concerned, we would be astonished at the gratitude of these people for the work done by Canada.

When it comes to international development, Canadians—French-speaking and English-speaking alike—should remember that we have been extremely generous toward Third World countries. For instance, our religious institutions did send over there an unbelievable number of Canadians to help those people; before governments got into the act, certain religious and social organizations made it possible to offer assistance to other countries and many years went by before Parliaments and governments could get organized to provide real technical and technological assistance. Those who are not fully cognizant with international relations may forget to point out that those things got under way long before 1981 or 1982 thanks to the help of people who were concerned about improving the quality of life and the standard of living of their fellow human beings. That is only one part of the picture, of course, but often those are the aspects which are forgotten or upon which too little emphasis is laid so as to shed light on the full extent of international development. There is more to it than merely adopting bills and allocating funds to realize that progress has been made.

Mr. Speaker, I conclude by pointing out the very worthwhile contribution made by various groups of Canadians who do not belong to government circles and yet did their share on the international scene to help underdeveloped countries. I also want to commend the Canadian Government for its continued assistance to underprivileged countries in technological, technical, industrial and trade matters. I hope that industrialized and underdeveloped nations will continue to co-operate, and that the opposition parties will support our efforts to promote international co-operation with developing countries.

• (1630)

[*English*]

Mr. Nelson A. Riis (Kamloops-Shuswap): Mr. Speaker, I want to take a few minutes this afternoon to comment on Bill C-130, particularly in light of the remarks made by a number of Hon. Members opposite. On this side we had agreed to limit debate to enable us to get this important Bill into Committee and then go on with some other critical legislation, not the least of which is the Bill referred to as Canagrex.

Members on the Government side indicated that they felt very strongly about this Bill. There was an implication that Members on this side do not feel so strongly about it. I want to emphasize that we do feel very strongly about the essence of the Bill and about a number of its provisions. I do not want to spend too much time talking about it but I should like to make a couple of points that I feel have not received the emphasis they deserve.

The Bill, which is to authorize continuing financial assistance to be provided to certain financial institutions, comes at a critical time. I am not certain that Members of the Government and the various agencies concerned with foreign aid of one type and another appreciate the difficulty that Members of Parliament have in their constituencies when they try to justify the expenditures involved in efforts to assist developing countries in the Third and Fourth Worlds.

This Bill comes at a time when we Canadians face two crises. First, there is the domestic crisis of high unemployment, inflation at an extremely high level, historic levels of personal and business bankruptcies and, generally, a fear across the country of a very uncertain future. There is a fear that the Government simply is not on top of any kind of recovery

program. People perceive the Government as not understanding the financial and economic forces that exists in the country today.

As well as the domestic crisis, we have the international crisis. This focuses on Third and Fourth World peoples, hundreds of millions of whom go to bed hungry and many of whom exist in various stages of malnourishment. Nearly one-quarter of the world's population lacks the basic social and economic infrastructures so desperately needed to enable them to become more self-sufficient and self-reliant.

How do we as Parliamentarians rise to this challenge, this double responsibility of assisting the global community and of ensuring that our domestic economy is adequately taken care of? In a rhetorical way I should like to explore the question of why this legislation is before us. What are some of the fundamental bases of the legislation? I think they can be boiled down to three. First, there is the humanitarian aspect of foreign aid legislation and the fact that Canadians have a long tradition of wishing to help where they can. Second, unlike this very generous ethic of humanitarianism, there is the aim of many people, to stop the threat of creeping communism. That was one of the bases of our participation in global assistance in the 1950s. One of the identifiable reasons for becoming involved with Third World countries was to stop communism. The third thing is, I suspect, that one of the bases of our support for the foreign aid package is that it actually assists many Canadians. Although it would appear that we are interested in assisting Third World countries, when one looks at the way the assistance agreements are drawn, one finds that, more often than not, Canadian business, and therefore Canadians generally, are assisted as well.

In terms of the humanitarian basis for helping those in need, when one looks at how successful we have been from the early 1950s up to the present time, one finds that our efforts have not been all that significant. Too often, our foreign aid programs have resulted in only those at the top of the socio-economic ladder being assisted, while the people who needed the assistance most received only minimal benefit.

I suspect that any effort we have made to stop communism—although that is a questionable motive—has not been very successful. Where we have made some gains is in our attempt to assist our own business sector. I do not think that is anything to be proud of, however. If we were committed to assisting the people of Third World countries as opposed to maintaining the status quo there, then if more of our aid was moved through multilateral as opposed to bilateral agreements, that would be a much more appropriate way of getting money and assistance to the people who need it most.

I should like to identify three or four areas of particular concern to the New Democratic Party in the hope that when the Bill goes to Committee for examination the Government will take some pains to present responses to these questions.

One area is the detailed accounting of how the moneys of the various financial institutions that we support are spent. Thanks to the work of the news media and certain opposition parties, one of the difficulties that Parliamentarians face is that the exceptions to the rule, those foreign aid projects that have gone awry or have not worked out, get all the publicity. They are presented as examples of why we should reduce foreign aid support.

When the Bill gets to Committee I think it behooves Members to identify the ways that the various institutions, such as the African Development Bank, the Asian Development Bank and others, have made substantial improvements on behalf of the areas in which they have been operating. Then we could start playing up more and more of the positive aspects of foreign aid which Canada supports as opposed to the negative ones. An example would be in the country of Belize. A very good friend of mine has spent time in Belize in the last number of months. He returned the other day feeling somewhat disappointed because the work which Canadians were doing there and the financial support of the Canadian Government was not recognized by the people of that country. They assumed that it was American aid and that the Americans were behind the particular project. I encourage our people in External Affairs and in CIDA to ensure that, where Canadians are involved in funding Third World projects, we receive credit for the participation.

• (1640)

Also I encourage Committee discussion to focus on the need for Canadian funding to move into the hands of those people for whom it is intended. When we examine our foreign aid participation over the years, we discover that too often it has simply served to maintain the status quo in many countries, a status quo which ought to be changed. If Canada is to fund these international institutions, it is imperative that every effort be made to ensure that that support gets into the hands of the people for which it is intended.

Also, if we are to fund these various institutions, more attention ought to be paid to human rights violations which exist in many countries that presently receive aid from Canada. This is something about which Canadians feel very strongly. If we are to fund projects and to assist people in Third and Fourth World countries, we should put a great deal more pressure on their governments to ensure that human rights violations are reduced.

Lastly, I mention one aspect where I feel our foreign aid over the years has fallen significantly short. Too many of us with perhaps heritages in Western Europe looked at what happened after the Second World War in countries such as West Germany. With financial assistance going to countries such as West Germany and Japan, we saw that those people were able to build up their economies very quickly. Therefore, I think many Canadians expect the same from Third and Fourth World peoples. They expect, with financial support for certain institutions, be they mines, factories, mills or various other manufacturing opportunities, the people of Third and Fourth World countries to respond as West Germany and Japan did in the past.

But this thinking fails to recognize that Japan, West Germany and other western European nations had very sophisticated social infrastructures in place on which to build. They

had the long experience of assembling financial systems and the industrial workplace. Also they had the kind of social discipline which goes with the development of a manufacturing or industrial base, as well as health and educational systems. These are the subtle, sophisticated human infrastructures which Third and Fourth World countries by and large do not have. If we are serious in our commitments to assisting those in need and about our efforts to ensure that developing countries become more self-sufficient and more self-reliant, it seems to me that we should focus our attention on areas which assist in the development of sophisticated human infrastructures, avoid the white elephant syndrome upon which many developing countries are built, and concentrate on fundamental issues such as health care and education.

That is all I have to say. I am looking forward to this Bill moving very quickly to Committee stage so that a thorough examination can take place, particularly in terms of a detailed accounting of how these moneys are likely to be spent, the kinds of activities in which these various institutions participate, and a commitment to ensure that human rights violations and those most in need of aid receive adequate consideration.

Mr. Nielsen: Mr. Speaker, I rise on a point of order. I wonder whether I might now ask the Parliamentary Secretary if he and his Members will allow the question to be put on this measure.

Mr. Smith: I am shocked that the Hon. Member would need to ask that. Obviously, if no one from this side rises or no one from the other side rises, the question will be put.

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

Some Hon. Members: Question.

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

Some Hon. Members: Agreed.

Mr. Nielsen: On division.

Motion agreed to, Bill read the second time and referred to the Standing Committee on External Affairs and National Defence.

PROCEEDINGS ON ADJOURNMENT MOTION

[*English*]

SUBJECT MATTER OF QUESTIONS TO BE DEBATED

The Acting Speaker (Mr. Blaker): It is my duty, pursuant to Standing Order 40, to inform the House that the questions to be raised tonight at the time of adjournment are as follows: the Hon. Member for Central Nova (Mr. MacKay)—External Affairs—International Institute of Applied Systems Analysis. (b) Attendance of Canadian National Railways' vice-president; the Hon. Member for Bow River (Mr. Taylor)—Mines and Mining—Courier service expense; the Hon. Member for Winnipeg-Assiniboine (Mr. McKenzie)—Veterans Affairs—Pension recommendation made by United Veterans Organization. (b) Introduction of legislation.

GOVERNMENT ORDERS

[*English*]

CUSTOMS TARIFF

MEASURE TO AMEND

Hon. Paul J. Cosgrove (Minister of State (Finance)) moved that Bill C-90, to amend the Customs Tariff and to repeal certain Acts in consequence thereof, be read the third time and do pass.

He said: Mr. Speaker, as Hon. Members of the House are aware, Bill C-90 received second reading last week. It proposes several important amendments to the Customs Tariff besides implementing a number of strictly technical or housekeeping changes.

At this time I should like to provide a few background comments on the principles behind some of the measures in the Bill and to touch briefly upon some matters which were raised by Hon. Members opposite in the Committee hearings on the Bill last week which followed second reading. I do this because obviously Hon. Members were concerned about some specific areas and about the process by which the public had been consulted. Also they were concerned as to whether certain industry representatives had an opportunity to comment upon the provisions before the House.

For example, I have the distinct recollection that the Hon. Member for York-Peel (Mr. Stevens) was concerned about a particular industry and raised questions about the consultative process with the Provinces and with industry representatives. I undertook to provide specifics in answer to those questions, and I am pleased that he is present in the House today so that I can do so.

The provisions of Bill C-90 were originally introduced in a notice of ways and means motion tabled in conjunction with the budget of November 12, 1981. Provisionally the measures took effect on November 13, which is the traditional practice. Considering the desirability of implementing the substantive tariff measures in the Bill, such as those dealing with general preferential tariffs or with the miscellaneous reductions in Schedule III of the Bill, the Government in fact consulted closely with interested parties in Canada.

I want to set out briefly the major provisions of the Bill and what the Bill involved. First is the updating of a number of

tariff provisions contained in the former Canada-New Zealand-Trade Agreement of 1932 to reflect the Trade and Economic Co-operation Agreement which has replaced the old agreement. Discussion at committee stage focused almost exclusively on this provision, and I make reference to the following items because I fear the people following that limited debate might have thought that was all the Bill touched upon.

• (1650)

A second major provision of the Bill affects the introduction of a number of improvements in the general preferential tariff for developing countries. It is interesting that that provision should follow upon discussion of Bill C-130 just debated by Parliament. Many Members, I am sure, would join in support of this feature of the Bill, that is the reduction of the general preferential tariff, for the same motivation that prevailed in discussion of Bill C-130 in support of developing countries and their economies, and for many of the same reasons.

The third provisions of the Bill is the establishment of a tariff item which will provide duty-free entry for goods specially designed for the use of disabled persons.

Fourth, the Bill provides—and this is a significant area—the introduction of a new tariff schedule of goods used by dentists or dental laboratories.

Fifth, the Bill has provision for authority for the Government to convert existing units of measure in the Customs Tariff from Imperial to metric following industry practice. I would like to take the opportunity to say that is done in order to facilitate those industries that have already made the change, to metric. This change in the legislation will assist trade practices presently in place.

Sixth, there is the introduction in the Bill of a number of miscellaneous tariff changes in response to many representations received from interested parties right across the country.

In dealing with the Canada-New Zealand Trade Agreement, as Hon. Members know, there are a number of purely technical measures in the Bill relating to the new Trade and Economic Co-operation Agreement between Canada and New Zealand. This Agreement provides for the continuation of certain existing preferential rates accorded to New Zealand under the 1932 Agreement to which I have referred. Bill C-90 brings the Canadian legislation up to date by repealing the 1932 Trade Agreement and related clauses in the Customs Tariff and replacing them with new provisions to reflect the Co-operation Agreement.

I would underline the description of the Agreement, that of a Co-operation Agreement, because that was a point touched upon by Hon. Members opposite at the Committee hearing. They asked what was different between the new Agreement as opposed to the old Agreement. The significant change is the wish of both countries to accentuate and improve relationship in terms of enhancing mutual interchange and identifying potential future product areas where the two countries would find opportunities for sale in each other's country.

I would emphasize that these amendments do not involve any change in the tariff rates on goods from New Zealand but rather deal with process and improved co-operation.

Questions were raised during Committee consideration of the Bill about the extent of consultations in preparation for presentation of the legislation to the House. Indeed, I was asked what consultations had taken place and why Members opposite would support the Bill in the absence of provincial agreement or consultation with affected industries.

I would like to take the opportunity to supplement my earlier comments by advising that an interdepartmental team of officials held a series of meetings right across Canada in 1981. They met with representatives of provincial Governments and representatives of the business community concerning the Canada-New Zealand Agreement of 1932. Discussions were held at the following times with officials of all Provinces. I am advised that New Brunswick and Prince Edward Island considered discussions unnecessary. However, the following consultations took place in 1981 with the respective provincial officials: with British Columbia on February 11; with Alberta on February 12; with Saskatchewan on February 13; with Ontario on February 16; with Quebec on February 19; with Nova Scotia on February 22; with Newfoundland on February 23; and with Manitoba on February 26.

In addition to these meetings most of the Provinces had of their own initiative recently sent trade missions to New Zealand. None of the Provinces was opposed to the Government's initiatives aimed at seeking increased trade opportunities with New Zealand. In addition to consultations with the Provinces, meetings were held with some 40 industries or companies seriously interested in developing market opportunities in New Zealand. Approximately 100 briefs were entertained and considered by the Government in preparation for legislation.

Specifically, the Hon. Member for York-Peel did inquire about lamb imports. I was not able to give him the specifics of the consultation in preparation for continuation of treatment under the tariffs of that product, but I am pleased to indicate to the Hon. Member today that the lamb producers did express some concern about the continued tariff treatment. Their main worry, I understand, was that the producers group was concerned about exports to Canada of fresh-chilled lamb carcasses. The Canadian Sheep Council has met directly with the New Zealand meat producers group. They concluded a private agreement, which I understand continues until November 12, 1983, to restrict the import of that product into Canada.

I might add further that no representation subsequently has been made to the Government on this topic. Certainly none has been received since the introduction of the notice of ways and means motion which led to the introduction of Bill C-90 which is before the House today.

Hon. Members of this House are aware of the important role played by the preferential tariff systems introduced by Canada and other developed countries in assisting the growth of exports and balance of payments positions of developing countries. I mentioned that in my opening comments. This Bill

provides several important improvements in Canada's general preferential tariff which will directly benefit the least developing countries as well as the Canadian business community. There is a new duty-free entry provision for goods covered by the general preferential tariff that are imported from countries designated by the Governor in Council as being least developed countries.

In addition, the Bill liberalizes the rule governing the origin of the imported goods to permit tariff-free entry of goods partially produced in the least developed countries and finished in another country that would fall into that same category.

• (1700)

As I have indicated, the purpose of these measures is to give the least developed countries the potential for new export opportunities that were not available heretofore through the removal of the duties on goods that qualify for the preferential tariff when they are imported from these countries. Roughly one-third of the items covered under this general preferential treatment system are currently dutiable. The concession in the Bill will provide to the least developed country free entry under approximately 600 specific tariff items.

There is a safeguard provision which gives authority to the Government to implement tariff rate quotas which would provide Canadian industry with temporary relief from imports from these countries which might be perceived to cause or threaten injury to Canadian production. Therefore, while this legislation provides assistance, there is a safeguard feature built into it as well.

As I have indicated, the Schedules of the general preferential tariff rate changes in the Bill include a number of reductions that will assist developing countries. This provision was based on a procedure that permitted widespread public participation. A Member from the New Democratic Party asked how the Government arrived at its decision in specifying these particular items for special treatment in the Bill. In order to determine whether access to the Canadian market of products from the developing countries could be approved, the Minister of Finance directed the Tariff Board in July, 1980, to conduct a study and report on the impact on Canadian production of providing lower rates of duty for certain products eligible for the general preferential treatment.

After consultations had taken place, Part I of the Board's order was tabled in Parliament on May 20, 1981. The broadened coverage under the general preferential treatment as well as reduced rates of duty on a range of products of interest to the least developing countries. As a result, the Board's study will improve access to the Canadian market for approximately $50 million worth of imports from these countries.

I might mention that this is an ongoing process of the Board. Part II of the Board's report was submitted to the Government in April, 1982. That report is presently being reviewed by the Government. The new tariff item in the Bill which authorizes the Government—

Mr. Nielsen: Mr. Speaker, I rise on a point of order. This is third reading of a measure that has had extensive discussion at the second reading stage. The Minister has now gone on for half an hour. This is an unprecedented thing for a Minister to do on third reading, in any event.

I can tell him now that the Official Opposition is prepared to have the question put on this legislation immediately, again in accordance with the specific request of the Government, through its House Leader (Mr. Pinard), that the legislation is urgent and to have it passed. We are prepared to deal with it now. That might save the Minister a good deal of time. If he rises again and continues in that fashion, it will be quite apparent that the legislation is not really urgent and that the Government does not want it as quickly as the Government House Leader led us to believe it did.

Mr. Cosgrove: Mr. Speaker, I appreciate the support offered by the House Leader of the Official Opposition (Mr. Nielsen). I intend to conclude with two remaining points which I indicated I wanted to touch upon in my opening remarks. They will be brief.

In fairness, the House Leader of the Official Opposition (Mr. Nielsen) raised at the Committee stage a number of questions which I undertook to respond to. I want the opportunity to provide the Hon. Member with that response and it will be brief.

I think I should make the public aware that one other provision of the Bill deals with material that is imported for the assistance of disabled persons. I know that this provision enjoys the support of all Members in the House; at least, I believe so. This is a duty-free provision which provides for electronic selectoral control devices to assist people with speech impediments. This should be of immediate benefit to the handicapped people in our community who have a need for this equipment, as well as providing a cost break to them.

The last item I wish to touch upon concerns the provision covering materials used by dentists and dental laboratories which will result in the duty-free entry of a number of materials, such as dental cement, pins, posts and those other goods not manufactured in Canada and unlikely to be made here. Therefore, the Government agreed to provide duty-free entry of those goods.

The response of the Government to the request for this assistance by dentists and the dental industry parallels the action taken by the Minister of Finance (Mr. Lalonde) in his statement a few weeks ago when he announced that, because of the Government's concern for the provision of health and dental medical care to Canadians, it was not proceeding with the taxation of those health plans. This provision supports the Government's belief that at this time whatever help can be provided in these areas would be appreciated by Canadians generally.

In summary, the provisions in the Bill contain a number of significant improvements in the Canadian tariff. I have talked about the general preferential treatment measures which support developing countries and are appropriate at this time,

in view of the discussions on the preceding legislation which dealt with support for regional banks which has been offered by Parliament to the Government. Notwithstanding the preferential treatment accorded, there is a safety provision in the Bill which permits the Government to intervene if it finds that there is an unfair impingement upon the development of a Canadian industry.

I have indicated that the Government gives priority to the question of medical dental support for Canadians and assistance to handicapped Canadians. I appreciate the support shown by Members opposite for the Bill in second reading and in Committee. I wanted the opportunity to answer the concerns raised by Members in the Official Opposition and the New Democratic Party. Knowing that they supported it at those stages, I am encouraged with the comments of the House Leader of the Conservative Opposition that their support will continue.

Mr. Nielsen: Mr. Speaker, we are being treated to the most amazing spectacle of the Minister responsible for the Bill striving mightily to prevent the Government's own legislation from going through the House. We have been repeatedly assured that the legislation is urgent and that the Government wants it to go through the House. If the Government is really serious about the legislation, allow the question to be put.

• (1710)

Some Hon. Members: Question.

The Acting Speaker (Mr. Blaker): The Chair has heard the Hon. Member for Yukon (Mr. Nielsen) making the same point before.

Mr. Nielsen: Yes, and I will continue to make it.

The Acting Speaker (Mr. Blaker): Whether it is a point of order or not remains open to some suspicion.

Mr. Lorne Nystrom (Yorkton-Melville): Mr. Speaker, I would like to rise and say a few words in the debate on third reading of the Bill because of the importance of the issue.

I would encourage the Government to do more than just tinker when it comes to customs tariffs and trade policy in this country. The issue of trade is one of the most important we can discuss. Trade, for example, makes up around 30 per cent of the gross national product of Canada and the livelihoods of many people depend on the fact that we are a trading nation.

However, we have some terribly difficult structural problems concerning trade. The main one is that we tend to sell much of our raw materials and resources to other countries around the world in an unrefined and unprocessed form. We tend to import a tremendous amount of fully manufactured goods. We all know we have more jobs when it comes to manufacturing than we have in the export of raw materials. We also see that the trend is growing. In 1970 we had a deficit in manufactured goods of some $2.5 billion. In 1980 it amounted to $17.8 billion, in 1981 it rose to $21 billion and it could perhaps be even higher in 1982. So that is a trend which the Government will have to do something about.

As a nation, we will have to come to grips with the problem of a disintegrating economy, and with the fact that many industries are no longer competitive on a cost basis around the world. Some of those industries are in areas of very high unemployment and we will have to restructure them and ensure that they become more competitive, innovative and technologically advanced so that we can be competitive internationally and provide jobs for Canadians. The Government does not appear to have a national economic or industrial strategy despite the fact that this was promised time and time again by the Prime Minister (Mr. Trudeau) back in the 1980 election campaign.

It is also very curious, in referring to our trade picture, that despite the fact that we have a merchandise trade surplus year in and year out, we still usually run a deficit in our current account or else we have a small surplus on the current account. That is because we have a balance of payments problem in this country. There is a deficit. Last year I understand that the deficit in our balance of payments was around $9 billion to $12 billion. That deficit was caused because we have so much foreign investment and ownership that we are exporting a tremendous amount of capital in terms of dividends and profits going to the United States and elsewhere, to the shareholders with equity positions in their industries. As well, money is being spent by tourists and others in the rest of the world.

My argument is that we will have to restructure and modernize our industries and be more competitive in other sectors around the world. At the same time, we must Canadianize to ensure that we own our industries as other countries do, such as those in Europe, Japan and, for that matter, the United States of America, which has done so over the last 100 years. A recent Statistics Canada report indicated that the branch plants of foreign-based multinationals tended to import nearly five times as many goods in the manufacturing sector as Canadian-owned plants. I think it shows some of the costs of foreign ownership to our economy when we tend to be exporting rather than importing jobs. The net export of capital is becoming a very serious problem. Many foreign investors have been using Canadian funds in the first place, pension funds and money from Canadian banks, to become established.

When we start to discuss customs tariffs and many of the provisions in the Bill, I think we are simply tinkering. Some of them are good and some of them are bad. I think the time has come when Parliamentarians must stand up and say that we must diversify our trade, and we must start manufacturing and processing our goods from raw materials to a much greater extent in this country of ours than we are currently. We must take some of these initiatives if we hope to have our country prosper in the years ahead and ensure that decent salaries and incomes are provided for the Canadian people.

I, too, am concerned over the protectionist legislation we are starting to see in many countries around the world, because I feel that kind of legislation or rhetoric will go too far. I am concerned about what the Reagan administration is doing in

the United States. It is very important that we have a good balance between uninhibited free trade on the one side and too much protectionism on the other. We must have a policy of fair trade in this country. If we have a move back to the policies of the 1930s, when there was tremendous protectionism, retaliation and trade wars, we could eventually end up with trade wars which could become real wars and the whole world will suffer as a result.

We must seriously consider our trade and economic policies. We must start to modernize and become more competitive so that we can sell more manufactured goods on the international market. We must start planning in order to conserve our resources in a more efficient and intelligent way so that all Canadians will benefit.

It is about time that we started looking at the real world of advanced technology, the newest technology available, so that we can start to produce such products as do many other countries in the world. Then we would not have to import technological goods from Japan, the United States or western Europe. We should start to produce hardware, software and computers so that Canadians will have jobs in the years ahead. I have tremendous faith in this country. We can build a tremendous Canada. We have the resources, the wealth, the people and the skills. What we have lacked in the last few years has been a national vision or the leadership to bring Canadians together for a common goal.

I cannot resist, while speaking on a customs tariff Bill, pointing out that although some tinkering may be fine, I cannot support only that type of tinkering. We must get to the fundamental cause of problems and try to solve them. We have a disintegrating economy, over 1.5 million Canadians unemployed, and we must do something about it. If the Swiss, Germans, French, Japanese and Americans can do something about it, then surely we in this country can do at least as well, if not better.

Mr. Nielsen: I rise on a point of order, Mr. Speaker. I wonder if the Government would now permit the question to be put.

The Acting Speaker (Mr. Blaker): I think the Hon. Member has made that particular point on several occasions.

Mr. Nielsen: I will be doing it again, too.

The Acting Speaker (Mr. Blaker): Procedurally, I do not feel that the Hon. Member for Yukon is entitled to raise the same point of order again and again and again at his liberty.

Mr. Nielsen: You want to believe he can.

Mr. Ray Skelly (Comox-Powell River): Mr. Speaker, I am very disturbed by the actions of the Conservative Party in relation to the legislation before us this afternoon. Certainly we in the Opposition are concerned about the performance of the Government, but I would say that the acts of the Conservative Party here this afternoon in attempting to dismiss this Bill quickly through the House without taking a last look at the implications for Canada speak about its general approach to problems in this nation.

The former finance critic and present external affairs critic of the Conservative Party has said: "If we tell the people what we are about, they will not vote for us, so we will continue to play games with the Government in an attempt to embarrass it and will fool around rather than get down to the actual substance". I suggest that the Ayatollah from northern Canada who is making pronouncements today in the House should get down to the gut issues facing Canadians. He should stop fooling around with the kind of problems we have in this country and start putting their position on the record. He might as well start with this Bill or the previous Bill, which they persisted in fooling around with.

• (1720)

The issue before us again is tariff policy in Canada and it is vitally important. Tariff policy, taxation policy, industrial strategy, competition legislation are key matter that this Government is content simply to turn the knobs and pull the levers on, rather than get down to serious important planning on where we are going in Canada. This is a very vital Bill before us today and, as my colleague who spoke previously indicated, we should not be simply tampering with it. We should be looking at customs tariff policy as a mechanism for shaping our national economy and providing Canadians with an opportunity to develop industry within their own country.

I want to work for a few moments with the idea that the customs tariffs are vitally important in one particular sector, the marine industrial sector. It appears that within the provisions of Clause 3 of this legislation preferential tariffs are of concern to the Government. Hopefully some day the Official Opposition will wake up and it will become a concern to them, because many of the ridings which they represent are vitally concerned. But ultimately a marine industrial strategy is what we are talking about and the effects of customs tariffs on building and operating vessels in Canada.

At the present time we are led to believe that the Government of Canada has developed a marine industrial development strategy and that it refuses to implement it for fear of trade repercussions from trading partners around the world. It is interesting that whenever we attempt to talk about it under legislation such as the provisions in Clause 3, things such as GATT are thrown up to us, that it would violate such agreements. Under the present situation shipbuilding is not covered, which means that we could take the same advantage that other Canadians are taking.

To come back to the question of the federal Government's development of a marine industrial strategy, it is our understanding that that policy has been in place. It was promised when this Parliament first convened in 1980. It was restated time after time that this policy was going to be developed and implemented, and it would affect major regions of this country. The Pacific region would benefit; the Great Lakes region would benefit; the Hamilton-St. Catharines area; the Atlantic Provinces would benefit; Saint John, New Brunswick. So

would Halifax, Nova Scotia, where the federal Government recently spent $63 million on one of the largest floating dry docks in the country. If they were to simply put in place the marine industrial strategy which they have already written, we would be able to make tremendous use of that new floating facility.

Also benefiting would be St. John's, Newfoundland and Marystown places where there are hundreds if not thousands of Canadians unemployed because the Government refuses to implement a policy it has already drafted and develop the legislation before us today in a manner which is consistent with supporting that policy.

I would just like to deal with what our understanding of this policy is at the present time. At the present time the largest opportunity for Canadians to take part in the building and operating of marine platforms lies in offshore exploration and resource development. Figures have been given, although approximate, showing that we have something in the order of 16 rigs working offshore on the East Coast, 50 offshore supply vessels and 17 over 100-foot fishing vessels. Recent figures indicate that one of those rigs was built in Canada, two of the offshore supply vessels and three of the fishing vessels.

What we are faced with is a simple task that has already been recommended, that if the customs boundary was pushed out 200 miles, all of those vessels would be built in Canada. Believe me, the statement that Canadians cannot build that equipment is an absolute myth, and so is the statement that they cannot build it competitively.

I would use one case, the Saint John, New Brunswick shipbuilding operation. It is interesting that Petro-Canada recently almost contracted with that company to build an oil-drilling rig. They had tested bids from the world shipbuilding market and it is interesting that Saint John shipbuilders won the bid. They were on their way to Calgary to sign the agreement. So here is a company that is competitive on a world-wide basis, they are prepared to sign the agreement, but what happens? Petro-Canada at the last minute backs out because the leasing of rigs drops from approximately $120,000 to $70,000 a day, and the economic justification does not exist. The point is that a Canadian company and a Canadian facility using Canadian design and engineering capability put in a competitive bid and won in the over-all market.

So clearly, against a lot of serious problems many countries in the world, in addition to having restrictive tariff protection on shipbuilding, wind up giving concessionary financing which produces interest rates on the building at roughly 6 per cent to 7 per cent, which are often forgiven until the vessel has been working for a year. In Canada, when Petro-Canada assessed the cost to the Canadian company that successfully bid, they put an interest charge on that money—

The Acting Speaker (Mr. Blaker): The Member for Yukon is rising, on a point of order.

Mr. Nielsen: The Chair might, with respect, be able to see some relevancy of Petro-Canada and shipbuilding to the Customs Tariff, but I certainly cannot.

Mr. Skelly: The relevance is certainly this. If this Bill contained a provision that customs barriers applied in a different manner or customs provisions applied in a different manner, we could consider in this legislation and Canadians would go to work. If the Hon. Member from Yukon does not care about people working in his area, we certainly are concerned about them working in the Atlantic, the Pacific, the Great Lakes and Central Canada. Maybe if he rose more often on those questions there would be more people working in the Yukon; there would be more people in the Yukon.

What we are talking about is a marine industrial strategy that has already been drafted and contains recommendations to change these customs provisions. I am sorry that the Minister was not able to give us some insight today into why this particular Clause 3, which would be very simple to amend, put thousands of Canadians back to work in the shipbuilding industry and operating those marine vessels, was not so amended.

That is one aspect in the marine industrial strategy that the Government has already drawn up. Push the customs barrier out 200 miles off the northern coast, off the eastern coast of Canada, and thousands of people would go back to work in ships and vessels and offshore platforms built in Canada. That is already known.

The consultation process with industry has already taken place, but what we do not see is the federal Government delivering a policy by appropriate legislation here.

Let us come to contradictions. I am amazed that the Conservative Party can stand up on one day and make expressions of concern about contradictions in the customs legislation and today ignore the subject because they want to embarrass the Government by stuffing this legislation through the House in an undignified and overhasty manner. I am appalled, and I am certain that when the Canadian people become aware of this they are going to be appalled, at the inaction of the Government and the incompetence of the Official Opposition.

This Bill deals with preferential tariffs to developing nations and it is interesting to note that Commonwealth countries can deliver ships into Canada at very reduced rates in terms of the customs tariffs. Developing nations can bring ships in at a very reduced rate on those customs tariffs. What this means is that Canadian ship operators are buying vessels offshore, because not only are they faced with a very low customs tariff in Canada, but they have an opportunity for proper concessionary financing and for forgiveness of payments on those vessels. What we get is the double whammy of our Government reducing the customs barrier to facilitate entry of those vessels, and allowing totally subsidized or greatly subsidized industry to produce products which are dumped into our market. I will give you an example; at the present time Federal Commerce and Navigation is building in four major bulk areas. It would appear that this company, which is involved in the development of the coal port at Prince Rupert and in the Northeast coal project, is going to use those vessels to haul coal to the Orient. Two of those vessels are being built in South Korea, a country which is currently operating under a preferential tariff

because they are a developing nation. However, South Korea is not a developing nation in terms of shipbuilding capabilities. With the amount of subsidization in that country, availability of concessionary financing, and a very low customs tariff boundary, they can drop those ships into Canada. You cannot, in some respects, blame the companies for going offshore to purchase when the Government of Canada, and the Official Opposition do not care enough to stand up and say this Bill should be amended to put in the prohibition which puts Canadian firms on an equal footing and those firms, with whom the Government has gone through a consultation process, are not asking for an advantage. They just want to be put on an equal footing with other countries so they can put Canadians back to work, and that is not happening. Commonwealth nations and developing nations should be put on an equal footing with other nations.

• (1730)

There is another ironic twist to the marine and shipbuilding situation. If a Canadian company, which cannot produce all the components with respect to a major vessel construction, has to import parts, they have to pay the full tariff price on those parts. When the Saint John drydock, or those along the Great Lakes or St. Lawrence, bid against those foreign countries, they are paying full customs tariff on the parts which they are bringing into the country, and still have to put together a competitive bid. We have the shipyards with the capabilities, but the Government of Canada and the Official Opposition are trying to tie one hand behind their backs. I would suggest what we need is a last minute look at this particular legislation.

The shipbuilding policy, as with the customs legislation, does shape the nature of Canadian trade. It does shape the nature of industry within the country. I would urge the Hon. Members of this House to take a look at the possibility of putting some amendments before the House which would put Canadian shipbuilders at least on an equal footing. Beyond this particular situation we have to look at improvements in those customs tariffs to provide at least the same footing by blocking the dumping, if you will, of those subsidized vessels into Canada. We should push it out 200 miles, as the Government's own advisers are already recommending.

The second thing we need is to raise the customs tariff to the equivalent of other nations and require a 25 per cent tariff on vessels brought from developing nations and from Commonwealth nations so they cannot dump vessels into the country. We should be looking seriously at removing all tariffs where a shipbuilding company is in a position to bid for a contract and they require some of the key parts brought into Canada. Our industrial development people should examine very closely the fact that these parts cannot be built in Canada, and they should be looking at ways down the road of producing them here.

We also need to look at the question of concessionary financing. If other nations are providing reduced financing on these major constructions, if our own export development nation is providing to companies offshore an opportunity to purchase, then, certainly, we should provide the Canadian ship owners and operators an opportunity to have access to concessionary financing in the shipbuilding process.

It is interesting, Mr. Speaker, that the Government has already drafted that policy. It is my understanding that it has been approved at the departmental level and at the Cabinet level, but it is frozen in place so that we are not allowed to make major changes. The Federal Government, in terms of the policy it has drafted is absolutely passive. Proper customs legislation would mean thousands of jobs. A proper marine industrial strategy would mean thousands of jobs. It is interesting though, that the Government, in its wisdom, does not want to build major vessels in Canada. They are under the mistaken impression that if Japan, Korea, Taiwan, Singapore, Belgium, Norway, Finland, can all build this equipment cheaper, and offshore, we will win a few industrial offsets rather than building the ships.

That policy has been expounded also by the Members on the other side of the House, and it would certainly pay us to hear somebody from that side stand up and tell us what they are going to do with customs tariffs in order to complement this particular industrial sector which would put thousands of people back to work. Maybe we should talk about where they would go back to work, because certainly that is important. The normal operating capacity at the Halifax shipyard runs at about 950 people. They are down to 450. There are 500 people who could go to work there. They have a brand new drydock where very large vessels could be built. Where are those vessels going to come from? They are certainly not going to pull them from the mid-Atlantic into Halifax en route to somewhere else. They are not going to get new shipbuilding contracts if the Government does not put its marine industrial strategy into place and does not make proper amendments to the customs legislation.

An Hon. Member: Your voice is giving out. Sit down.

Mr. Skelly: If the Hon. Member from Saskatoon, and the Official Opposition, do not care about 500 jobs in Halifax, why do they not stand up in the House and say so instead of sending minor aggravating bits of abuse over here? There are certainly people from Halifax who are concerned about those 500 jobs because their families do not have the income they had in the past. When Hawker Siddeley ran that yard, its capacity allowed 2,000 people to be employed. And if the Hon. Member from Saskatoon does not care about that, then he should get up and speak against the marine industrial strategy on this Bill. He has the opportunity.

An Hon. Member: After listening to you there is nothing more to be said.

Mr. Skelly: Mr. Speaker, if we look at the shipyard at Saint John, New Brunswick, the capacity there is in the order of 1,700 to 2,000 people, but only 500 to 600 people are working there. There are 1,200 people out of work in Saint John, and if the Government would put in place its marine industrial

strategy, those people could go back to work. It is interesting, Mr. Speaker, that when Canadian taxpayers are assisting that Company to build some of the largest and some of the most effective shipbuilding facilities on this continent, coupled with probably some of the best design and engineering opportunities, and this Company could put 1,200 Canadians back to work, the federal Government will not put that marine industrial policy in pace. It is a policy which they have already developed, yet they will not put the proper amendments into this legislation, and so 1,200 people are not working in that community, a fact which is having a terrible impact on it.

It is interesting also that Saint John has nothing more on its order book. There is not one more thing on the order book for that company unless they start getting some co-operation from the federal Government. Judging by the Official Opposition's comments, the Government will have a long wait before it gets co-operation from them. It is time they stood up and indicated where they stand on this Bill.

• (1740)

Mr. Lewis: How many Members have you down there, Ray?

Mr. Skelly: Certainly some of the Members from the Great Lakes region who are now chanting along should take a look at the communities of Hamilton and St. Catharines, and the fact that Great Lakes shippers are going to Scotland to buy their vessels. Those Members seem to be of the view that it is great that people in their communities are unemployed. If they want a debate on this issue, I invite them to stand up and comment on how they want to jam this Bill through without taking the proper amount of time to examine it. It is my intention, Mr. Speaker, to be down in the St. Catharines region, going through these Members' ridings and telling people about the need for a proper shipbuilding policy. Perhaps the Hon. Member for Burlington (Mr. Kempling) should stand up in this House to show that the Opposition is concerned about those jobs. That is the kind of co-operation I would like. Perhaps we should get it also from the Deputy House Leader for the Conservative Party, who, I agree, makes more sense than the House Leader. I see the Hon. Member for Mississauga North (Mr. Fisher) nodding.

Mr. Lewis: He is falling asleep. You have put him to sleep.

Mr. Skelly: Mr. Speaker, I wanted to speak on this Bill because it was of such great importance to the people of Canada. The marine industrial strategy is vitally important. The fact is that Canadian resources are creating jobs in other countries. Other countries have moved vigorously to protect their shipbuilding and operating capability. Well, we cannot do that by just changing the Customs Act, but it is a start. Another anomaly is that the federal Government would go to such lengths to draft such a policy when it knows how important it is in the Provinces of Quebec, Ontario, British Columbia and the Atlantic Provinces. The Government has drafted it, it is my understanding that it has been approved, yet the Government will not release it or implement it. The Government has consulted with industry, it has industry's approval and support, along with that of organized labour and the communities which are dependent on this industry. I ask the Minister: where is that policy? where are the changes to this legislation?

Because the Government has failed to act, Mr. Speaker, and because the Official Opposition has concentrated on game playing rather than substance, we are faced with the situation where the people of this country are going to have to do the job themselves. Municipal leaders, operators of industry and organized labour have joined together to form a national lobbying group. It has happened on the Pacific Coast. There is total support from the Mayors of Victoria and Vancouver, from the marine industrial group and from the shipbuilders and operators. They are going to form a lobbying group and together with the Province of British Columbia they will come to Ottawa to ask the Government to co-operate by putting in place both an effective shipbuilding policy and effective customs legislation. The City Council of Halifax, the Mayor of Saint John's, New Brunswick, along with organized labour and industry people, will be in Ottawa with these other groups to pressure the Government into releasing this policy and putting thousands of people back to work. Of course, they will be joined by groups from the Great Lakes area and the Quebec region, specifically Montreal and Quebec where this is vitally important. The Prime Minister (Mr. Trudeau) has made the commitment, and it is time the Government deliver on that commitment to put Canadians back to work.

There are just a few more remarks on this topic which I would like to put on the record before I rest my voice, as has been recommended. Essentially what we have is a very passive policy which the Minister of State for Finance (Mr. Cosgrove) refuses to employ. But we should be going a step further, Mr. Speaker, and developing a full-blown marine industrial strategy in an attempt to produce the vessels and marine platforms we will need over the next two or three decades. We must look ahead rather than back. If we do not act now, if we not make a decision to develop and implement a full-blown shipbuilding policy, we simply will not be able to do it later on down the road. Without a decision now there simply will not be the opportunity later on. Other countries will have developed the technology, and it will be too expensive to put it in place here because we will not be able to amortise it over a large enough number of vessels. We are not just talking about the development of offshore hydrocarbons, we are talking about shipping our basic resources of grain, coal, base metals in Canadian bottoms so that Canadian seamen have the opportunity to work. The community of Port Hardy, on the northern end of Vancouver Island, has been the subject of a study to determine whether or not it would be in an appropriate location for processing of sea-bed resources. The question is what role will Canada play in the development of sea-bed resources. Certainly there are many opportunities to produce marine platforms and vessels, but the Government sits and does nothing. It has already developed the policy, it is ready to go, and with some very simple amendments to the customs legislation thousands

of Canadians would go back to work. The order books of our shipyards would be full and we would be in business with our marine industrial development and its resulting spin-off effects.

There is one other area of concern, Mr. Speaker, involving vessel operating companies such as Canadian Pacific. CP is a Canadian company with ships registered in Britain and Hong Kong, crewed by British officers and sailors of foreign nationality. This is the proud tradition of CP. It is time the Government of Canada put in place a marine policy and customs legislation which would make sure that a company like CP not only registers those ships in Canada, but that it repairs and refits them in Canada and ensures that Canadian crews man the ships. Our trading partners have implemented or imposed the provisions of the United Nations Committee on Trade and Development which says that a trading nation should capture 40 per cent of the cartage of its trade goods, it should give the other 40 per cent to its trading partner, and allow 20 per cent to be used by ships of opportunity. That is clearly the responsibility of this Minister. He could put it in place. It would apply not only to the 40 ships of Canadian Pacific's fleet, but it would also apply to all the ships they purchase under their vessel acquisition program over the years. This Minister could recapture those vessels for Canadians. We could go a step further.

An Hon. Member: Are we pirates?

Mr. Skelly: Well, certainly this Government has perpetrated an act of piracy on the Canadian people with the loss of industrial and economic opportunities. The thousands of people in Campbell River, British Columbia, in Port Alberni, they understand this Government. They know what the Government is putting forward. This is not an act of piracy, it is an act of sanity. Even the Government's own advisers are appalled by the ignorance on that side of the House. Members opposite are not even aware that their own Cabinet has approved a policy which will put people in the Province of New Brunswick back to work and ensure that Canadians are operating Canadian vessels which are now being operated offshore. Thank you, Mr. Speaker.

• (1750)

The Acting Speaker (Mr. Blaker): The Hon. Member for Kamloops-Shuswap (Mr. Riis).

Mr. Nielsen: Mr. Speaker, surely we do not have to put up with a filibuster from the NDP as well as from the Government

Mr. Nelson A. Riis (Kamloops-Shuswap): Mr. Speaker, my comments on Bill C-90 will be extremely brief but there are two or three matters that I feel it is mandatory to raise at this stage.

Bill C-90, an Act to amend the Customs Tariff and to repeal certain Acts in consequence thereof, takes us back to the very beginnings of this country when John A. Macdonald, the Prime Minister of the time, introduced the famous national policy and, of course, introduced tariffs at that time which western Canadians still have some concerns about.

We are again discussing the whole matter of tariffs. Granted, Bill C-90 will not make any significant changes in the tariff picture, but it begs the question of the context of the discussions. We are imposing tariffs on a variety of commodities, increasing a few, decreasing others, but essentially maintaining the status quo.

The debate that ought to be taking place in the House is the one that has been ongoing since 1867; it should be very thorough, comprehensive and sophisticated debate on the whole matter of tariffs.

It is difficult to discuss tariffs intelligently when we lack any kind of comprehensive industrial strategy. It was interesting that earlier this week it was the Opposition parties that were calling for an industrial strategy. We recognize that one of the reasons we are in economic difficulties today is that we do not know what we are trying to accomplish in this country. The private sector, the public sector, the federal Government, the provincial Governments, the local and regional Governments are asking what it is that we are attempting to accomplish, economically, in this country. Without an industrial strategy, it is impossible to answer that question.

Today we are again discussing whether to impose tariffs in this sector, reduce them in that sector, leave them the same in another sector, but we have no context in which to debate this in an intelligent way. One gets the impression that the Government is trying to slip something by us by means of Bill C-90. I do not expect that statement reflects the attitude of Hon. Members opposite, but some questions must be asked about what it is the Government is trying to achieve with this Bill.

Just the other day the Hon. Member for York-Peel (Mr. Stevens) raised a question about Clause 5 of the Bill. This clause gives the Governor in Council the right from time to time, to step in and change the method of measurement. He was concerned that this would enable the Government to move in the area of metrication. I, for one, have no hesitation in saying that that is the direction in which the country must move if it is to participate in the international marketplace and become a trading nation of importance. In that case, surely the move to metrication is appropriate. If it is, why do Hon. Members opposite not stand up and say that this particular Clause has been introduced to allow the rules of measurement to be changed when that is deemed appropriate? There has been no debate about that, Mr. Speaker.

When one considers the importance of the various Clauses of the Bill, I wonder if Hon. Members opposite understand what it is all about. If they do, then I cannot imagine why the Government introduced the Bill.

I will select one Clause to illustrate my point. When we refer to Schedule III of the Bill, we see that a duty is to be imposed on some very interesting items such as chairs for invalids, walking devices to assist the disabled, and various control devices to assist the disabled to become mobile. There is a long list of items that, as long as they come in from a British

connection, will enter the country duty free. If the same items come in from any other country, however, a duty will be imposed on them.

Is any Hon. Member opposite who is interested in goods designed to assist the people who are disabled to move around, willing to impose an extra duty on these goods? If not, then I wonder if Hon. Members opposite have read Bill C-90. And if they have, do they understand it? If they do understand it then they are agreeing to impose a duty which will make these items, designed to assist the disabled, more expensive. I have a hard time understanding why Hon. Members opposite would be interested in imposing such a duty.

To summarize, Mr. Speaker, I think we are making a fundamental error here. There is an attitude amongst Members of the Government and, I suspect, amongst Members of the Official Opposition, which says that if we can move toward freer trade, if we can reduce tariff walls, then that will obviously be in our best interests. I am sure there is no Member of the House who does not recognize that while many other nations voice that same rhetoric, they are in fact introducing measures to keep foreign products out; they are introducing protectionist measures, not in the form of tariffs.

I think Japan prides itself on doing that. The Japanese Government, unlike the Government of Canada and most of our provincial Governments, has made it a policy to encourage its people to support Japanese industries whenever and wherever possible. There is a strong "buy Japanese" ethic in that country, and the Japanese people have rallied to the call. Whenever possible they buy from the Japanese supplier rather than from the foreign supplier. That is a subtle way of imposing a tariff without calling it a tariff or, by introducing a number of certification and testing measures, to retard the entry of foreign commodities and services into that marketplace.

In closing, Mr. Speaker, I should like to suggest that as we discuss the matter of imposing or reducing or even maintaining existing tariff levels, we should do so in the context of a comprehensive, over-all economic strategy. We should be able to see what we are attempting to nurture and encourage and what we are attempting to move away from. We should identify which industries should receive our support in their formative years and which should not.

Until we articulate that in a clear way, the whole discussion of tariff and tariff walls is a rather academic one and, at best, ad hoc.

I know the sheep producers in my constituency would be very interested to see that we are taking a small step in order to reduce the imports of mutton and lamb from countries like New Zealand.

Mr. Lewis: Your argument is rather woolly!

Mr. Riis: Well, some people might say that my arguments are woolly, but I think that item serves as an example of the kind of negotiations and discussions that must take place with the private sector and the public sector in order to ensure that we have identified the industries we propose to support. We should take appropriate measures to protect those industries, particularly during their formative years.

Mr. Nielsen: Question.

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

An Hon. Member: Filibuster!

Mr. Skelly: Mr. Speaker, in order to give the Minister an opportunity to respond this evening, I should like to suggest that it is six o'clock. We would be more than prepared to give the Minister unanimous consent to comment on some of the aspects of this matter raised in the House and some of the aspects that the Tories—

• (1800)

The Acting Speaker (Mr. Blaker): Order, please. Let us deal with them one at a time. The Hon. Member cannot have two points of order at the same time which happen to be contradictory. Shall I call it six o'clock?

Some Hon. Members: Question.

The Acting Speaker (Mr. Blaker): Shall I put the question?

Some Hon. Members: Question.

Mr. Skelly: Call it six o'clock.

The Acting Speaker (Mr. Blaker): I have an Hon. Member who wants to call it six o'clock. In order to go around that, I need only recognize for half a moment any Hon. Member who will stand on his feet.

Mr. Nielsen: Question.

The Acting Speaker (Mr. Blaker): I need an Hon. Member to stand on his feet for one moment.

Mr. Nielsen: The Hon. Member for Comox-Powell River (Mr. Skelly) has already spoken.

The Acting Speaker (Mr. Blaker): He has spoken. The Hon. Member for Burlington (Mr. Kempling).

Mr. Nielsen: No.

The Acting Speaker (Mr. Blaker): Is the House ready for the question, or shall I call it six o'clock?

Mr. Nielsen: Mr. Speaker, the Hon. Member did not rise. Put the question, put the question.

The Acting Speaker (Mr. Blaker): That is what I am about to do. The question is as follows—is the Hon. Member for Prince Albert (Mr. Hovdebo) seeking the floor on a point or order?

Mr. Hovdebo: Mr. Speaker, since the hour is now six o'clock, I would like to call it six o'clock.

Mr. Nielsen: Filibuster.

The Acting Speaker (Mr. Blaker): No. I recognized the Hon. Member for Burlington. If subsequent to my having recognized him he tells me that was an error, then I cannot put the question; I will have to call it six o'clock. If, on the other hand, the Hon. Member for Burlington rose and was duly recognized, it is now too late to call it six o'clock, and I will put the question.

An Hon. Member: He rose.

The Acting Speaker (Mr. Blaker): Surprise, indeed, the Hon. Member for Burlington rose. The question is as follows: Mr. Cosgrove, seconded by Miss Bégin, moves that Bill C-90—

Mr. Nystrom: Mr. Speaker, I rise on a point of order. If I know the rules correctly, the Hon. Member for Burlington (Mr. Kempling) rose to speak, but then he forgot to speak and someone elso stood up, and if someone else is standing up, then they have the right to the floor.

The Acting Speaker (Mr. Blaker): All those issues were implicit in the problems raised by the Hon. Member for Comox-Powell River (Mr. Skelly) and by the fact that the Chair sought to understand whether any other Hon. Member sought to be recognized. Once that happened it was no longer possible to receive the motion to see the clock at six o'clock because the other proceeding called "putting the question" had then begun. I do not think it would be improper for the Chair to interrupt the current proceeding on a technicality of that order. Now I have to proceed with the putting of the question. Mr. Cosgrove, seconded by Miss Bégin, moves that Bill C-90, an Act to amend the Customs Tariff and to repeal certain Acts in consequence thereof, be now read a third time and do pass.

Is it the pleasure of the House to adopt the motion?

Some Hon. Members: Agreed.

Some Hon. Members: No.

The Acting Speaker (Mr. Blaker): All those in favour of the motion will please say yea.

Some Hon. Members: Yea.

The Acting Speaker (Mr. Blaker): All those opposed will please say nay.

Some Hon. Members: Nay.

The Acting Speaker (Mr. Blaker): In my opinion the yeas have it.

And more than five Members having risen:

The Acting Speaker (Mr. Blaker): Call in the Members.

The House divided on the motion (Mr. Cosgrove) which was agreed to on the following division:

(*Division No. 261*)

YEAS

Messrs.

Allmand
Appolloni (Mrs.)
Axworthy
Bachand
Beauchamp-Niquet (Mrs.)
Bégin (Miss)
Berger
Blais
Blaker
Bloomfield
Bockstael
Bossy
Bujold
Burghardt
Bussières
Caccia
Campbell (Miss) (South West Nova)
Campbell (Cardigan)
Chénier
Chrétien
Collenette
Corbin
Corriveau
Cosgrove
Côté (Mrs.)
Cousineau
Cullen
Cyr
Daudlin
Dawson
De Bané
de Corneille
Demers
Deniger
Desmarais
Dingwall
Dion
Dionne (Chicoutimi)
Dionne (Northumberland-Miramichi)
Dubois
Dupont
Dupras
Duquet
Erola (Mrs.)
Evans
Ferguson
Fisher
Fleming
Flis
Foster
Fox
Francis
Frith
Garant
Gauthier
Gendron
Gimaïel
Gingras
Gourd (Argenteuil-Papineau)
Gourde (Lévis)
Gray
Guilbault
Harquail
Henderson
Herbert
Hudecki
Irwin
Johnston
Joyal
Kaplan
Kelly
Killens (Mrs.)
Lachance
Lajoie
Lalonde
Lamontagne
Landers
Lang
Laniel
Lapierre
Lapointe (Charlevoix)
Lapointe (Beauce)
LeBlanc
Leduc
Loiselle
Lumley
MacBain
MacEachen
MacGuigan
Mackasey
MacLaren
MacLellan
Malépart
Maltais
Marceau
Massé
Masters
McCauley
McRae
Munro (Hamilton East)
Nicholson (Miss)
Olivier
Ostiguy
Ouellet
Parent
Pelletier
Penner
Pepin
Peterson
Portelance
Prud'homme
Regan
Reid (Kenora-Rainy River)
Roberts
Robinson (Etobicoke-Lakeshore)
Rompkey
Rooney
Rossi
Roy
Savard
Schroder
Smith
Tardif
Tessier
Tobin
Tousignant
Trudeau
Turner
Watson
Weatherhead
Whelan
Yanakis—132.

NAYS

Messrs.

Althouse
Andre
Anguish
Baker (Nepean-Carleton)
Beatty
Benjamin
Blaikie
Blenkarn
Bosley
Bradley
Cardiff
Carney (Miss)
Clark (Yellowhead)
Clarke (Vancouver Quadra)
Cooper
Corbett
Cossitt (Mrs.)
Crombie
Crosbie (St. John's West)
Darling
Deans
de Jong
Dick
Domm
Ellis
Elzinga
Epp
Fennell
Fraser
Fretz
Friesen
Fulton
Gamble
Gass
Gilchrist
Greenaway
Gurbin
Gustafson
Halliday
Hamilton (Qu'Appelle-Moose Mountain)
Hamilton (Swift Current-Maple Creek)
Hargrave
Hawkes
Hees
Hnatyshyn
Hovdebo
Howie
Huntington
Jarvis
Jelinek
Jewett (Miss)
Kempling
Kilgour
King
Kristiansen
Kushner
Lambert
La Salle
Lewis
Lewycky
MacDonald (Miss) (Kingston and the Islands)
MacDougall
MacKay
Malone
Mazankowski
McCain

Messrs.

McCuish	Nielsen	Scott (Victoria-Haliburton)
McDermid	Nowlan	Shields
McDonald (Ms.) (Broadview-Greenwood)	Nystrom	Skelly
McGrath	Ogle	Speyer
McKenzie	Orlikow	Stevens
McKnight	Paproski	Stewart
McMillan	Patterson	Taylor
Miller	Reid (St. Catharines)	Thacker
Mitchell (Mrs.)	Riis	Thomson
Munro (Esquimalt-Saanich)	Robinson (Burnaby)	Towers
Murphy	Rose	Wenman
Murta	Schellenberger	Wise
Neil	Scott (Hamilton-Wentworth)	Wright
Nickerson		Young—107.

● (1920)

[*Translation*]

Madam Speaker: I declare the motion carried.

Motion agreed to, bill read the third time and passed.

Madam Speaker: It being past six o'clock, I do now leave the chair until eight o'clock this evening.

At 7.25 p.m. the House took recess.

AFTER RECESS

The House resumed at 8 p.m.

● (2010)

[*English*]

The Acting Speaker (Mr. Blaker): Order, please. Turn the bells on, please. By Order of the Chair, turn the bells on, please.

I want to warn Hon. Members that I understand it is a tradition of the House that if there is not a quorum of 20 Members by some time around now, the Chair will see that there is not a quorum and will adjourn the House until tomorrow's sitting. The bells will continue to ring until there is, in fact, a numerical quorum, but I will not allow that to go on for too much longer.

And the Clerk having taken a count:

The Acting Speaker (Mr. Blaker): Hon. Members will have heard the Clerk who has indicated that there is not a quorum present, that I indicated a few moments earlier that I would take this proceeding at this time. Accordingly, there not being a quorum, the House is adjourned until tomorrow at two o'clock.

Members who are present may sign the book, but the page is requested to stop the bells ringing. Those Members who are present are entitled to sign the book.

May I bring it to the attention of all Hon. Members that no one is obligated to sign the book, nor does it mean anything or have any particular interpretation, in case there may be Hon. Members who might choose to sign the book, but who, in fact, may or may not have been present at the time the quorum was called. I believe that there are no further proceedings. I wish all Members a very good evening.

And there being only 17 Members present including Mr. Speaker, the names were taken down and the House adjourned, without question put, at 8.20 p.m.

HOUSE OF COMMONS

Wednesday, November 17, 1982

The House met at 2 p.m.

• (1405)

MOTIONS UNDER S.O. 43

[*English*]

CANADIAN ARMED FORCES

ACCIDENTAL DEATHS OF SERVICEMEN

Mr. Jack Shields (Athabasca): Madam Speaker, I rise under the provisions of Standing Order 43. I know that all Hon. Members of this House will wish to extend our deepest sympathy to the families and friends of the seven servicemen killed in the tragic accident yesterday at Canadian Forces Base Namao, in Alberta.

Madam Speaker: I am sure the House will want to express its sympathy.

Some Hon. Members: Hear, hear!

* * *

CULTURAL AFFAIRS

APPLEBAUM-HÉBERT REPORT—SENATOR'S ROLE IN CO-ORDINATING GOVERNMENT RESPONSE

Mr. Dave Nickerson (Western Arctic): Madam Speaker, yesterday the Minister of Communications announced that Senator Jack Austin, of uranium cartel fame, has been given the job of co-ordinating the Government's response to the Applebaum-Hébert Report. Therefore I move, seconded by the Hon. Member for Peterborough (Mr. Domm):

That this House deplores the appointment of the chief Liberal philistine as "Cultural Commissar" for Canada.

Madam Speaker: Is there unanimous consent for this motion?

Some Hon. Members: Agreed.

Some Hon. Members: No.

REMEMBRANCE DAY

DESCRIPTION REPORTEDLY USED BY MEMBER FOR BURNABY

Mr. Dan McKenzie (Winnipeg-Assiniboine): Madam Speaker, November 11, Remembrance Day, is a time for all Canadians to gather at local veterans' organizations to honour and respect the Canadian war dead. It is not, as the NDP Member for Burnaby (Mr. Robinson) alleged, a "booze-up". I move, seconded by the Hon. Member for Vancouver Centre (Miss Carney):

That this House condemns the rude slander made by the NDP Member for Burnaby and that the House demands that the Member make a full, public apology to the Canadian people for his inexcusable ignorance about the real significance of Remembrance Day.

Some Hon. Members: Hear, hear!

Madam Speaker: Is there unanimous consent for this motion?

Some Hon. Members: Agreed.

Some Hon. Members: No.

* * *

COMMUNICATIONS

CREDIT SCREENING SYSTEM INTRODUCED BY BELL CANADA

Mrs. Margaret Mitchell (Vancouver East): Madam Speaker, I rise on a matter of urgent concern to low income people. Bell Telephone Company has instituted a major attack on the poor through the introduction of a credit screening system which invades privacy and will deprive many pensioners, single parents, the disabled and the unemployed, of telephone services. Therefore I move, seconded by the Hon. Member for Mission-Port Moody (Mr. Rose):

That the Government, through the CRTC, require Ma Bell to withdraw this discriminatory screening policy, which is a dangerous national precedent, and eliminate advance payments without due cause.

Madam Speaker: Is there unanimous consent for this motion?

Some Hon. Members: Agreed.

Some Hon. Members: No.

S.O. 43

DISARMAMENT

SUGGESTION PRIME MINISTER SPONSOR MEETING OF AMERICAN AND RUSSIAN LEADERS

Mr. Bill Yurko (Edmonton East): Madam Speaker, this country's two neighbours are the most powerful nations of all time, armed to the teeth with destructive potential. Canada is effectively the physical fulcrum between these two balances of terror. Both countries now have relatively new leaders, who are, hopefully, men of peace. Very recently the new Chancellor of Germany called for an immediate summit meeting. Our Prime Minister (Mr. Trudeau), one of the most senior of world leaders, has remained silent on a summit meeting. Therefore, Madam Speaker, I move, seconded by the Hon. Member for Hamilton Mountain (Mr. Deans):

That the Prime Minister, with the unanimous consent and urging of this Assembly, invite both President Reagan of the U.S.A. and Chairman Andropov of the U.S.S.R. for a face-to-face summit meeting on Canadian soil to strengthen nuclear detente, and initiate the process for nuclear arms stabilization and eventual reduction. I would suggest that the meeting place be Edmonton where, several years ago, Premier Kosygin held out the hand of friendship and smoked a peace pipe.

Madam Speaker: Is there unanimous consent for this motion?

Some Hon. Members: Agreed.

Some Hon. Members: No.

* * *

INDUSTRY

RECEPTION HOSTED BY CANADIAN WINE INSTITUTE

Mr. Joe Reid (St. Catharines): Madam Speaker, the Canadian wine industry is one of Canada's few growing industries. Quality wines to suit a wide range of tastes have been developed. International recognition and awards are being won by many of our wineries. Their problem is winning recognition at home. I therefore move, seconded by the Hon. Member for Erie (Mr. Fretz):

That all Members support the Canadian wine industry by attending the reception hosted by the Canadian Wine Institute tonight and that all Crown corporations and Departments of Government take advantage of the many opportunities afforded them to promote and encourage the use of this fine quality Canadian product.

Madam Speaker: Is there unanimous consent for this motion?

Some Hon. Members: Agreed.

Some Hon. Members: No.

CANADA POST CORPORATION

STUDY OF PRINCE EDWARD ISLAND SATURDAY MAIL SERVICE

Mr. Mel Gass (Malpeque): Madam Speaker, Canada Post is currently undertaking a study to determine whether unique circumstances prevail in Prince Edward Island which would warrant the continuation of Saturday mail delivery. The people of Prince Edward Island would like the opportunity to assist with this study. Therefore I move, seconded by the Hon. Member for Fundy-Royal (Mr. Corbett):

That the Minister responsible for Canada Post Corporation instruct the President of the Corporation to conduct public hearings in Prince Edward Island in order to obtain direct input from the people on this crucial issue.

Madam Speaker: Is there unanimous consent for this motion?

Some Hon. Members: Agreed.

Some Hon. Members: No.

* * *

FISHERIES

DELAY IN RELEASE OF KIRBY TASK FORCE REPORT

Mr. Ted Miller (Nanaimo-Alberni): Madam Speaker, I rise under the provisions of Standing Order 43. The Minister of Fisheries and Oceans has told fishermen in P.E.I. that the Report of the Kirby Task Force will not be made public until January. This decision to sit on the Report for two more months ignores the mandate given to Kirby, which was to proceed on an emergency basis, and the right of Parliament to deal with problems facing tens of thousands of Canadian families. I move, seconded by the Hon. Member for Vancouver East (Mrs. Mitchell):

• (1410)

That this House instruct the Government to release immediately the now completed Report of the Kirby Task Force and all its related studies, reports and background papers, and that the Standing Committee on Fisheries and Forestry be advised that until these materials are made public it should not vote the $1,047,000 earmarked for the Task Force.

Madam Speaker: Is there unanimous consent for this motion?

Some Hon. Members: Agreed.

Some Hon. Members: No.

* * *

ENERGY CONSERVATION

SUPPORT FOR CANADIAN HOME INSULATION PROGRAM

Mr. Mark Rose (Mission-Port Moody): Madam Speaker, I rise under the provisions of Standing Order 43. Earlier this week the Ministry of State for Science and Technology released a report on conservation technologies. It was pointed

out that Canadians are still the worst energy wasters in the OECD, that it is still cheaper to conserve energy than it is to produce energy by any conventional form, and that Canada should finally fulfil its commitments on conservation by giving it as much financial assistance as it now gives to energy supply industries. Therefore I move, seconded by the Hon. Member for Winnipeg-Birds Hill (Mr. Blaikie):

That the Government immediately reverse its decision to cut back funding for the Canadian Home Insulation Program and start taking the advice of its own committees and increase support for demand-side solutions to any energy shortfall we might experience.

Madam Speaker: Is there unanimous consent for this motion?

Some Hon. Members: Agreed.

Some Hon. Members: No.

* * *

RAILWAYS

LEVEL OF PENSIONS PAID TO FORMER EMPLOYEES

Mr. Bill Blaikie (Winnipeg-Birds Hill): Madam Speaker, Canada's two national railways, CPR and CNR, have saved countless thousands of dollars as a result of the Government's six and five program, yet many thousands of CP and CN pensioners continue to exist on the basis of a pension which was inadequate long ago and has not been indexed for some time. Therefore I move, seconded by the Hon. Member for Mission-Port Moody (Mr. Rose):

That the Government instruct the two railways to use the money which they saved through the six and five program to index the pensions of their pensioners and finally give railway pensioners the income they deserve.

Madam Speaker: Is there unanimous consent for this motion?

Some Hon. Members: Agreed.

Some Hon. Members: No.

* * *

CANADIAN WHEAT BOARD

CALL FOR APPOINTMENT OF ALBERTAN AS COMMISSIONER

Mr. Jack Shields (Athabasca): Madam Speaker, it would appear that the Government is preparing to appoint a new commissioner to the Canadian Wheat Board. Therefore I move, seconded by the Hon. Member for Wetaskiwin (Mr. Schellenberger):

That the Government consider appointing a new commissioner from the Province of Alberta to represent the wheat producers of that Province, as they have never been represented on the Wheat Board to my knowledge before.

Madam Speaker: Is there unanimous consent for this motion?

Some Hon. Members: Agreed.

Some Hon. Members: No.

* * *

LOUIS RIEL

PLEA FOR POSTHUMOUS PARDON

Mr. Rod Murphy (Churchill): Madam Speaker, yesterday I introduced a motion under Standing Order 43 asking that Louis Riel be pardoned, and it was turned down by Conservative Members of the House. Therefore I again move the same motion:

That, in recognition of his role as a founding member of the Province of Manitoba, this House endorse a resolution calling for the pardoning of Louis Riel.

Madam Speaker: Is there unanimous consent for this motion?

Some Hon. Members: Agreed.

Some Hon. Members: No.

* * *

ANTI-DUMPING TRIBUNAL

DECISION ON IMPORTATION OF ROMANIAN-MADE SHOES

Mr. Ian Deans (Hamilton Mountain): Madam Speaker, I move, seconded by the Hon. Member for Beaches (Mr. Young):

That the recent decision of the Anti-dumping Tribunal regarding the dumping of Romanian boots in Canada be reviewed by Cabinet.

Madam Speaker: Is there unanimous consent for this motion?

Some Hon. Members: Agreed.

Some Hon. Members: No.

ORAL QUESTION PERIOD

[*English*]

ENERGY

FUTURE OF ARCTIC PILOT PROJECT

Mr. Harvie Andre (Calgary Centre): Madam Speaker, in the absence of the Minister of Energy, Mines and Resources, in the absence of the Minister of Indian Affairs and Northern Development, and in the absence of the Minister of State for Economic Development, I will direct my question to the Prime Minister.

On Monday the Minister of Energy, Mines and Resources and the Minister of Indian Affairs and Northern Development announced a major exploration agreement with PanArctic. On that same day, the President of PanArctic said that he would have difficulty fulfilling the terms of the agreement, in part because of the decision of the National Energy Board to postpone hearings on the Arctic Pilot Project. According to PanArctic, this delay will raise costs and put the project in jeopardy, and some of PanArctic's member companies want out. In view of this situation, what steps is the Government taking to ensure that the Acrtic Pilot Project will not join that very long list of megaprojects which have been killed by the National Energy Program?

• (1415)

Right Hon. P. E. Trudeau (Prime Minister): Madam Speaker, I have not been made aware of the statement alluded to by the Hon. Member, but I am happy to take notice of it on behalf of the Minister of Energy, Mines and Resources who is due in the House very shortly.

Some Hon. Members: Here he is.

Some Hon. Members: Oh, oh!

Mr. Hees: The instant minister.

REQUEST FOR ACTION TO ASSIST PROJECT

Mr. Harvie Andre (Calgary Centre): Madam Speaker, I see that the Minister of Energy, Mines and Resources is here now. Would the Minister comment on the actions he is prepared to take in view of the indications by the President of PanArctic that, because of the National Energy Board decision to delay hearings on the Arctic Pilot Project, PanArctic may not be able to fulfil the obligations of the exploration agreement that was announced the other day, and that unless action is taken by the Minister or by this Government, the Arctic Pilot Project will join the long list of casualties of the National Energy Program? Is the Minister free to do something else beyond babysitting the creation of his predecessor? If he is, what action will he take to ensure that some of the people who are now unemployed might be employed as a result of that project?

Hon. Jean Chrétien (Minister of Energy, Mines and Resources): Madam Speaker, I indicated to the Press, and I am glad to have this question, that I hope the matter will be dealt with expeditiously by the National Energy Board, a body created by this House of Commons for which I am the minister who reports in the House. However, there are some problems for clarification by the National Energy Board before it can render a judgment.

I do hope the National Energy Board will be able to tell those participants in the Arctic gas project that they can export gas. I have discussed this problem with the National Energy Board. The Board has assured me that it has not put aside the request, but has just asked for a delay to get some more information. I hope the Board will be able to deal with the project as soon as possible. If we can sell some Arctic natural gas to the European market and to other nations, I will be delighted.

POSITION OF MINISTER

Mr. Harvie Andre (Calgary Centre): Madam Speaker, my supplementary question is also for the Minister of Energy, Mines and Resources. The President of PanArctic was quoted last week in the Montreal *Gazette* as saying that fundamental changes to the National Energy Program are going to be required to get his company and other companies in the energy sector back to work employing Canadians. In a Canadian Press story from New York, on November 15, the Minister is quoted as saying:

> The last thing we need is a period of uncertainty.

That statement is nearly right. That is the second last thing we need. The last thing we need is inertia from the Minister which will only guarantee that the tens of thousands of Canadians who could be employed in energy related projects will continue to be employed.

Is the Minister, within the context of the cabinet decision, able to exercise his responsibility as Minister of Energy, Mines and Resources and do more than babysit the creation of his predecessor, and introduce some of these changes which would give some hope to those tens of thousands of Canadians who are unemployed today as a result of the National Energy Program?

Hon. Jean Chrétien (Minister of Energy, Mines and Resources): Madam Speaker, I think the Hon. Member likes to utter a lot of rhetoric. I have been in touch with the industry. I have been in Calgary and in New York. People understand that we have a program in place that we want to make work. I told the industry that I would offer stability and decisiveness. That is exactly what I am doing at this time. I would like to ask the Hon. Member to check with his friends in Calgary who, I am sure, will tell him that they like this approach. They know what is the name of the game. I intend to make the program work and Hon. Members can see that the 1983 predictions for the oil and gas industry are for a much better year than 1982.

* * *

NATIONAL ENERGY PROGRAM

IMPACT ON PETROCHEMICAL PROJECTS

Hon. Don Mazankowski (Vegreville): Madam Speaker, I would like to direct my question to the Minister of Industry, Trade and Commerce. The Minister knows, I am sure, that the National Energy Program has had a disastrous effect upon the petrochemical industry and that, if it is not salvaged soon, it will collapse in a similar manner in which the oil sands and heavy oil projects collapsed. Right now something like a dozen petrochemical projects worth $3.5 billion to $4 billion are on

hold because of the heavy up front taxes caused by the National Energy Program, thus making Canadian petrochemicals non-competitive in world markets. What action is his Department taking to ensure that these projects go ahead? In other words, is he getting together with the Provinces and the industry to bring the parties together to ensure that at least some of these projects might be salvaged, in the interests of stimulating economic activity in the construction industry and thereby creating jobs?

• (1420)

Hon. Ed Lumley (Minister of Industry, Trade and Commerce and Minister of Regional Economic Expansion): Madam Speaker, as the Hon. Member knows, many energy related projects all around the world, because of the industrial economic recession, are experiencing the same slowdown. My officials and I met with the petrochemical industry as late as yesterday afternoon to discuss their future plans. We have had a departmental task force for about the last four months, which was initiated by my predecessor, working with the industry. Needless to say, our goals are the same as the Hon. Member's, to increase jobs right across the country in the major capital projects we would all like undertaken.

FUTURE OF MEGAPROJECTS

Hon. Don Mazankowski (Vegreville): Madam Speaker, the Minister and his Task Force can study this issue to death, but the fact of the matter is that it is the heavy up front taxes as a result of the National Energy Program which are making the products non-competitive in world markets. The Minister should know that and indeed does not have to study it any further.

The cancellation of the Alsands, the Cold Lake project, and other heavy oil projects, again a result of the National Energy Program, has caused the loss of tens of thousands of jobs in this country, 45,000 to 50,000 jobs in this country directly, plus the tens of thousands of indirect jobs. May I ask the Minister if he is currently undertaking any initiatives with his provincial counterparts, and with the industry, to see whether or not these projects may be advanced even on a smaller scale, given the fact that this energy source is going to be required if we are to achieve self-sufficiency? In the interests of self-sufficiency, oil security, and of creating jobs and real economic wealth, what is the Minister doing to ensure that these projects go ahead, even on a scaled down version of them?

Hon. Ed Lumley (Minister of Industry, Trade and Commerce and Minister of Regional Economic Expansion): First of all, Madam Speaker, I do not agree with the premise of the Hon. Member's question whatsoever. As a matter of fact, if the Hon. Member would take a look at our energy cost, first of all, I think right now, even our oil as feedstock is only about 80 per cent of the world price, which gives our petrochemical companies some advantage over other countries around the world. Second, my colleague, the Minister of Energy, Mines and Resources, and I, have had several meetings with businessmen with regard to exciting energy related projects which the Hon. Member is not even aware of as yet.

MINISTER'S ACTIONS

Hon. Don Mazankowski (Vegreville): Madam Speaker, the Minister is quite correct when he says the feedstock at the wellhead is certainly competitive, but it is the effect of the federal Government's tax which is causing prices to be at more than the world level, and the Minister should know that and should not try to mislead the House.

Some Hon. Members: Hear, hear!

Mr. Mazankowski: Some of these projects were onstream before the National Energy Program was thrust upon us. What action is the Minister taking specifically to see that these projects go ahead, either the projects as they were developed, or scaled down versions?

Hon. Ed Lumley (Minister of Industry, Trade and Commerce and Minister of Regional Economic Expansion): Madam Speaker, the last time I looked we were not exactly responsible for initiating all these particular projects. However, as I said in my previous answer, my colleague, the Minister of Energy, Mines and Resources, and I, in the last couple of weeks, have had some very fruitful discussions with consortia in the private sector with respect to some of these energy projects.

* * *

NUCLEAR ARMAMENTS

TESTING OF CRUISE MISSILE

Miss Pauline Jewett (New Westminster-Coquitlam): Madam Speaker, my question is for the Prime Minister. In his wish to use the change of leadership at the Kremlin as a means of warming up Canada's relations with the Soviet Union, and indeed I would hope reinforcing détente, is the Prime Minister reconsidering the Government's decision to fuel the nuclear arms race by testing new weapons systems and their delivery vehicle, such as the Cruise missile, or has an ironclad understanding apparently been reached with the United States that we will do such testing in return for a much larger share of U.S. defence contracts in the nuclear weapons field?

Right Hon. P. E. Trudeau (Prime Minister): Madam Speaker, I know of no relationship between our decision to carry out, as a member of NATO, the two-track NATO decision taken in December, 1979, and increased defence contracts from the United States. Therefore, on the essence of the Hon. Member's question, I know of no relationship. It is true that when I was in Moscow, and indeed in Bonn and in Paris, I indicated to the Governments there the very serious concern of the Canadian people with the problem of nuclear escalation and our intention to make sure that both tracks, not

only the re-arming track, but the negotiating towards disarmament track, be followed very sincerely by the two super powers.

REQUEST FOR DETAILS OF CANADA-UNITED STATES AGREEMENT

Miss Pauline Jewett (New Westminster-Coquitlam): The Prime Minister says that he knows of no such understanding. I asked the Secretary of State for External Affairs a few weeks ago this question which I now put to the Prime Minister: will he make available to the House, and to the Standing Committee on External Affairs, all the details relating to the framework agreement in the first instance, and any agreement which is negotiated for escalating the arms race through the Cruise missile? Will he also make available to the House and to the Standing Committee, all the details of what the *quid pro quo* really is in this field, and what new, further and larger defence contracts the Canadian Government is allowing Canadian firms to have with the U.S. Government, and particularly the Pentagon?

• (1425)

Right Hon. P. E. Trudeau (Prime Minister): Madam Speaker, I would want to point out to the Hon. Member that when she prefaces her question by indicating that we are escalating the arms deal, the arms situation, I do not see it in that light. Since I proposed a strategy of suffocation in 1978, the Soviet Union has deployed some 300 SS-20s, each capable of carrying three nuclear warheads, aimed at Western Europe. That is the origin of the two-track policy adopted by NATO in 1979. I can assure the Hon. Member that this matter of testing the Cruise and the proposed understanding with the United States in the form of an umbrella agreement, has been raised several times in Cabinet and in Cabinet committees in my presence, but not once did I hear one single Minister or official indicate that this would be with a *quid pro quo* for any exchange or purchases with the United States. I can give the Hon. Member that absolute assurance.

Miss Jewett: It would be helpful, however, if the Prime Minister would cease being so secretive with the Canadian people and with this Parliament. I would also like to remind him that the Cruise missile is almost totally, if not totally, undetectable. That is what makes it totally different from the SS-20 or any previous generation.

Some Hon. Members: Good.

Miss Jewett: And if it is undetectable, it is hence unverifiable.

REQUEST FOR REFERRAL TO STANDING COMMITTEE

Miss Pauline Jewett (New Westminster-Coquitlam): I will turn to the Secretary of State for External Affairs, who will recall his reply to me on October 29 that he would look into the matter of pursuing the commitment made by his predecessor that the framework agreement would be made public. Will he now reply to my request of that day that a reference be given to the Standing Committee on External Affairs and National Defence to go into the whole matter involving both the framework agreement and the Cruise missile agreement being negotiated underneath it?

Hon. Allan J. MacEachen (Deputy Prime Minister and Secretary of State for External Affairs): Madam Speaker, the framework agreement has not yet been signed but, when it is signed, which may be in the next month or so, I will certainly be ready to make the details available to Hon. Members of the House and members of the public. All the matters which are covered will be made available, and there will be no effort to conceal what is a very simple arrangement to conduct weapons testing in Canada in a general way. When that is done, it will then be necessary, before any testing takes place, for discussions to occur between the Minister of National Defence and his counterparts in the United States. That arrangement would have to take place under the over-all agreement. If that occurs, we will also make the details available to the House and to the public in the fullest possible way.

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MACDONALD ROYAL COMMISSION

TERMS OF CHAIRMAN'S APPOINTMENT

Miss Pat Carney (Vancouver Centre): Madam Speaker, my question is addressed to the Prime Minister. In his absence we have been seeking information on the Macdonald Royal Commission on Economic Union and Development Prospects, but his colleagues advised us to wait until his return for answers. Therefore, once again we ask, did Donald Macdonald receive assurances that he could be released from his duties as Chairman before the inquiry finishes its work and, if so, what credibility can a Commission have if its Chairman has an opting out clause in his contract?

Right Hon. P. E. Trudeau (Prime Minister): Madam Speaker, I want to make it clear that there is no clause and no opting out provision in the contract, if that is the term the hon. lady wants to use.

An Hon. Member: You can always quit.

Mr. Trudeau: That is the point. He could always quit, and if Mr. Macdonald chooses to quit in some hypothetical situation where I would be resigning my job, then surely he is free to do that. To be quite thorough in my answer, the matter did come up. I told Mr. Macdonald that I could not bind him forever, that he was raising a hypothetical situation and he would just have to take that under consideration in deciding whether he would accept it or not.

• (1430)

I think that the same reasoning applies to the some 12 or 14 other members of the Commission whose names will be

announced very soon. I do not think that they are bound forever, either. There are some former Conservatives on the list, and I suppose they too could resign to seek the leadership of the Conservative Party.

ROLE OF PROVINCES

Miss Pat Carney (Vancouver Centre): Madam Speaker, my supplementary is also directed to the Prime Minister. I would point out that Canadians are anxious to know what it is they are paying for, and who is going to be on the Commission. One of the tasks of the Commission is to make recommendations relating to the economic aspects of federal-provincial relations. What steps has the Government taken to ensure the participation of the Provinces as full partners in the Royal Commission process?

Right Hon. P. E. Trudeau (Prime Minister): Madam Speaker, it is a Royal Commission set up under the authority of the federal Government and it has not been envisaged that the Provinces would be full participants, to use the Hon. Member's expression, in the operation of that Commission. The Provinces set up Royal Commissions of their own without full participation of the federal Government in areas within their jurisdiction; and that is the way it should be.

This being said, Madam Speaker, I do regret that the nature of the leak which forced me to confirm the existence of the Commission before I had planned to do so precluded me from informing the Provinces, as I had planned to do before announcing the formation of the Commission and, indeed, the composition of its membership.

* * *

MULTICULTURALISM

STATEMENT BY SOLICITOR GENERAL ON ETHNIC ORGANIZATION HANDBOOK

Hon. Perrin Beatty (Wellington-Dufferin-Simcoe): Madam Speaker, the Solicitor General has just issued a statement which puts into serious question statements made previously to the House by the Minister of State for Multiculturalism and by the Minister for Employment and Immigration.

In part it says:

> The Solicitor General has been informed that the handbook has been used as reference material with regard to security clearances, citizenship and immigration cases and responses to other Government Departments. It may also have been used for background or contextual information for other security reports.

Will the Solicitor General tell the House whether the individuals whose cases were affected by this document will be informed of that fact, what redress they will have, and how can he give the House the assurance that, as it says in his statement, the information contained in the document was not transferred to individual files?

Hon. Bob Kaplan (Solicitor General): Madam Speaker, as I indicated in the statement I made today, the handbook has been made available to members of the Security Service, and limited to members of the Security Service, on an open shelf, in a limited access area, in the Security Service. I certainly cannot therefore indicate how often it was used and in what particular cases it was used.

POLITICAL DESCRIPTIONS GIVEN IN HANDBOOK

Hon. Perrin Beatty (Wellington-Dufferin-Simcoe): Madam Speaker, the Minister's response will be of absolutely no solace to the individuals whose cases might have been affected by the handbook.

I want to put my supplementary question to the Minister of State for Multiculturalism who, on Monday, made the following statement to the House. He said:

> It was an identification of political activities in the sense of old country politics, right wing, left wing, and what the source or goal was, if there was a political goal, in the sense of old country politics.

The Government has continued to insist there is no identification of the Canadian political involvement of these groups. How does the Minister square that statement with the description of the activities of the Central Association of Sudeten Germans in Canada, which says:

> The political affiliation has been continued in Canada: first being CCF, now strongly NDP. All social activities as well as their publication, have a strong political undertone, advocating the principles and goals of the labour movement and the NDP.

How can the Minister expect to be believed by the House of Commons when he says that the only intention of this handbook was to describe old country politics, when in fact it tracks activities of these ethnic organizations as they relate to domestic political parties in Canada?

Hon. Jim Fleming (Minister of State (Multiculturalism)): Madam Speaker, I might point out to the Hon. Member, as was reported in *The Globe and Mail* after the release by the Hon. Member opposite yesterday of his copy that he or someone had been holding onto since the 1979 Clark Government, that one of 111 groups was referred to in Canadian political terms, which I believe makes my point—now he signals two of 111—which I believe makes my point that this book overwhelmingly dealt with organizations; few individuals were mentioned; and it was entirely different from the Party Québecois list which dealt with individuals overwhelmingly, their Canadian political affiliation and, in some cases, their sexual orientation. It seems to me there is quite a difference.

I would also like to remind the Hon. Member, because he said this practice was reprehensible, that I do not think it is reprehensible to list the purpose of an organization if it is coming to you for funding, but I think it should be done on a case by case basis as I have been doing for the past two and one half years. The booklet was initiated by the Diefenbaker Government in 1960, including the restricted list and sending it to the "I" Section of the RCMP, and making it confidential.

Oral Questions

CUSTOMS AND EXCISE

EVASION OF DUTIES BY AMWAY CORPORATION

Mr. Svend J. Robinson (Burnaby): Madam Speaker, my question is for the Minister of National Revenue and it concerns the financial dealings of Amway Corporation with Canada Customs. I have before me confidential company documents revealing a massive and deliberate scheme by Amway to defraud the Canadian Government of millions of dollars in customs duties. Since the Government filed civil suit in 1980 to recover these funds and penalties, Amway has not even filed a defence, while it tries to negotiate a settlement on cordial relations with the Canadian Government.

Will the Minister assure this House that this civil action which has been delayed for so long will proceed forthwith, and that no cosy, secret deals will be made to allow Amway to escape full responsibility for this unprecedented corporate rip-off?

Mr. Baker (Nepean-Carleton): Bring back Rompkey.

[*Translation*]

Hon. Pierre Bussières (Minister of National Revenue): Madam Speaker, the Hon. Member knows perfectly well that yesterday, or rather towards the end of last week, the Attorney General of Ontario laid criminal charges against this corporation. The Hon. Member also informed the House that in 1980, the Government of Canada, or rather the Department of National Revenue, had filed a civil suit with the Federal Court. The Department of National Revenue does not make a practice of trying to make secret deals with respect to funds owed to the Government of Canada, and that will certainly not be the case here either.

[*English*]

REQUEST FOR DETAILS OF POSSIBLE SETTLEMENT

Mr. Svend J. Robinson (Burnaby): Madam Speaker, the Minister has still not answered the question of whether or not this civil action which has been delayed for three years is in fact going to proceed forthwith.

If the Government insists in making a deal with Amway, as they have been hoping, will the Minister in fact assure the House that all terms of such a deal will include full financial recovery of unpaid duties plus interest, plus penalties, and that the full terms of any such deal will be made available to the Canadian public?

[*Translation*]

Hon. Pierre Bussières (Minister of National Revenue): Madam Speaker, regarding the first part of the question which I had overlooked, namely, does the government still intend to pursue its civil action—of course we do. However, as far as the date is concerned, the Hon. Member will understand that depends on the other charges laid against the same company, and we are waiting for advice from the Department of Justice as to the kind of action we shall be taking in future with respect to the civil proceedings.

As far as any deals between the Department of Revenue and the corporation are concerned, I may point out to the Hon. Member that it is not customary for the Department of Revenue to negotiate when money is owed to the government. We establish what we believe is the fair market value of goods for customs purposes. If the company or the opposing party objects to or challenges the Government's decision, they may appear before the Department to discuss any new data they may have, and if they manage to convince us that the new information alters the situation, we will change our assessment. However, we do not negotiate and there is no horse trading when money is owed to the Government of Canada.

* * *

• (1440)

[*English*]

AWARDS AND DECORATIONS

MICHAEL PITFIELD, C.V.O.

Hon. John M. Reid (Kenora-Rainy River): Madam Speaker, my question is directed to the Prime Minister. It follows upon the question I raised on Monday last. It concerns the acceptance of an award or a title by the Clerk of the Privy Council, Mr. Pitfield, given by the Queen of Great Britain. Does the acceptance of this award or title by the Clerk of the Privy Council mean that the Government has changed the rules on the acceptance of foreign titles and for awards by Canadian citizens? In this particular case, did the Prime Minister or the Government give permission for the Clerk of the Privy Council to receive this award from the hands of the Queen of Great Britain?

Right Hon. P. E. Trudeau (Prime Minister): Madam Speaker, the question of awards, honours and titles is a very complicated one that I always have some trouble getting clear in my mind. Very often Members of Parliament and other officials get offers from various foreign countries and we are obliged to advise them to refuse the offers. I know that I have been in that situation myself on several occasions.

Some Hon. Members: Oh, oh!

Mr. Trudeau: I can, however, clarify this particular matter because there have been precedents in many cases during the time that I have been Prime Minister.

The Royal Victorian Order is an Order personal to the Queen. She appoints recipients of an honour under that Order on her own volition, without advice from the Prime Minister of Great Britain or, for that matter, the Prime Minister of Canada. There is sometimes information conveyed that it will happen, but never is it on a recommendation of the Prime Minister that Her Majesty awards such an honour.

I have in mind a case in 1976 when I was informed that an honour would be awarded to a very distinguished Canadian, the Right Hon. Mr. Diefenbaker. I had no power to recommend it. Indeed, I am sure that Mr. Diefenbaker himself had not recommended it when he was Prime Minister. Therefore, there are many precedents for such an award. I think the constitutional position would be that the award is made by the Queen of Canada and, therefore, she is not a foreign power awarding an award to a Canadian.

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INCOME TAX

METHOD OF PAYMENT APPLICABLE TO SENIOR CITIZENS

Mr. W. C. Scott (Victoria-Haliburton): Madam Speaker, my question is directed to the Minister of Finance. Taxpayers are required to make periodic payments of income tax during the year. I quote from a letter to me from the Minister of National Revenue dated November 15, 1982:

> If tax is not deducted at the source from at least three-quarters of an individual's income, as in the case of self-employed and many retired persons, that person is required to pay his or her estimated tax payable for the year by equal quarterly instalments.

I ask the Minister if he will consider removing this regulation from senior citizens and other retired citizens now barely subsisting on pensions.

Hon. Marc Lalonde (Minister of Finance): Madam Speaker, if, as the Hon. Member is saying, these senior citizens are barely subsisting, they will not be paying tax under our present very generous regime in terms of income tax for senior citizens, but I will look into the specific case given by the Hon. Member. I will give it a careful examination and I will consult with the Minister of National Revenue on the subject he has raised.

* * *

CANADA POST CORPORATION

CONSIDERATION OF SATURDAY WICKET CLOSURES

Mr. Bud Bradley (Haldimand-Norfolk): Madam Speaker, my question is for the Minister responsible for the Canada Post Corporation. In his absence, I will direct it to his Parliamentary Secretary who, I am sure, is aware of the situation. I have been informed that numerous postal districts in Ontario are holding or have held meetings to consider Saturday wicket closures in Post Offices. I wonder if the Parliamentary Secretary could tell us if the Minister is aware of these closures being considered, if he was consulted, and does he support this reduction in service.

Mr. David Berger (Parliamentary Secretary to Minister of Consumer and Corporate Affairs): Madam Speaker, on behalf of the Minister may I say I believe the Minister is aware of the closure of postal stations. I believe it was done in order to reduce costs and to improve efficiency. I believe that the Minister is also considering various representations that have been made on this subject.

REQUEST FOR REFERRAL TO PARLIAMENTARY COMMITTEE

Mr. Bud Bradley (Haldimand-Norfolk): Madam Speaker, I might remind the Parliamentary Secretary we are concerned with the Saturday closure of wickets in Post Offices. I am sure the Parliamentary Secretary is aware of the reliance placed on these Saturday wickets by rural people. They come in on Saturdays to pick up their registered mail and parcels. In this time of economic hardship there are people who work in other communities and only have the opportunity to pick up their parcels and so on, on Saturdays. They do their postal work on Saturdays. The Crown Corporation was not set up to give less service at a higher rate of cost. Will the Parliamentary Secretary assure the House he will press the Minister that, before this reduction in service takes place, or any other reduction in service that Canada Post is considering, it will be referred to a special committee of the House?

Mr. David Berger (Parliamentary Secretary to Minister of Consumer and Corporate Affairs): Madam Speaker, we have to make a distinction between rural delivery on Saturday as opposed to the question the Hon. Member seems to be raising, which is picking up mail at the wickets. I will take notice of the Hon. Member's representations. I am sure the Minister will be prepared to discuss any problems that have occurred through this effort in trying to improve the efficiency of the Post Office and to reduce costs.

* * *

THE ECONOMY

DECLINE IN PRODUCTIVITY

Hon. George Hees (Northumberland): Madam Speaker, I have a question for the Prime Minister. I would like to welcome him back and tell him that I missed my sparring partner during the last week.

As Canada's adverse balance of trade in fully manufactured products, which are the ones that produce the jobs, increased from $4.9 billion in 1972 to over $21 billion last year and during that same ten years Canada's productivity fell steadily until today it is by far the lowest of the 16 OECD countries, will the Prime Minister outline to the House what new initiatives he and his Government intend to introduce to correct this very serious situation?

Right Hon. P. E. Trudeau (Prime Minister): Madam Speaker, the Hon. Member has asked this question in exactly the same form so many times that I think he should continue his shadow boxing and not worry about his sparring partner.

OPINION SOUGHT BY PRESIDENT OF LIBERAL PARTY

Hon. George Hees (Northumberland): Madam Speaker, if the Prime Minister would like to change shadow boxing into the real thing, I am willing to step into the ring at any time.

Some Hon. Members: Hear, hear!

Some Hon. Members: Oh, oh!

Mr. Hees: I have certainly asked this question several times. The reason I repeat it is that I have never had an answer from the Prime Minister. He has ducked, he has slid, he has slipped. He has never come up and answered the question at all.

The reason I ask the question is a very particular one. It is because I have been asked to express my opinion on this very important matter by a very important person, a close friend of the Prime Minister, and an associate. It is no less a person than the President of the Liberal Party of Canada. I received a letter from the President of the Liberal Party of Canada addressed to my own home right here in Ottawa. In that letter the President said:

As National President of the Liberal Party, I want to know what you think, and I assure you that we'll listen to you, too.

Some Hon. Members: Oh, oh!

• (1450)

Mr. Hees: Just get this: "And I assure you that we'll listen to you, too".

As I have been asked for my opinion by the President, Madam Speaker, and have been assured that I will be paid attention to, I would ask the Prime Minister if he would convey my views on this important matter to the new President and tell her that she will receive many more ideas—

Madam Speaker: Order.

Some Hon. Members: Hear, hear!

Right Hon. P. E. Trudeau (Prime Minister): Madam Speaker, I know the President of the Liberal Party would be interested in knowing that she would never get an answer out of the Hon. Member, he would always ask me for the answer.

Mr. Hees: I will give her plenty of answers. I hope I will get better results than I have been able to get making suggestions to the Prime Minister.

Mr. Trudeau: The Hon. Member says he will give her plenty of answers. I am sure that is what he has been doing to his own Leader once in a while.

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CHARTER OF RIGHTS

ADMINISTRATION COSTS

Mr. Dan McKenzie (Winnipeg-Assiniboine): Madam Speaker, it has been reported that the Minister of Justice's Department requires another $3.3 million to pay for the increased cost of administering the Charter of Rights. Apparently the Minister's Department needs to increase its staff by 50. Can the Minister give any indication of what the total cost is going to be for administrating the Charter of Rights and repatriating the Constitution? A ball park figure—how many billions?

Some Hon. Members: Oh, oh!

Hon. Mark MacGuigan (Minister of Justice): Madam Speaker, I am sure the Hon. Member, like other Members of the House, would wish to ensure that due attention is given this crucial part of our Constitution.

As I indicated to the House last week, one of the principal purposes of these additional person years is to enable the Government to scrutinize all of the statutes and regulations—thousands of pages, Madam Speaker—to attempt to ensure in advance, without having to trouble the courts for a decision on everything, that at least the more obvious conflicts which exist in our present laws would be straightened out by us. Of course, it remains for the courts to make final determinations in any case before the courts.

Mr. McKenzie: Madam Speaker, since the Minister of Justice will not give us the cost of repatriating the Constitution, I would like to direct my supplementary to the President of the Treasury Board.

* * *

THE CONSTITUTION

COST OF PATRIATION

Mr. Dan McKenzie (Winnipeg-Assiniboine): Madam Speaker, has the President of the Treasury Board conducted a cost-benefit analysis of repatriating the Constitution? There has been $1.8 million spent already on the proclamation; can he give us any idea of what the total cost will be?

Hon. Herb Gray (President of Treasury Board): Madam Speaker, the question is of a nature that can best be answered in the detail my hon. friend seeks by putting it on the Order Paper. If he will do that, I would be delighted to give him as complete an answer as possible.

* * *

CANADA LABOUR CODE

APPLICATION TO BRITISH COLUMBIA TELEPHONE COMPANY LAY-OFFS

Mr. Sid Parker (Kootenay East-Revelstoke): Madam Speaker, my question is directed to the Minister of Labour. Last summer the British Columbia Telephone Company announced it was laying off about 1,800 people. These people were laid off without adequate notice as required by the Canada Labour Code, on the basis that this was allowed under

the Canada Labour Standards Regulations. A B.C. Supreme Court judge subsequently stuck down those regulations, but before the ink was dry on his decision the Government enacted new regulations removing this protection.

Could the Minister tell this House if it is his intention to deny organized workers the same notice of lay-off as other workers, and could he tell the House why the new regulation was passed when a B.C. Supreme Court judge had already ruled similar regulations ultra vires?

Hon. Chas. L. Caccia (Minister of Labour): Madam Speaker, as the Hon. Member knows, this matter is now before the B.C. Supreme Court. When a decision is announced by that Court, then of course we will proceed in light of that decision.

NECESSITY FOR NOTIFICATION

Mr. Sid Parker (Kootenay East-Revelstoke): Madam Speaker, the notification provision for lay-offs under the Canada Labour Code says that 16 weeks' notification must be given if more than 50 workers are laid off from an industrial establishment. Bell Canada in Quebec is getting around this by designating literally dozens of industrial establishments within its operation. Because of this, Bell may lay off as many as 400 people without any proper notification.

Could the Minister tell the House if it is his intention that the legislation be used in this way, that is, that 49 people would be laid off without notification in each industrial establishment? If that is not his intention, what steps will he take to prevent this from happening?

Hon. Chas. L. Caccia (Minister of Labour): Madam Speaker, the Hon. Member is elaborating on the same point, and the answer I gave him a moment ago still stands.

* * *

GRAIN

GRAIN TRANSPORTATION AUTHORITY POWERS

Mr. Jack Murta (Lisgar): Madam Speaker, there has been a recent task force report which indicates that the powers of the Grain Transportation Authority should be put into legislation and its powers expanded to supervise performance guarantees and efficiency incentives in what may be a new freight rate policy. Can the Minister of Transport indicate whether or not the Government is contemplating, in its Speech from the Throne in the new year, legislating the powers of that Authority, because this is basically what most farmers and farm organizations on the Prairies are seeking?

Hon. Jean-Luc Pepin (Minister of Transport): Madam Speaker, when the grain transportation co-ordinator was established a few years ago by the then Conservative Government, it was done in a rather hurried fashion, and I am being very charitable. Consequently, all the refinements of the law and regulations were not necessarily taken into account. Since then we have lived with some difficulty with respect to this institution.

I have refrained from looking for a major change because that is one of the issues which will be dealt with in the western transportation Bill which is coming into this House in a few months. We hope that the central co-ordinating agency, recommended by Dr. Gilson, or something of that kind, will be created, which will absorb the grain co-ordinator, particularly in its main capacity as car allocator. Other functions might also be given to this central agency. In other words, we hope to rectify the legal situation by the creation of another institution which would take it over.

* * *

FISHERIES

IMPORTATION OF MACKEREL FOR USE AS BAIT

Mr. Lloyd R. Crouse (South Shore): Madam Speaker, Canadian fishermen were encouraged this year to sell their mackerel in over-the-side sales to the Soviets through Joint Trawlers Limited of Sweden for approximately 12 cents a pound. As a result of that, Canadian buyers were unable to compete, and today long liners in Newfoundland, indeed, in all parts of Atlantic Canada, are short of bait and are forced to buy back Canadian mackerel from European suppliers.

I ask the Minister of Fisheries and Oceans how many tons of mackerel has he authorized his Department to purchase, what is the cost to Canadian fishermen, and what increased quotas did he give the Soviets, Poland or Japan, for relinquishing Canadian mackerel for Canadians?

Hon. Pierre De Bané (Minister of Fisheries and Oceans): Madam Speaker, it is always wiser and easier to speak after the fact. Who could have predicted what happened? I am sure my hon. friend, if he knows something about fisheries, knows that no one could have predicted this situation. I have talked with the Cuban Minister of Fisheries and he told me that what happened this year with respect to the squid was something unpredictable.

What we have done is something very, very simple, and I think very wise. We have exchanged surplus offshore mackerel, which would not have been caught by Canadian fishing vessels, in order to secure bait for the fishermen of Newfoundland. I think, in view of the circumstances, the urgency of the need of the fishermen, the decision taken by my Department was the right one.

• (1500)

ALLOCATION EXCHANGES

Mr. Lloyd R. Crouse (South Shore): Madam Speaker, I have a supplementary question. I understand that the Minister did not pay for the mackerel from the Europeans. He has made available some 4,000 tons of halibut which will go to the Soviets or to Poland, and some 2,500 tons of redfish which will go to Japan in the form of quotas, in payment for these fish.

In light of the fact that these are high-priced species which would be worth many millions of dollars if caught by Canadians and sold to European markets, what steps is the Minister taking to assist Maritime processors who will, of course, as a consequence of this swap, lose their markets for that many tons of halibut and redfish? What steps has he taken to protect Canadian producers, following this type of deal?

Hon. Pierre De Bané (Minister of Fisheries and Oceans): Madam Speaker, I think my hon. friend is distracted. What we have done is exchange allocations which were surplus in order to have bait for our fishermen. By giving that allocation to the Japanese, who have redfish, then if our industry is wise enough it will use this occasion to enter this new market and follow up what the Department has done. It will enter the new market in Japan with redfish. This is what I expect our industry to do now.

* * *

BUSINESS OF THE HOUSE

DISTRIBUTION OF ONTARIO ELECTORAL BOUNDARY MAPS

Madam Speaker: Is the Hon. Member for Yukon (Mr. Nielsen) rising on a question or—

Mr. Nielsen: Madam Speaker, it can legitimately be categorized as House business as well.

Madam Speaker: I am sorry, but the Question Period is really over. If it is to ask a question, I do not think I can recognize the Hon. Member. I thought he was rising on business of the House.

Mr. Nielsen: Exactly, Madam Speaker. It is directed to the President of the Privy Council with respect to a matter which will be coming before the House in the form of redistribution.

Has the Electoral Boundaries Commission completed its work with respect to Ontario? Are the maps available and if they are available, have they received any distribution to enable Ontario Members to prepare adequately to meet the question of redistribution when it comes up?

[*Translation*]

Mr. Pinard: Madam Speaker, not to my knowledge, and I fail to see how this could be considered to be the business of the House. However, I can inform the Hon. Member that the Commission will be publishing its first report, I believe, at the end of this week in the *Canada Gazette*. Hon. Members, in fact, all parties concerned, will have 23 days to give notice of their intent to make representations. As far as I know, nothing official has been published yet.

[*English*]

Mr. McDermid: Madam Speaker, privilege!

Madam Speaker: Let us have a bit of order. The Hon. Member was surprised that I asked if he was rising on Business of the House, which is usually dealt with on Thursday. The Hon. Member said he was rising on Business of the House. I do not concede that this is Business of the House. I would urge the Hon. Member to ask his question at another time. If he is rising now on Business of the House, I can allow that, but if it is to ask a further question to the one just asked, I do not think he can. I just announced that the Question Period was over.

Mr. Nielsen: Madam Speaker, if electoral redistribution is not the business of the House, I do not know what legitimately is the business of the House.

Some Hon. Members: Oh, oh!

Mr. Nielsen: In order to allow Members to prepare for anticipated legislation redistributing boundaries of electoral districts, could the President of the Privy Council inform me whether maps for Ontario have received any distribution whatsoever?

[*Translation*]

Mr. Pinard: Madam Speaker, it would be an insult to the ruling you just made if I were to answer this question.

* * *

[*English*]

PRIVILEGE

MR. ROBINSON (BURNABY)—ALLEGED UNPARLIAMENTARY LANGUAGE OF MR. McKENZIE

Mr. Svend J. Robinson (Burnaby): Madam Speaker, I rise on a question of privilege stemming from the remarks made by the Hon. Member for Winnipeg-Assiniboine (Mr. McKenzie) during proceedings pursuant to Standing Order 43. During those proceedings it was alleged that I had made certain references to what was called a "booze-up" during the last November 11 ceremonies.

Last Thursday, on November 11, I attended Remembrance Day ceremonies in my riding, just as on previous—

Madam Speaker: Order, please. Will the Hon. Member tell me in a straightforward manner what the question of privilege is. I have the impression that he is discussing a motion which has been dealt with by the House and which he could have debated at the time it was presented.

Mr. Robinson (Burnaby): Madam Speaker, it certainly was not possible to deal with this matter earlier. The Hon. Member misrepresented entirely and inaccurately the remarks which I had made. In his comments—

Madam Speaker: Order, please. The Hon. Member is debating the motion which has been dealt with by the House, and I cannot allow that.

Mr. Robinson (Burnaby): Madam Speaker, it is my understanding that, pursuant to the rules of this House and to Beauchesne, Citations 320 and 316(f), the language of the

Hon. Member during Question Period was unparliamentary. Citation 316(f) refers to making a personal charge—

Madam Speaker: Order, please. That is fine. If the point the Hon. Member is raising is about unparliamentary language, then he should tell me that. That is what I was asking him to do. He should tell me right now what his question of privilege is. As a matter of fact, it is a point of order. I will deal with it but I cannot allow the Hon. Member to debate the motion. I am sure he understands that.

Mr. Robinson (Burnaby): Certainly. I would draw to the Chair's attention that Citation 316(f) prohibits one Hon. Member from making a "personal charge" against another Member, particularly when that personal charge is completely unfounded and inaccurate.

As well, Citation 320(2) makes it very clear that the use of the word "slander" or "slanderous" is unparliamentary. Once again, it is particularly serious when the suggestion that was made by the Hon. Member is totally false and without foundation.

I would ask, therefore, Madam Speaker, that in light of the clear violation of the rules of this House as set out in Citation 316(f) referring to personal charges made against a Member, and particularly when I was misquoted entirely by the Hon. Member, and in light of Citation 320(2), which states clearly that reference to the word "slander" is unparliamentary, you call upon the Hon. Member to withdraw his completely unfounded and scurrilous accusation.

Mr. Dan McKenzie (Winnipeg-Assiniboine): Madam Speaker, I am sure the Hon. Member for Burnaby (Mr. Robinson) well knows that what I am quoting from is the *Globe and Mail*. If this report is false, the Hon. Member should—

Madam Speaker: Order, order. The Hon. Member is also debating the motion. I thought he was rising to withdraw some words. First of all, I believe the first citation the Hon. Member gave me related to charges that may only be made under a substantive motion. I do not believe that this applies at all. I think what the Hon. Member wants me to deal with is the matter of the unparliamentary language. I do not feel that this expression was particularly unparliamentary. I think it would be counted as one of those very strong opinions which are often expressed in the House in vigorous terms.

I would point out to the Hon. Member that he is left with just the word "scurrilous", which is also mentioned in some of the lists in Beauchesne. I expect they cancel each other out. I do not feel that the particular expression used by the Hon. Member for Winnipeg-Assiniboine was unparliamentary.

I know that there has been some use of the word "slandering" in different contexts with different adjectives that has not been accepted in this House, but today I did not feel that the language was unparliamentary, and I so rule.

The Late Hon. Robert Andras, P.C.

MR. McDERMID—DISTRIBUTION OF ONTARIO ELECTORAL BOUNDARY MAPS

Mr. John McDermid (Brampton-Georgetown): Madam Speaker, I have a question of privilege that I should like to raise which stems from the remarks of the Government House Leader and the Opposition House Leader regarding the new boundary maps for the electoral districts in the Province of Ontario. The statement was made that there has been no distribution of these maps, and that in fact, they will be Gazetted on Saturday. It has come to my attention—and I feel that this is my question of privilege—that certain Members of Parliament have these maps in their possession already. They are Liberal Members of Parliament, I might add. The maps have not been distributed to other Members of Parliament. Today—

• (1510)

Madam Speaker: Order. I have dealt many times with questions of privilege, or alleged questions of privilege, which have to deal with documents that were not distributed to some Members but were distributed to others. It might be a grievance which the Hon. Member will want to make at a proper time, but it is certainly not a question of privilege.

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

Some Hon. Members: Oh, oh!

Mr. Nielsen: Surely, if Liberal Members of Parliament, like the Hon. Member for Timmins-Chapleau (Mr. Chénier), are entitled to receive copies of the electoral redistribution maps before they are Gazetted, all Hon. Members are entitled to receive those maps—

Some Hon. Members: Hear, hear!

Mr. McDermid: The newspapers have them.

Mr. Nielsen: —and not Members on the Government side simply because they happen to belong—

Madam Speaker: Order.

Mr. Nielsen: Surely we are entitled to have those maps.

Madam Speaker: I am afraid I have to interrupt the Hon. Member for Yukon (Mr. Nielsen) because he is bringing back the same question which was dealt with in the question a while ago.

* * *

THE LATE HON. ROBERT ANDRAS, P.C.

TRIBUTES TO FORMER MINISTER OF THE CROWN

Mr. Jack Masters (Thunder Bay-Nipigon): Madam Speaker, I rise on a point of order to bring news to the House which is very sad in nature. Today we have lost the former Hon. Member for Thunder Bay-Nipigon, a great family man, a great Canadian and a very good friend. He is a man who

The Late Hon. Robert Andras, P.C.

served the country well and held many portfolios in Government. Today, after a very lengthy illness, the Hon. Bob Andras passed away. I hope the House will join in sending condolences to Fran and to other members of his family.

Right Hon. P. E. Trudeau (Prime Minister): Madam Speaker, I want to add my condolences to the Andras family, and to Fran in particular. I subscribe completely to what was said by the Hon. Member for Thunder Bay-Nipigon (Mr. Masters) as to the sense of duty and devotion of the former minister from that riding. As one who was in Cabinet over a period of years with Bob Andras, I want to say that he was a model of hard work and of dedication to his people. He was a man who worked very long hours, always with a sense of service, and for these reasons I am sure his memory will be treasured by all Hon. Members.

Hon. Walter Baker (Nepean-Carleton): Madam Speaker, I had the privilege to know the Honourable Robert Andras as a Member of the House. I want his family to know that the Members of my Party—and many of us knew him very well—mourn his passing very deeply.

I recall him, when I was sitting in the Opposition in those days, as having been a man of great civility and kindness. He treated every person appropriately and gently. Because of a particular reponsibility that I have with respect to the Public Services of Canada, I should like to indicate that he always consulted to the fullest degree with Hon. Members of Parliament, including myself, who had an interest in Treasury Board matters and in matters affecting the Public Service. He was a model of consultation within the rules which ought to exist within the House. I share completely the words of the Right Hon. Prime Minister (Mr. Trudeau) in extolling his virtues.

He met his end with great courage. Knowing that it was coming, he still persevered and carried on in the face of great adversity. The people of Ontario, the people of his old riding and indeed the people of Canada have lost a good servant. All members of the House of Commons indeed mourn his loss.

Mr. David Orlikow (Winnipeg North): Madam Speaker, as a Member who served in the House for many years at the same time as Mr. Andras, who worked with him and met with him frequently when he was the minister of employment and immigration, I came to realize how hard he worked and how concerned he was about the needs of the people. Among all the ministers with whom I have dealt, he was the most likely to listen to suggestions, criticisms and questions from Opposition Members and to give them fair consideration.

I know that Hon. Members of my Party join with me in expressing our regret on this occasion and in extending our best wishes to his family.

Madam Speaker: Certainly the Honourable Bob Andras was dear to Hon. Members on both sides of the House. As a colleague of his in Cabinet, I was very touched by his gentleness. By gosh, he loved life, but he knew the end had come and he faced it very, very courageously.

Of course I will transmit to his wife, Fran, the sympathies and sentiments expressed in the House.

ROUTINE PROCEEDINGS

[*English*]

WAYS AND MEANS

TABLING OF NOTICE

Hon. Paul J. Cosgrove (Minister of State (Finance)): Madam Speaker, pursuant to Standing Order 60(1), I wish to table in both official languages a notice of a Ways and Means motion to amend the Petroleum and Gas Revenue Tax Act, and I request the designation of an order of the day for consideration thereof.

* * *

PETITION

MR. HALLIDAY—PROPOSED SHIFT OF FEDERAL SALES TAX

Mr. Bruce Halliday (Oxford): Madam Speaker, it is my privilege and duty to present to the House of Commons a petition signed by over 100 concerned citizens of Oxford County and the surrounding area who call upon the Government not to implement its proposal to shift the federal sales tax from the manufacturers level to the wholesale trade level.

The retreat of the current Minister of Finance (Mr. Lalonde) from his predecessor's original proposal is welcome, but there has been only a delay for further consultation. The proposal still exists, and in the view of the petitioners, if implemented, this change will add to the cost of government, to the cost of distribution and to the cost of living.

* * *

QUESTIONS ON THE ORDER PAPER

(Questions answered orally are indicated by an asterisk.)

Mr. David Smith (Parliamentary Secretary to President of the Privy Council): Madam Speaker, the following questions will be answered today: Nos. 3,744, 3,745, 4,093, 4,340 and 4,346.

[*Text*]

MR. NEIL FRASER

Question No. 3,744—**Mr. Cossitt:**

1. Was Mr. Neil Fraser, an employee of the Department of National Revenue in Kingston, Ontario, suspended for three days and, if so (a) what is the name and job designation of the highest official who played a part in the decision (b) on what basis was the decision made (c) what specific grounds justify such a suspension?

2. Is it government policy to prohibit a public servant from expressing an opinion on any subject even if he were not involved in politics, not supporting any particular political party or not criticizing in any way his own Department?

Mr. David Smith (Parliamentary Secretary to President of the Privy Council): I am informed by the Department of National Revenue and Treasury Board as follows:

1. Yes. (a) J. A. Morrison. Assistant Deputy Minister, Ontario Region. (b) Public criticism of a government policy. (c) See (b) above.

2. There is no explicit government policy to prohibit a public servant from expressing an opinion on any subject, however, it has long been accepted as a condition of employment in the Public Service that public servants should not publicly criticize government programs or policies. This general principle has been sustained in decisions by Public Service adjudicators and has also been upheld by the Federal Court.

Question No. 3,745—**Mr. Cossitt:**

Was Mr. Neil Fraser, an employee of the Department of National Revenue in Kingston, Ontario, suspended and was the suspension a part of a government policy to make examples of certain individuals for the purpose of scaring other public servants into remaining silent on any important subject concerning the country but not connected with their own Department and, if so, what reasons justify such a policy?

Hon. Pierre Bussières (Minister of National Revenue): See reply to question No. 3,744 answered this day.

Question No. 4,093—**Mr. Cossitt:**

What is the name and job designation of the highest-ranking official that took part directly or indirectly in the decision to fire Mr. Neil Fraser, an employee of the Department of National Revenue at the District Taxation Office in Kingston?

Hon. Pierre Bussières (Minister of National Revenue): See reply to question No. 3,744 answered this day.

RECYCLING OF OBSOLETE DEPARTMENTAL MATERIAL

Question No. 4,340—**Mr. Scott (Hamilton-Wentworth):**

Did the appropriate officials from either the Department of National Revenue or the Department of Supply and Services authorize either the destruction or recycling of approximately two tons of Government of Canada Taxation Guides and Information Booklets for the 1981 taxation year at Mills Paper Fibres Co. in Hamilton, Ontario on August 22, 1981 or thereabouts and, if so (a) what were the names of the officials (b) for what reason was the material designated for recycling (c) what was the approximate cost of printing the booklets?

Hon. Pierre Bussières (Minister of National Revenue): Yes. (a) Mr. L. Donnelly, Director, Tax Forms Division. (b) The material recycled was obsolete. It was necessary to print new source deduction booklets, effective July, 1981, for employers in three Provinces as a result of tax rate changes by those Provinces. The T2 Corporation Guide 1980 became obsolete due to changes in legislation and tax rates and a T2 Corporation Guide 1981 was printed. Form T2S-TC was reprinted because of the changes in corporation tax rates in 1981. Only 1.035 per cent of the total material printed was recycled; the balance had been used by taxpayers before it became obsolete.

(c) The cost of printing of the material was $3,008.

"HOW THE PEOPLE OF SASKATCHEWAN CAN MAKE MORE USE OF THE GOVERNMENT OF CANADA"

Question No. 4,346—**Mr. Nystrom:**

1. What was the total cost of the pamphlet "How The People Of Saskatchewan Can Make More Use Of The Government Of Canada", including all editorial, production and distribution costs?

2. Which printing firms were used to print the pamphlet?

3. Which private firms or government personnel were used to provide the editorial content?

4. (a) Which private firm or government personnel provided the editorial content for pages 13 to 16 of the pamphlet (b) who had the responsibility for and gave final approval for the editorial content of those pages?

5. Who in the Government sets over-all policy guidelines for determining what is partisan material in government publications?

6. Do any government statutes, regulations or guidelines guide this activity and, if so, what are they?

7. Do published guidelines exist and, if so, what are such guidelines?

Hon. Mark MacGuigan (Minister of Justice): 1. $142,500.

2. The Smith Publishing Company Limited.

3. D.J. Sullivan Consultants Inc.

4. (a) D.J. Sullivan Consultants Inc. (b) The Canadian Unity Information Office in consultation with: Agriculture Canada, DRIE—Industry Trade and Commerce, Health and Welfare Canada, Employment and Immigration Canada, Prairie Farm Rehabilitation Administration, Canadian Advisory Council on the Status of Women, Energy, Mines and Resources Canada, Canada Mortgage and Housing Corporation.

5, 6 and 7. While no central review body exists, the "Communications Policy Principles" approved by Cabinet in July, 1981, furnish guideliens as does the "Government Communications Guide" produced by the Privy Council Office in 1982.

[*English*]

Mr. Smith: Madam Speaker, I ask that the remaining querstions be allowed to stand.

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

Some Hon. Members: Agreed.

* * *

MOTIONS FOR PAPERS

Mr. David Smith (Parliamentary Secretary to President of the Privy Council): Madam Speaker, I ask that all notices of motions for the production of papers be allowed to stand.

Madam Speaker: Shall all notices of motions for the production of papers be allowed to stand?

Some Hon. Members: Agreed.

GOVERNMENT ORDERS

[*Translation*]

NATIONAL HOUSING ACT (NO. 2)

MEASURE TO AMEND

Hon. Roméo LeBlanc (Minister of Public Works) moved that Bill C-135, to amend the National Housing Act (No. 2), as reported (without amendment) from the Standing Committee on National Resources and Public Works, be concurred in.

Motion agreed to.

Mr. LeBlanc moved that the bill be read the third time and do pass.

[*English*]

Mr. Dick: Madam Speaker, report stage seemed to go by quite quickly. I was attempting to get Your Honour's attention at that stage to ask the Minister a question.

Madam Speaker: There is no debate at that particular stage. Perhaps at some other time the Hon. Member might put his question.

Mr. Dick: I believe the question should be asked of the Minister at report stage.

Madam Speaker: There is no debate at that stage, and there are no questions permitted.

• (1520)

Mr. LeBlanc: Madam Speaker, in moving third reading of Bill C-135, an Act to amend the National Housing Act, I would like to take a few minutes just to remind Hon. Members of its purpose. The Bill will bring about certain changes in the Canada Mortgage Renewal Plan which were announced by the then minister of finance in his budget address of June 29. They are as follows:

First, home owners who find, on renewing their mortgages, that their monthly payments will exceed 30 per cent of their household income will be eligible for grants amounting to as much as $3,000. Guarantees that formerly were offered to help home owners defer interest payments and reduce their monthly expenses no longer apply. Everyone who qualifies now receives the grant.

Second, home owners are entitled to the grant even if their interest is reduced at the time the mortgage is renewed, as long as their payments are still over 30 per cent. Formerly the grants were available only if interest went up. Finally, the plan is extended until the end of 1983. As the legislation now stands without amendment, the plan ended on November 12. I would like to assure Hon. Members, however, that the interest of all qualified applicants is protected. No one will be denied a grant because of the temporary lapse.

Canada Mortgage and Housing officials have continued to receive and approve applications and, as soon as Parliament provides the necessary authority, the cheques will be sent out. I would like once again to express my appreciation of the forebearance which has been shown by lending institutions in helping borrowers during the unavoidable delays. I would also like to thank Hon. Members on both sides of the House who co-operated in advancing the Bill through its various stages as expeditiously as possible.

I am very gratified that these grants will be available throughout the coming year for those who are in serious difficulty in meeting their mortgage payments. I hope Hon. Members will bring the plan to the attention of those of their constituents who might benefit from it, and urge them to discuss their difficulties with their mortgage lenders who will explain the terms and help them prepare an application. If Hon. Members have any questions about the operation of the plan in particular cases, I know that CMHC officials, either at the national office or in the field, will be glad to help.

Hon. James A. McGrath (St. John's East): Mr. Speaker, first I want to assure the Minister that it is our intention to support this Bill and to support its passage through the House. Consequently, we hope that, with the co-operation of the House, and without precluding any Member from the right to participate in this debate, the Bill will receive third reading later this day.

However, having said that, I think it is incumbent upon me as spokesman for the Official Opposition to express a sense of disappointment. Here we have a new Minister who has just assumed responsibilities for housing at a time when the industry is in crisis, in fact, passing through the worst crisis since the Second World War. I do not want to go over old ground and talk about the mistakes of his predecessor. I do not want to refer to the mistakes of the June budget and the November budget, although we have to allude to them, but I do want to say to the Minister, knowing him as I do, that I was surprised that he did not avail himself of this opportunity to give a general policy statement on the housing situation as he sees it, and what he sees down the road in the way of solutions to the problems we are facing today. Certainly I think it is fair to say, although these matters are in the hands of the Government, that we will not have another opportunity before this year is out to discuss housing in a meaningful way, because obviously there will be no further amendments to the National Housing Act before the end of this session, or at least before the end of this calendar year.

I am disappointed because I think we had a right to expect some indication from this new Minister as to what direction he intends to take and what steps he intends to take to correct the mistakes of the past, those of his predecessor—albeit they were honest ones, but serious—and, of course, those gross mistakes of the previous two budgets. We are being denied that opportunity and, therefore, we can only try to present to the Government the concerns that we have with respect to this most important industry.

Just a few days ago, Canada Mortgage and Housing Corporation released the vacancy rates for rental units in this country. While we have noticed some improvement, there is nothing in those statistics to give us any reason to be

encouraged, especially when we examine the facts. We still have serious vacancy situations prevailing in some of the major metropolitan areas of the country, including this City of Ottawa. However, if you take a look at the situation, of the 61,000 units that were completed in 1981, as I understand it, 55,000 were started under the MURB Program. Now we do not have the MURB Program, we have the Canada Rental Supply Plan, to which I will refer in just a moment.

We are falling behind in terms of our requirements, and there will be another shortfall this year following the shortfall from last year, which will have a very important impact on the supply situation as well as the cost situation. I realize there are complications regarding the price of rental housing in this country which speaks to the need for some kind of federal-provincial agreement in the whole area of rent controls as they apply to the ten different provincial jurisdictions in the country. Unless we have a unified approach to rent control, I am afraid there is not very much we can do about encouraging investment in rental accommodation, the Canada Rental Supply Plan notwithstanding.

I do believe that a case could be made, and I make no apologies for this, for re-introducing the MURB Program as a short-term measure, a quick fix kind of response, because of its ability to generate starts in terms of rental units.

Let us take a look now at the Canada Rental Supply Plan. This plan was introduced by the Government as a means to make up for the phasing out of the MURB Program. The Government made provision for interest-free loans to finance up to 30,000 units. We already know that 53,900 units were started under the MURB Program last year. But under the Canada Rental Supply Plan, provision was made for interest-free loans for up to 30,000 units. The ceiling of $7,500, which was originally applied to the plan, has been lifted. We now know from experience to date that the average loan per rental unit now stands at about $12,000. Up to November 17—and these are the latest figures I could get—under the Canada Rental Supply Plan a total of 7,886 units had been started, are under way or have been approved, each representing an average loan of $12,000. As an interesting side note to the Canada Rental Supply Plan, when it was announced by the Minister's predecessor earlier this year, we find that in a press release dated March 23 the Minister said: "Up to one-third of the units assisted in this way would be made available to low income people under the federal rent supplement program."

• (1530)

That is commendable, given the cutback in the social housing commitment of the Government, but what are the actual facts, Mr. Speaker? When this Bill was going through the Standing Committee of the House, I asked, through the Minister, the Acting President of Canada Mortgage and Housing Corporation how many units of the 7,800 which had been committed, were under way, or applied, were designated as social units, or would fall into the category of social housing or low income housing. The response was, "Not one single unit" under the Canada Rental Supply Plan has been designated as social housing, notwithstanding the commitment made by the Minister in March.

I realize that what the Minister said in March in his press release announcing the Canada Rental Supply Plan and the position taken today are two different positions. What we were told in committee was this: up to a third of the units in a project could be designated as social housing units, not "will be" but "could be", which means, of course, that the Government has advocated the decision in this regard to the provincial authorities. This is something which concerns me greatly, considering what is happening to rental accommodation in this country today, in terms of the shortfall in supply, the increase in rental accommodation, and the increase in cost per unit of building the rental accommodation.

If we take a look at the experience to date, I can give as an example a project approved under the Canada Rental Supply Plan in the City of Toronto. This project contained 450 units. The average loan per unit under the Canada Rental Supply Plan was $15,000, and builders' cost per unit was $67,000. Rent per unit, for one bedroom, was $675 a month, and for two bedrooms was $750 a month. That, of course, by any yardstick, whether it is in Toronto or in the Minister's own constituency, cannot be considered low cost housing. That is expensive accommodation.

Where is the original commitment, made when the Canada Rental Supply Plan was first announced, to provide for social housing within this program to make up for the shortfall of the budget, because we know that last year provision was made for 30,000 units? In this year's budget, depending on which one we are talking about, but at least in the last budget which referred to social housing, provision was made for 25,000 units.

In my opinion, that is one of the more serious weaknesses in the program. This is an area where the Minister has a responsibility to take a look at the experience to date. As well, he has to take a look at the thrust of the program in terms of the impact it is having on starts in so far as it is supposed to replace the MURB Program. I think if the Minister takes a good hard look at that situation, he will find that the program is in fact not living up to expectations.

The experience across the country varies from place to place. Not one single unit has been approved or is under way in the Province of Newfoundland. In the Province of Nova Scotia there are 182 units; New Brunswick, 27 units; Prince Edward Island, no units; Quebec, 1364 units, and Ontario, 3800 units. It is interesting to note the discrepancy between Ontario and Quebec, areas which have the same kind of demographics in terms of metropolitan areas. In Manitoba there are 404 units; Saskatchewan, 352 units; Alberta, no units. I suppose that speaks to a program in place by the Alberta Government and also reflects the vacancy rate, which is interesting in terms of the economic situation in the country. In British Columbia ther are 1740 units. What these figures prove to me is something which we were told by the HUDAC people from the Atlantic Provinces, that this program would not be effective in the Atlantic Provinces because of the up front financing

requirement, and they would not be able to take full advantage of it.

For these and other reasons, Mr. Speaker, I believe very strongly that the Minister would be well advised to take a look at the Canada Rental Supply Plan to see what it is doing. If it is in fact another MURB program, let us recognize it as such. At the same time, let us also recognize the responsibility which the Government has with regard to social housing, low cost housing. It is my view, shared by my colleagues and many others in this House, that the Government is not fulfilling its obligations with regard to co-op housing, because that is an area where the Government could have an immediate impact on housing starts and would be seriously addressing the problem of low cost housing.

The Minister knows full well, as do his officials in CMHC, that demand is there all across the country for co-op housing. Philosophically, the Minister is sympathetic. Co-op housing is an excellent way of beating the inflationary cycle, which has plagued the industry in the past few years, and of reducing, if not eliminating, the uncertainty in terms of rental accommodation. The experience across the country has shown that co-op housing has been more than a hedge against inflation because not only have these units been profitable in terms of meeting their commitments, their mortgages, and so on, but they have been able at the same time to keep rates well below the prevailing market. It is understandable, then, why there would be such a demand for co-op housing.

I hope that the Minister will not let too much time pass before he takes a long hard look at these proposals, and the obligation and commitment which the Government has with respect to social housing, low cost housing. This commitment is not being discharged by any of the programs which we have in place under the new policies announced in the last two budgets. The Government, indeed, has that responsibility.

Another aspect of the Government's housing policy which we would have liked to have seen addressed by the Minister today in the course of debate on third reading of these particular amendments to the National Housing Act, is the Canada Homeownership Stimulation Plan. We know that this plan was hastily put in place, indeed, without proper guidelines. It created all kinds of administrative problems all across the country. There were no standard criteria, at least none that I could determine, during the early stages of the program. I do not fault anyone for that, because of the lack of guidelines and the haste in which it was put in place, but the fact of the matter is that in many instances the $3,000 grant was a landfall to many people. I think that if the records were examined carefully instances would be found of people who received a $3,000 grant who should not have qualified. All kinds of situations occurred. Single people applied for the grant, then got married and had the advantage of receiving two grants. Houses which were well under way were able to qualify within the terms of the starting date.

• (1540)

However, I do not want to be unduly critical about the program because in terms of the need to provide an immediate stimulus and a quick reaction to a situation which was growing increasingly critical as a result of low housing starts, the Government had an obligation to do something, and at least it did this. However, the fact is that now the program is to be changed quite drastically because we now know, as a result of the most recent budget brought in by the most recent Minister of Finance, that grants available under the Canada Homeownership Stimulation Plan will apply to new housing only as of January. That is rather interesting because I find that to be inconsistent with the rationale given by the Minister of Finance (Mr. Lalonde) in not proceeding with the mortgage reduction program, which was the subject of a study by the Lortie Commission. Lortie recommended, and the Government accepted, that it not proceed with this because it would have a distorting effect on the marketplace in that it only applied to new houses. Now we find the same situation applying to the Canada Homeownership stimulation Plan. As of January, it will only apply to new houses. I can understand the reasoning behind that, the need to try to do something about the disastrous shortfall in housing starts.

What are the facts? We know from the records that up to November 12, 1982, under the Canada Homeownership Stimulation Plan, 83,761 Canadians received grants or were eligible for them. The breakdown of that 83,761 is as follows: 28,835 were for new housing, while 54,900 were for existing housing. In other words, the bulk of the applications which were funded went to existing houses. Now that is to be changed and is to be applied only to new houses as of January. I would like to hear the Minister, his Parliamentary Secretary or someone speaking on behalf of the Government telling us how this can be reconciled, the distorting effect of this action on the marketplace and the impact it will have on real estate sales with the Government's rationale in not proceeding with the mortgage reduction program, which was promised under the budget. I will have more to say about that in a few moments. However, let us take a look at housing starts, because that is what the Canada home stimulation program is all about. When we take a look at housing starts, we realize the magnitude of the problem. Let us take a look at what would be considered a peak period for housing starts, say, in the year 1981.

In June, 1981, there were 213,800 starts, seasonally adjusted. If we take a look at what happened in June, 1982, we found they were down to 125,000, seasonally adjusted. If we take a look at July, 1981, we see a decline from June. In July, 1981, housing starts were 180,800, and in July, 1982, there was a further decline from the previous months of that year, down to 113,000. In August of 1981 housing starts amounted to 177,000 and, of course, we know that in August, 1982, there was a disastrous drop to 89,000. Continuing on to September, 1981, housing starts took a slight increase, up to 185,000. In September, 1982, housing starts were down again from the previous month, to 86,000. These are annual seasonally adjusted starts. Just a few days ago, when the Bill was before a

committee of the House, we were told that housing starts for the year are now targeted at 130,000, which, of course, would mean a very serious situation because CMHC, by its own demographic projections, estimates that we would need 220,000 housing starts for the year. So, what are we looking at? We are looking at a shortfall of 90,000 housing starts. That will drive up, and is in fact having the effect of driving up, the cost of housing in this country. It is having a serious impact on the cost of housing in the country.

Let us consider what is happening to housing costs. The national average price for a three-bedroom bungalow has risen from $37,400 in 1974 to $76,000 in 1981. Whilst there has been a slight decline in housing prices in most of the major markets in the country, we know that as a result of the shortfall, and with economic recovery and increased demand, housing prices will rise once again. If there were ever an argument that I would use to impress upon the Government the absolute necessity of providing additional funding in the area of co-op housing, it would be based on these statistics. We have a shortfall situation which will reduce supply. That will have an impact on housing costs which we will see continuing to escalate in the country, interest rates notwithstanding. That means, of course, that there are people in this country who will not be able to find affordable accommodation. I am not referring to the public housing situation. I am referring to co-op housing, where people can get together in a co-operative way and build and manage affordable accommodation.

I know that that is a proposition or philosophy which appeals to the Minister, who is a product, of course, of the Coady Institute and of St. Francis Xavier University. I would be the most surprised person in the world if he, as one of his first initiatives, did not make a very quick move in that direction.

I would like to move on to what I consider to be the Government's obligations with regard to the now defunct mortgage reduction program, if that is the proper nomenclature. It has had several different names during the brief course of its existence. There is no question but that the Government has an obligation, if not a legal obligation, a moral one. I will not repeat the statements made by his predecessor because they have already been placed on the record. I will not repeat what was said by the former minister of finance when he introduced this provision in his budget, because that, too, is already a matter of record. I will simply paraphrase all the quotes by saying that the Government made it very clear that this was a commitment of the Government of Canada and, indeed, it formed a part of the Government's advertising program. It encouraged people to go out and purchase new housing with the expectation that this program would be in place and they would be able to enjoy the advantages of a reduced mortgage. We know that under that plan, mortgage interest rates would have been reduced anywhere from 4 per cent to 6 per cent. We do not know how many people were sucked in by that as we have no figures, but we do know that there were many thousands of Canadians who took the Government at its word and either purchased homes with the expectation that they would be able to take advantage of this program, which they had every reason to expect would be coming down very shortly or, at least, they put off the decision to purchase with the understanding that that program would be in place. I know what the quick and immediate response of the Minister would be. He would say, "Well, interest rate situations have changed. Interest rates have come down substantially". That is true, but what assurance do we have that they will stay down? That is the problem. We have no assurance at all. This may be just an aberration, just another cyclical situation. Certainly if one is facing the prospect of making the most important financial transaction of one's life, and that is what the purchase of a house represents to the average Canadian, one will not be reassured by the experience of the past two years. You are not going to make any long-term commitments. That is what the Minister's predecessor had in mind when he went on national television and talked about insuring your long-term security, that the Government was going to proceed with that program, was committed to that program. It is only a short time ago that the Government withdrew the television advertising that included that particular program as part of the over-all Government package of encouraging people to move in and buy houses now.

• (1550)

Now we have a new scheme, and I am surprised the Minister could not take advantage of this debate to enlarge upon the remarks he made in the House a few days ago when he was replying to my colleague, the Hon. Member for Mississauga South (Mr. Blenkarn). This is the provision whereby you can use a part of your mortgage payments to buy insurance against fluctuations in mortgage interest rates. It is a good program. It is a program that does not require any blue chip committee. It does not require any great deal of deliberation. Indeed, the Minister himself, when he responded to my colleague in the House, said this: "I want to make it clear that if the proposal is found to be desirable and supportable it is not at all my intention to involve it in a future budget but rather to try to bring it forward as quickly as possible".

I want to say to the Minister right here and now that not only does he have a responsibility to discharge the moral obligation of this Government, as epitomized by statements made by his predecessor and the previous Minister of Finance, but he also has that responsibility in terms of providing something to put in its place, because many people were expecting, and were indeed told, that they had every right to expect that the Government would put such a program in place. It is a good idea. It is an excellent idea. I hope he does not fall into the trap, the luxury of thinking that, because interest rates are now down, we have nothing to worry about.

The fact of the matter is that until the economic situation levels out in terms of the long-term, it is going to have a serious impact upon housing starts in the country and upon people making a decision to enter into any long-term or medium-term contracts with respect to mortgages.

I see no reason why the Minister should hesitate or why the Minister did not take advantage of this opportunity, to reopen the Act to proceed with this, or at least to lay on the Table his views on it. I am sure that there are studies now well under way within Canada Mortgage and Housing Corporation, otherwise this would not have been leaked in the first place. Otherwise the Minister would not have confirmed in his place in the House that these studies were under way, that in fact they were thinking about them. I am sure they have advanced to the point where the Minister could tell the House that the Government is not only committed to it but is in fact prepared to move without any undue haste.

The Government has a serious obligation to get on with discharging the solemn commitment it made to thousands of Canadians, who were taken in by these commitments and who either purchased a home with all of the uncertainty of the marketplace in terms of mortgage interest rates, or who in fact put off making that very important decision.

Finally, I would like to suggest to the Government that their mortgage interest rates insurance program, or whatever they call it, is the least they can do to provide some assurance in terms of security in a very uncertain marketplace, in a very uncertain world.

Let us take a look at our proposals, the proposals contained in the budget of the Clark administration three years ago. We put in place a program whereby mortgage interest rates and property taxes were deductible in the form of a tax credit. We were going to phase that program in over a period of four years, which means of course that the program would be fully operational this year.

Let us take a look at the impact that would have. If you take a situation of a $50,000 mortgage, which is about average if you are talking about $70,000 as the average price for a three bedroom bungalow, if that program were in place today and you had an 18 per cent mortgage rate, the person with a $50,000 mortgage would be eligible for monthly benefits in terms of a tax credit of $125, or $1,500 a year, or a reduction of that 18 per cent mortgage to 14.5 per cent. That is the 18 per cent situation.

Let us take a look at the impact it would have on a 14 per cent mortgage, which is about the situation we are in right now. Again, if you are talking in terms of a $50,000 home, the monthly benefit in terms of a tax credit, if you take out a 14 per cent mortgage under the program which we put in place in our budget, would again provide $125 a month, but it would mean that that 14 per cent mortgage would be reduced to a 10.25 per cent mortgage; but that program would be permanently in place and it would ensure that there would be a buffer against fluctuations in the marketplace.

That to me is the most desirable program. It is one that the Government could proceed with. It could implement it in instalments or phase it in, as we were going to do. But I have no illusions in that score. I have no doubt that the Government would not proceed in that direction because it will be seen to be implementing a program that it in fact voted against when it voted against that budget of the Clark Government in 1979.

Certainly I would hope that the Minister—and I know he is serious about this because his reputation is on the line—will give very earnest consideration to providing the House at the earliest opportunity with some indication of the direction in which he intends to take us in terms of housing policy. I would hope that he would give us some concrete indication of just exactly what he proposes to do with respect to providing some kind of insurance program to protect Canadians against fluctuations in mortgage rates, which of course would have and could have and are having disastrous consequences on the lives of many Canadians. I am not talking about foreclosures and all that that entails in terms of human tragedy. We are talking in terms of affordability, in terms of the total concept of what it costs to provide a shelter in this country today. When we take a look at continuing increases in fuel costs, in hydro costs, all of the costs identified with providing a home, we see the importance of any program that would stabilize mortgage interest rates in this country and provide some medium-term security for those who already own homes and are faced with mortgage renewals. We have about 700,000 mortgage renewals coming up annually. Those Canadians are still hoping that the Government will make it possible for them to be able to find first, affordable rental accommodation and, eventually, as was the custom in this country until the time that this Government brought in programs that changed all that, be able to look forward to the day when they can afford to buy their own homes, and buy them with the knowledge that they are protected by some program which would provide not for their long-term security but at least their medium security, say over a period of five years.

• (1600)

That is a commendable program. It is better than nothing. Ultimately I would prefer to see the mortgage interest deductibility plan we had, but in the face of the Government's determination not to proceed with that, I hope the Government will proceed with this program.

Finally, I say to the Government how important this particular industry is in terms of its impact on the economy. When you talk about housing, you talk about a labour-intensive industry. This industry is capable of creating jobs directly and through the spin-off.

The data indicates that for every housing unit built in this country, 2.5 jobs are generated. When you consider that 1.5 million Canadians are officially unemployed and the fact that we have a 90,000 unit shortfall in housing starts in this country, it would seem to be in the interest of the Government, and certainly in the interest of Canadians, for it to make a real effort to stimulate housing starts because of the impact it would have not only on providing affordable housing to Canadians, but in creating jobs in the process.

Mr. Ian Deans (Hamilton Mountain): Mr. Speaker, I rise with some ambivalence about the legislation before us. It is not that it is not supportable. The legislation in itself provides some measure of relief or assistance for certain people who are currently facing and who will undoubtedly face problems in

the future. I want to speak about the difficulties that we have seen arise over the course of the last two or three years and why this kind of legislation is really quite inappropriate.

The difficulty in this country has been that the Government has failed to come forward with a comprehensive housing policy. The Government has relegated housing to the level of luxury rather than elevating it to the level of necessity. The Government has not recognized that as one of the basics of life the providing of accommodation at a price that people can afford is a legitimate Government function.

The Government must not be a passive player but an active player in ensuring that all who live in this country are able to find accommodation within their ability to pay. No one should be required to lay out the kind of exorbitant sums that people are currently being asked to lay out, either in terms of rent or in terms of repaying their mortgage as a result of recent interest rate fluctuations.

I cannot help thinking back to when it all started in the late sixties. Those of us who were interested in housing at that time recognized that the move the Government made to phase itself out of regulating interest rates in mortgages was an inappropriate move, one which would work tremendous hardship over a long period of time.

I recall making that statement in 1968, standing in the Ontario Legislature and explaining the problems we were going to have in this country as a result of the removal of interest rate ceilings and the opting out by the Government of the role that had been previously played on holding the line on mortgage interest rates. I well recall the discussion I had as we looked at the potential dangers that would automatically come to many families who were not going to be able to keep pace with the rising interest rates. I must confess that at that point I did not foresee the 20 and 21 per cent interest rates that we achieved. When I use the word "achieved" I do not mean it in the sense of pride, but what was hoisted upon us by the banks and other financial institutions of this country over the course of the last 16 to 18 months. I do not think anyone could have foreseen that, not even this Government.

I think the major problem in housing is the lack of commitment by the Government. The Government is a peripheral player in the whole area. No longer is Canada Mortgage and Housing Corporation involved in the building of homes. I am not talking about putting the bricks and mortar in place. I am talking about the motivating factor that gets homes built in the right areas, at a price people can afford with mortgages available under the National Housing Act, as was the way in the fifties, sixties and early seventies.

It is quite clear that the Government has, for one reason or another, opted out of the field and left it open to private initiative, the free enterprise side of the economic factor. The problem with that has been that people who build houses only for profit tend to stop building when the profit margin ceases to be at a level that they consider appropriate.

When people opt out we see happening what the Hon. Member who preceded me spoke about. He said the reason we are running 90,000 to 100,000 behind our demonstrated need is that in large part those homes were built by or under the auspices of one level of Government or another. The Government was very much involved in ensuring, in years gone by, that that percentage of the housing market now being denied the opportunity to have decent accommodation within their ability to pay is given that opportunity. The needs of that percentage were being met, partly if not totally, by a public body's initiative. That program is no longer there. To spend a lot of time speaking about these minor amendments of somewhat short duration is to do a disservice to the whole question of housing.

I am always interested in looking at the various and many housing programs that have gone before us. I listened as my colleague, the Hon. Member for St. John's East (Mr. McGrath) was speaking. He went through some of the programs that had emerged over the course of the last two and one half years, all of which were piecemeal, all of which were aimed at trying to meet a crisis situation as it arose. None of them addressed the larger, more important problem. We are now going to see yet another attempt by the Government, or those acting on behalf of the Government, to ease the burden without addressing the problem.

We had the celebrated mortgage investment program. The Prime Minister (Mr. Trudeau) stood in this House and guaranteed me personally that it would be brought in this fall. I recall that when I asked him this immediately after the June budget of the late and lamented finance minister, there was no question but that the proposal for secure mortgages would come forward. It was just a matter of the committee looking at the way in which it would be brought in. We would then have it, and people would once again be able to get mortgages for accommodation at lower interest rates within their means. That went by the board. Obviously the Prime Minister did not know what he was talking about. That is not unusual.

We now have another program being suggested. Now we are going to get mortgage interest insurance. Now, presumably, you will be able to buy insurance against increases in your mortgage interest rates. Let us examine that for a moment. What will that do? Will that encourage financial institutions to hold mortgage interest rates down to a reasonable level? Of course not. All that will do is to encourage those who are in high finance to push mortgage interest rates up again, because they will be able to claim that those people who owe them money can take out insurance against any increase in excess of what they consider reasonable, therefore, there will be no hardship. Well, that kind of program serves no useful purpose and is unacceptable. It does not begin to speak to the problems faced by a young family, single parent or retired person trying to find affordable accommodation. It does not do anything to ensure that there will in fact be accommodation built for those people. It does not guarantee in any way that those on pensions, fixed incomes, those whose incomes have been indexed by the Government at 6 per cent and 5 per cent increases over the course of the next two years, will be protected against exorbitant increases in their rents or mortgage interest rates. I

cannot help but feel that the approach this Government is taking, once again, is attractive for a few people and therefore we will pass it, but overall it serves no particularly useful social purpose. Therefore, I want to address my comments to what should be done.

• (1610)

If ever there was a time for the Government to decide to build houses, this must be surely be the time. The need is obvious. By every single commentator's analysis there is a requirement to build about 100,000 more units than we are currently building. Those units will have to be of a wide variety of type and size in order to guarantee that they will meet the needs of society. The only way that can be done is if the Government of Canada recognizes that it has an obligation to make sure that those needed housing units are in fact built. The Government may say to me: we can't afford it, Ian. There is no way we can undertake that kind of expenditure at this time. But, Mr. Speaker, that is just not true.

You will remember, Mr. Speaker, that a year ago this month—I think you were in the chair on the day I raised it—we were speaking about the need to build houses, at that point it was 100,000 units, and we pointed out that if we were to start the process now we would create something in the order of 250,000 jobs. If the Government did not feel the urge to build the houses for the sake of the people who needed them, it surely must have recognized that, as an economic initiative, it might not be a bad idea to create 250,000 jobs, jobs of all types, not only building the homes themselves, laying the bricks and mortar in place or digging out the foundations, all the on-site work which takes place, but also making the bathtubs and the copper piping and shingles, flooring, all the things that are done in small factories all across the country, which would have helped to develop a new initiative in the economy. When we suggested that, the then Minister responsible for housing—since removed, thank God—was amused by it, to say the least. He was puzzled, I think in some ways, and obviously did not understand it. I was not surprised by that. But he rejected it because we could not afford it.

Well, Mr. Speaker, what would it have cost us to build those 100,000 housing units and create 250,000 jobs? It would have cost us about $5 billion. By George, that is a lot of money, I said to myself. There is no point in pretending that it is not a sizeable sum. But what do you get for $5 billion? Well, you get 100,000 houses and 250,000 jobs. You reduce UIC payments by between one and a half to $2 billion because you put those people to work. That does not sound so bad. In fact it is beginning to sound reasonable.

What else do you do? You generate perhaps around $800 million in federal, provincial and municipal taxes. On top of that, of course, you broaden the tax base in a number of municipalities. But the really interesting fact about it is that you get all the money back, every penny of it. You put in $5 billion, you get all of those benefits, and then people pay their mortgages or rent and pay the money back to you over time. I thought, how could they possibly reject that? I looked at the advisers sitting in the corner, and I asked them how could they reject that. It seems to me to be such a sensible, intelligent and reasonable thing to do. I mean, how could a housing minister, any housing minister worth his salt, sit there and say that they would rather have these piecemeal sort of programs—adhockery, as my colleague says—a sort of patchwork approach to meeting the emergency, without any overview of how to meet the real problem? I can tell, Mr. Speaker, that you, together with other Members, are just sitting on the edge of your seat, thinking: my God, if only that is brought forward we will vote for it and get on with it.

You will remember, Mr. Speaker, that when I made that suggestion one year ago this month unemployment was 9.3 per cent. We had about 960,000 people unemployed at that point. We had a deficit of less than $12 billion. But the Government said it could not take on that additional expenditure because of the size of the current deficit. Well, 12 months have passed and we do not have the houses, but we do have a deficit of $24 billion or $25 billion; we now have close to two million people unemployed, and we still need those housing units. There is no single thing that we could do in this country, there is no single initiative that we could undertake, not one, that would create the same kind of return as doing just that one thing would create. We could have had co-operative housing, we could have had homes for the aged, we could have had rental accommodation for senior citizens, we could have had single family dwellings in many centres right across this country, and we would have reduced the number of people on unemployment by about 250,000, I predict. We would have shown initiative and created momentum. The Canadian public would have seen the benefit, they would have felt better about the Government and its approach, and we would have derived significant additional spin-off benefits. But what happened? What happened was that we got a $3,000 grant instead. We got a $3,000 grant in its place. It did not generate houses in any significant numbers. The number of housing starts continued to decline, so it is with a sense of absolute frustration that I approach consideration of this legislation.

• (1620)

Is the situation beyond the understanding of the Government? Is there some mental block that keeps the Government from understanding its responsibility to the nation? Dammit, we have poured money down the drain in the last year. We had to go to the aid of Dome, to the aid of Chrysler and to the aid of Massey. We had to dig into our collective pockets week after week, and month after month, but what did we get in return? Not a single job.

What I am trying to get through to the Minister, who has just taken over responsibility for this portfolio, is that this should be the last time the Government comes forward with this kind of inadequate legislative proposal. Let us begin to deal with the problem as and where it exists. For the first time, let us begin to recognize the potential there is in meeting the obvious need. Let us begin to put in place the structure necessary to guarantee that on an ongoing basis, year by year, we will make sure, by whatever means necessary, including direct

involvement, that there is the direction, the stimulus, the money, the planning needed to ensure that we meet our responsibility of providing accommodation to the public, while, at the same time, deriving the economic spin-off benefits.

It has been claimed that this would be inflationary. That is absolute nonsense; nothing could be further from the truth. How can building a house that will last for 50 years be inflationary? I do not believe that. It is incredible, but that is what the former Minister in this portfolio said to me. He said, "It is inflationary to spend the money". But it is not inflationary to run a deficit of $24 billion, of which $10.5 billion or $12 billion is above what we ran last year, at 20 per cent.

Let me make a prediction, Mr. Speaker, just as I predicted a year ago that unemployment would rise to 1.5 million. It has now passed that figure. Just as I predicted interest rates would continue to rise until the mid-term elections in the United States and then would start to decline, let me predict that they will go up again. They will go up again because this Government has made it quite clear that it has no responsibility for interest rates. It has said quite clearly in the House that it can do nothing about interest rates because they are controlled in Washington. If interest rates are controlled in Washington, then I urge the Minister to look at conditions south of the border. He will see with interest and alarm that as of today, interest rates are going back up in the United States. The mid-term elections are over, all of the political consequence has passed, and banking interests in the United States are attempting to recover that high level of interest that they were charging until the last three months.

If it is true that the Government will not—it is not that it cannot—exercise control over matters fiscal and financial, and if it is true that the Government is determined to allow those things to be dictated by Washington, then as certain as I stand here, interest rates in Canada will begin to rise again.

We can stop that, Mr. Speaker. We do not need this kind of program to do it. Interest rates in Canada are managed by the Bank of Canada, which sets the formula to be used to determine how the interest rate structure will be pieced together and how it will operate in the country. If it is the will of Parliament and the Government to hold interest rates down, it can be done.

I suggest to the Minister responsible for Housing that as the first step toward a rational housing policy, he should begin the process of ensuring that every single financial institution in the country makes substantial sums from its investment portfolio available for the creation of a mortgage pool at interest rates people can afford, set through Parliament by the Government. That is where he should start.

Next, if it is found there is a need beyond that to recover larger amounts of interest for distribution to shareholders through dividends and other means, that should be seen as a matter quite apart from providing money for mortgages. That is the way things used to be. That is the way things were done until 1968. That is the way the country met its obligation to provide accommodation for people until the late 1960s when the Government, under pressure from the Senate Banking Committee, made the appropriate and necessary changes to eliminate the ceiling on mortgage interest rates.

We must go back to that stage now, while interest rates are coming down. This is the time to move in that direction. I put it to the Minister that this is where he must start.

The next thing he must do is to establish the right of Canada Mortgage and Housing Corporation to get back into the business of building and creating accommodation for people in this country. It should be involved in ensuring that accommodation of various types, funded in a variety of ways, is available in communities all across the country, and that people can get the accommodation they can afford.

If the Government does those two things and then meets with the agencies of the Provinces and municipalities to work out some sensible bylaws to govern the building of accommodation, then we will be able to assure people that houses will be available for them. This accommodation can be of the single family type, co-operative housing, accommodation in an apartment, or whatever, but there would be a sufficient stock of housing. This would hold the price within reason.

Not so many years ago when you bought a house, although its value rarely came down, equally, it did not rise by leaps and bounds, month by month. We have reached the point where investment in housing is more lucrative in terms of the realization of immediate capital gain than is investment in almost any other thing, except last year's issue of Canada Savings Bonds.

Those are the three steps that should be taken, Mr. Speaker. The Minister should begin with the money lenders and require that they make the necessary money available so that building can begin. He should establish a Crown agency capable of contracting out to all and sundry who are competent to build, the work that has to be done to erect the 100,000 units that are needed now and whatever units are required for the future. He should sit down with the municipalities to straighten out the bylaws that in many ways infringe on the ability of people to build within the price range they can afford.

• (1630)

If the Government did these three things, then it would have a housing policy which would last. In that event the Government would not have to constantly run back to the House of Commons asking for adjustments, amendments, minor changes, tinkering, playing around, handing out grants, taking grants away, reducing interest rates by little bits and raising them later. It would not have to go through all this because there would be a stable housing policy that builders and lenders would understand, that municipalities would be able to use and plan by, that would put people to work, that would create places for people to stay, and best of all would be within the ability of Canadians to pay. This is ultimately where the bottom line has to be drawn. People in Canada, families or singles, must be able to find accommodations within their income capabilities.

If the Minister really wants to leave his mark in his present portfolio, he should never again come forward with such legislation. It is almost offensive, considering the magnitude of

the problem. He should begin now to develop a proper policy to deal with one of the three essentials of life.

This is not the deep south. People cannot sleep outdoors 12 months of the year. We must have decent accommodation in Canada; the climate demands it if nothing else. It is time the Government made a commitment. I suggest to the Minister that right now would not be too soon to start.

Mr. Jack Shields (Athabasca): Mr. Speaker, I do not wish to spend much time on the consideration of Bill C-135. First I should like to congratulate the Minister of Public Works (Mr. LeBlanc) on his appointment to a new portfolio. I should like to draw his attention to a problem which is experienced particularly in high growth areas in northeastern Alberta, such as my home riding.

There are a large number of young families who purchase mobile homes which are located in mobile home parks. Indeed, in Fort McMurray I estimate that at least 20 per cent of the population is housed in these homes, but the nature of the homes has resulted in CMHC, through regulation, denying such home owners the programs which the Minister has brought forward. I am referring to mortgage assistance programs and the $3,000 home ownership grant, for example. They are not available to these people because their homes are not pegged into the ground or they have not been erected upon solid foundations.

I should like to make the case that indeed these homes are permanent. In my experience with the largest mobile home park in Fort McMurray, some of the homes have been there ten years and will never be moved. These are homes just as one may have a house built on a lot. They move their homes on to fully-serviced lots. The roadways are paved, the curbs and gutters have been installed. By their nature these homes must be kept off the ground in order to protect the services; there must be crawl spaces. Thus it is very difficult to erect foundations on which to set these homes.

Another point I should like to make is that a number of young families, again in high growth areas, are moving onto farms or acreages. Again for ease of construction and indeed for reasons of cost, they opt for mobile homes. It could be a double-width or a single-width model. These people are denied any assistance through these programs.

It is unfortunate that we were not able to propose an amendment to the Bill, but being a money bill, I am sure the Minister is aware that we cannot do so. I would suggest that by definition or by regulation through CMHC this injustice to many mobile home owners across the country could be rectified. I plead with the Minister to have his officials look into the matter because I think it is an injustice.

Those are the remarks which I wanted to direct to the Minister. I hope to hear from him soon on a positive note. I thank him for giving me his attention.

Mr. Arnold Malone (Crowfoot): Mr. Speaker, I am pleased to participate in this debate today. At the outset I want to take the opportunity to extend my best wishes to the Minister in his new job, and not in any way to chide the Minister by saying that I hope his introduction of Bill C-135 today, as a fisherman, is the low water mark in his housing ministry.

I hope we come to understand housing with a much different importance and perspective than Parliament has traditionally looked at the entire question. I want to reflect upon two aspects. One is the enormous potential for job creation within the housing industry. I believe this is something which is readily recognized and acknowledged throughout the country. The other aspect for which I believe there is not nearly enough recognition is what is, by scientific study, the correlation between adequate housing and the negative social factors in place in society today. I will dwell on that point at greater length in a few moments.

I am disappointed to know that with the enormous importance we must assign to housing in Canada, a country of a northern climate where housing is not an option but a requirement, the Minister took approximately two minutes to introduce the Bill. I subscribe to the opinions expressed earlier this day that the very essence of a house, its necessity and relationship to family and a home, and the requirement to meet the needs of Canadians, are such that a Minister, in establishing himself in a new portfolio, ought to have taken the time to outline for Canadians the broad perspective of a housing policy which they could view with some confidence for a long time into the future.

Essentially the Bill before us gives us a grant. On the other hand, we have a set of conditions where interest rates, though lower, are unusually high by historical standards. Also we have an unusually high unemployment situation and what has been referred to as a depressed or recessed economy. Given this set of conditions, grants are not the answer to stimulate housing. If the economy is downpressed and if there are unusually high interest rates, holding out a carrot of a $3,000 grant to persons to build $50,000 to $100,000 homes will help people who already have available capital with which to build homes. It will not help those people who are marginally able to exist in society. They will not find a $3,000 grant to be the difference between being able to own a home or not. It is not only the cost of homes but the cost of servicing the money which stops people from building houses today. I submit to the Minister that in large measure while there is some good in this legislation, it is unfortunately biased toward helping those who need help the least.

• (1640)

If we look at what we are facing with regard to our housing situation in Canada today, we note that the shortfall in housing is extreme and excessive. In each year over the past four years we have had a shortfall in housing. In 1979 there was a shortfall of 25,000 houses, according to the projected needs. In 1980 there was a shortfall of 63,000 houses, and in 1981 there was a shortfall of 44,000 houses. This year there will be another shortfall of 87,000, for a total shortfall in the four-

year period of 219,000 houses. We have had a shortfall of approximately one-quarter of a million individual houses in a four-year period.

During 1979 to 1982, though not as severe, a similar trend of numbers appears for apartment units. In 1979 we had a shortfall of 19,000 apartment units. In 1980 there was an additional shortfall of another 30,000 units, followed in 1981 by an additional shortfall of 16,000 units. This year there is a projected shortfall of 37,000 apartment units. This makes a shortfall total for that four-year period of 102,000 apartment units in Canada. It is fair to add the house and apartment shortfall together and see that over the last four years we had a shortfall total of 321,000 housing or apartment units.

That background, I believe, outlines what is a very, very serious social concern that we Parliamentarians must address. There is researched evidence to establish a correlation between adequate housing and social problems, and not just between housing and jobs. The problem trickles down to such industries as the caterpillar tractor that comes to dig the basement, the construction people who mix the cement and haul it so the basement can be constructed, all the way through to the people who do the final drapery and carpeting of the home.

The very existence of the independent detached house is a very different social environment in which to raise a family than that where a husband, a wife, two children, a parakeet and a poodle reside on the twenty-second floor of a highrise apartment. The data obtained in much of the social research done today establish that there is strong, significant correlation between the negative social behaviour that is running rampant in our society today and inadequate housing. All we have to do is take a look at the number of suicides, the number of broken homes, the health problems and the learning problems of children. Recent studies were done in Chicago and New York. A correlation was established between those people who lived in communities with higher noise levels, measured in decibels, those who live in the quieter suburban regions, and learning ability. There is also evidence that shows that causes of marriage breakdown, divorce rates, suicide and all of the rest are related to whether or not one has adequate housing.

I suggest to the Minister that he take a look at the culture of North America, the nature of detached housing, the kind of John Wayne syndrome in which we live, to see that the value of a house is simply more than just dollars and cents. It is not just the cost of the house; there is a much larger cost to society when that society is inadequately housed. While I submit that it is far more difficult to put an actual dollars and cents value on research in psychology and sociology, it is extensive enough that it requires an approach by Government to ensure adequate housing and that we should be able to guarantee to Canadians of varying income levels at least adequate housing so the family tradition can continue. As a result there will be much less demand on Government for social services.

My own Province, the Province of Alberta, has had a migration rate from the rest of Canada of more than 2,500 people per day for a period of at least four of the last five to six years. This was a tremendous boom for the Province, but the Province of Alberta today is suffering the worst of all the social problems with respect to rates of divorce and suicide, and much of this relates back to the fact that Alberta is also the area where one finds the tightest of housing markets in Canada today.

I would like to refer to another approach that I believe the Government might have been able to take that would have been more equitable and I think there is a significant public demand for the Government to undertake it. In Canada today we still have an 11 per cent building materials tax at a time when we have a 321,000 shortfall in housing and apartment units. That a Government can still afford to tax building materials at 11 per cent while at the same time claim that it is trying to stimulate housing is simply nonsense. This would not befuddle any grade three student, who would know that it is absolutely essential to do the opposite. Moreover, the fact should be underlined that the Government is collecting a building materials tax of 11 per cent; that works out to just short of $3,000 on the average Canadian home. In other words, $2,800 or $2,900 could be saved by the average home owner.

This Government is saying that it will give a grant of $3,000 to certain people while leaving in place the building materials tax for everyone else. In short, the Government has put in place an expensive additional tax, which means that when a person goes to his local hardware store to buy things needed to build a dog house or to fix up a fence, he is paying an 11 per cent tax. That tax should be removed. It would be a much more fair and equitable stimulus for the industry. It would also give a stimulus to the broadest sector of Canadian society and would not be limited to those people who spend only 30 per cent of their incomes on housing.

With that in mind, I suggest to the Government that is one of the approaches it ought to take, because it would have a broader perspective of fairness and would probably do more to stimulate housing than the present policy does.

• (1650)

Moreover, Mr. Speaker, I think it is important to note that one of the policies brought in under the Clark Government in 1979, in the budget of the Finance Minister at that time which was defeated by the Liberals and the NDP, was to allow Canadians to write off their mortgage cost for income tax purposes. To illustrate what that formula would have meant today in terms of housing, Canadians would have been much better off as far as housing affordability is concerned than they are today under the present grant of $3,000 from the Liberal Government. What it would have meant is that for the person today who buys a $50,000 house or remortgages at approximately 14 per cent at today's rate, there would have been a rebate equivalent to $125 per month, meaning that the real interest rate on the mortgage would have been in fact reduced to ten and one-quarter per cent. If a person bought a house worth $70,000 and applied their maximum rebate, again it would be $125 a month, which would have meant an 11.5 per cent interest rate for their mortgage under that Conservative formula.

That kind of policy was one that the Liberals and the NDP decided to defeat. The fact of the matter is that Canadians would have been better off, housing would have been more affordable and, therefore, more houses would have been constructed.

I would like to expand on that last statement with respect to employment, unemployment and the housing industry. The housing industry is the proper place for the Government to give encouragement because it has a filtering down effect that touches the largest portion of our society. When you build a house, trees start coming down, sawmills start working, cement plants start grinding, trucks start moving, caterpillar tractors start digging, copper mines start to provide wiring, carpet manufacturers begin to sell curtains and rugs, and appliance people go into operation—the whole scenario, right through to paints and chemicals. Not only is it a stimulus that affects such a broad sector of society, but it reaches into virtually every region of the economy. That is the proper way for Government to say it will make housing affordable, by making sure the people of Canada are not hit by interest payments at the high rate at which they are now, which affects everyone's quality of living. Stimulus to housing has an enormous effect on the economy of the country.

In 1982 700,000 Canadian families had to renew their mortgages. With more and more Canadians out of work, the need for assistance from the Government of Canada becomes even greater. In October of 1982 there were 1,450,000 Canadians unemployed. I need not tell a wise person such as yourself, Mr. Speaker, that this figure does not reflect all the unemployed people. That figure is the "official" unemployed. The statistical data do not include the over 80 per cent of our native people who are unemployed, or the people who have quit looking to Canada Manpower after six or eight months of finding no work. It would not surprise me or, I am sure, most Members of Parliament, that the real figure of unemployed in Canada, with a population of some 24 million, is more probably in the neighbourhood of two million.

By way of conclusion, may I say that housing is the largest single component in our consumer price index. Any stimulus such as inflation which causes housing costs to increase has the biggest effect on our consumer price index. In the face of that important fact, this Government tells us repeatedly that their principal concern is the reduction of inflation in Canada, a goal for which I applaud them; but it makes absolutely zero sense that it would continue with the 11 per cent building tax which affects everyone, not just some groups of Canadians who find themselves in a situation where more than 30 per cent of their income goes for housing. In effect, all Canadians must pay tax on every piece of building material they purchase. Remove the tax and the economy will receive more stimulus than any grants given out to limited numbers of Canadians.

As an economic sector, residential construction is a major industry and accounts for 6 per cent of our gross national product. That, again, should signal to us the importance of stimulating the housing industry. Six per cent is no small portion of the large volume of money which in fact would equal the gross national product. There should be an appropriate stimulus in that area. We must realize that if, as has been recognized by economists, we are in a very serious economic downturn and our gross national product is not being stimulated adequately, surely housing is one of the stimulative areas which is most important.

Finally, I would like to deal with one further fact, which is the migration patterns of Canadians today from rural to urban centres. More and more Canadians are gravitating to urban centres, to the point where the ratio is virtually reversed from the early days of our country. At that time approximately 87 per cent of the people lived in rural areas. Today it is almost that identical amount of people who live in urban centres. Most of the rural Canadians are really rural, non-farm, because actually only 5 per cent of Canadians live on farms today.

What I would like to stress, Mr. Speaker, is that there needs to be a new approach to the question of housing. There should be an approach with respect to urban centres which gets away from more and more apartments to houses which are affordable. I am not suggesting for a moment that the Government stop any of its activities in terms of encouraging the building of more affordable apartments, but rather that that is not in itself the answer. As long as the house is the largest single expenditure that the average Canadian family will ever incur, that house, in a North American clime, must be made affordable and accessible.

What we are looking at is a two-pronged concern. The desire of Canadians in general to own their own homes, at least some day, versus an economic set of conditions, an employment set of conditions and an interest rate set of conditions, is making it such that there must be some stimulus in our system.

• (1700)

The actions of the Government today amount to this. The Minister in charge of housing introduces a housing Bill, speaks for approximately two minutes, outlines no broad strategy for housing, addresses no broad concerns of housing, but simply makes some amendment with respect to a previous inequity. He leaves the Bill before us without addressing the long-term concern of housing itself.

A fundamental and root evaluation needs to take place, not just of houses, costs and dollars, but of the concept of families, the concept of family in play, the concept of family and association, the concept of the home as it relates to the structure of our society, and of all the extraneous costs attached thereto. The fact is that we live in a country which, by the standards of virtually every Canadian, provides inadequate housing at the present time.

Hon. Walter Baker (Nepean-Carleton): Mr. Speaker, I want to say how pleased I am to see the Minister of Public Works and the Minister responsible for housing (Mr. LeBlanc) in the House today. I do not intend to occupy the time of the

House for long with respect to the matter, but I am pleased to see him here. I think it is an important part of the parliamentary process that when a Minister's Bill is being addressed by the House of Commons, the Minister responsible be here as much as possible.

I am also pleased to be able, on my first intervention in the debate, to extend my good wishes to the Minister as he undertakes the work in his portfolio. I note that he has sitting beside him the new Minister of Fisheries and Oceans (Mr. De Bané), and I am sure he is instructing him in the vagaries of fish and seals and other things. However, his portfolio is a very important one with respect to housing because it is a difficult problem facing the country. I think in terms of public works that his portfolio is historically significant in the development of the country and that with respect to the National Capital Commission his responsibilities have a great deal to do with the prosperity and development of a capital which reflects all of Canada.

That is the spirit in which I want to address the Minister. I want to tell him, as he already knows, that it is our intention to support the Bill because it will be of some assistance, but perhaps not enough assistance in view of the size of the problem facing housing. However, it will give some assistance and it is a piece of legislation that is worthy of support and we intend to support it.

I hope it is helpful in one problem which I would like to address through Your Honour to the Minister. It relates to the really startling evidence that Ottawa and the National Capital Region in general now has the lowest vacancy rates in the country, according to statistics released by Canada Mortgage and Housing Corporation. In Ottawa-Hull, as it is described, the vacancy rate is 0.3 per cent, with Ottawa at 0.2 per cent and Hull at 0.5 per cent. I think that if one translates those figures, spreading them out into the Cities of Nepean and Gloucester, one will perhaps find that the figures are about the same.

It is the lowest vacancy rate, and what that means to the people in the area is that there is the gradual development, in the rental housing area in particular, of very little choice. I hope that the Bill will advance the cause of construction and will somehow entice people to invest in owner-occupied homes, which would relieve, to an extent, the very low vacancy rate with all of its ramifications. Then it would be a very healthy move.

I do not have to tell the Minister that tenants and renters in the area are caught in a bit of a squeeze. The Government has enacted the six and five program, limiting the wages of a large group of people who work in the Public Service in Canada. The extent of their income has been limited. The economy, as poor as it is, has limited the incomes of others not within the Public Service. So there is a squeeze here. Granted, we are more fortunate than other parts of Canada in many ways, but there is still a squeeze.

However, with respect to apartment rentals in the centre of Ottawa, the outskirts of Ottawa and in Nepean, people are living with limited choices of accommodation while the rents in the area have grown. It has been brought to my attention that increases of 18 per cent, 25 per cent and 45 per cent have been approved by rent review tribunals. I must tell the Minister that there is a dreadful uncertainty among people who rent, some who rent by choice and others by necessity. Their concern is whether or not they will be able to enjoy the standards of living accommodation to which they have been accustomed.

I take it that this is a very real problem, one which Members of Parliament from this area meet every day, and I want to address it in the following terms. I know that rent review and control in the sense it is practised, at least in the Province of Ontario, is not within federal jurisdiction but, rather, is within provincial jurisdiction. In one particular case the provincial Government has moved, although some say not adequately. The Government of Ontario has moved with respect to the City of Toronto, but the problem remains. It is endemic to the system and we hear about it every day.

I want to repeat a request which I made to the Minister some time ago that he look at the situation within the National Capital Region so that he may understand that the vast number of rental units are owned by landlords, benevolent or not, in an almost monopolistic set of circumstances which leaves little room for competition. Many people feel that they have been taken advantage of as a result of high interest rates and the monopolistic conditions which exist.

The Minister himself cannot lower the rent and I am not suggesting that he can do that. I am not suggesting that he can control the rents, either. However, as a federal Minister he has some responsibilities, as had his predecessor, to take some leadership in recognizing the problem. I am now asking the hon. gentleman, who is known for his leadership with respect to fish, to take leadership with respect to tenants. I would like to suggest to the hon. gentleman, for his consideration, that he, as the Minister in charge of housing policy for the whole of Canada, should recognize that that situation exists here in the National Capital Region but that it also exists in other cities. He should get together as quickly as possible with all his provincial counterparts to see whether or not some concerted action can be taken by all the Governments. The provincial Governments should be encouraged to take action with respect to the situation, which is getting worse.

I tell Your Honour that many people have come to me and said that not only are their choices limited with respect to housing but that they do not see any light at the end of the tunnel either. I mentioned this to him during the course of a speech I made a little earlier and I would like to take these few brief moments to bring it to his attention again. I believe he could be doing a great public service. With his reputation as a conciliator, which is a reputation that has been earned—there are many in this House who would disagree with that, but I would like to say that he has that reputation—he could bring whatever powers he has, whatever influence he has, to bear on the provincial Ministers of Housing to see whether or not there is some way that there can be a joint Government effort, or a conference at least, to explore the problems to see whether both levels of Government could work together in this area.

• (1710)

I want to conclude by saying this. Canadians generally are not organizers, they are not marchers, they are not demonstrators. What has happened in the rental communities in the country is that the Canadian people are organizing, they are demonstrating, they are marching. They are marching because of the limited choice of housing, the high cost of housing, and a sense of despair as to what the future is.

I think that should be a signal, not just to provincial Governments, although certainly it should be a signal to them, but as well to the federal Government. I ask for that kind of intervention by the Minister. A federal-provincial conference with respect to the problems of rental housing would be something that would be welcome in the national capital and across the country.

Mr. David Kilgour (Edmonton-Strathcona): Mr. Speaker, I would also like to congratulate the Minister of Housing for being here today for this debate on his Bill, and I wish him well in his very important portfolio.

If I may, I would like in the time available to me to break down the subject by the problems as they appear to be, and then deal with some of the solutions that I believe should be considered by the new Minister.

The Member for St. John's East (Mr. McGrath) has indicated that the Party intends to vote for the Bill as it constitutes something positive in a very important area.

Let me for a moment give some indication of the housing problem as it appears across the country. I have in the *Toronto Star* of October 12 the heading: "Housing Collapse Feared If Help Stops". The article states:

Builders and constructions unions fear a collapse of the multi-billion-dollar housing industry this winter if Ottawa and Queen's Park don't give more help to new home buyers.

A little further down:

The industry, which has been hurting for almost two years, provides jobs directly or indirectly for one in every ten of Canada's workers, according to industry estimates.

From *The Globe and Mail* for October 29, 1982:

"Developers Warn Housing Industry Key To Recovery"

That is a sentiment I share profoundly. In western Canada it is the energy industry, but for the rest of the country it surely must be the housing industry. Continuing:

Governments are going to have to find ways to push mortgage interest rates down if the housing industry is to play its increasingly crucial role in pulling the country out of recession, a spokesman for a national organization . . . said yesterday.

Further down:

"Considering the state of the auto industry, housing will have to carry a lot of the burden of recovery," Mr. Galway said.

Thirdly, a quote from the Montreal *Gazette* of October 8, 1982 under the heading: "Housing Starts Reach 22-year Low". I quote:

The recession tightened its grip on the residential construction industry last month, as Canadian housing starts fell to their lowest level in 22 years—from a seasonally adjusted annual rate of 89,000 in August to 86,000 in September, according to statistics compiled by Canada Mortgage and Housing Corp. (CMHC).

That's the lowest level of activity recorded since March, 1960, and appears to be further confirmation the current construction slump is longer and deeper than predicted by most experts.

Another quote from a newspaper under the heading: "Ottawa Urged to Develop National Policy on Housing".

One other short quote, datelined Winnipeg:

The federal Government must stabilize Canadian real estate markets by developing a national housing policy and indexing mortgage rates—

That was said by the President of the Canadian Real Estate Association.

A quote from the October 18, 1982 *Globe and Mail*, headed: "Housing Sector Banks on Cheaper Money", reads:

Ewen Ferguson, president of Construction Forecasts Co. of Toronto, describes people as being "gun-shy" because of high unemployment. And he argues that mortgage rates are going to have to come down more—to the 12 to 14 per cent range for about six months—before normal activity will resume.

A quote from *The Financial Times* of August 23, 1982 under the heading: "Home Ownership on a Downward Track":

For the first time since the 1960s, when baby boom families distorted housing patterns, home ownership rates in most parts of Canada are declining.

Another quote from the Calgary *Herald* of October 15, 1982. This is just one paragraph:

The interim report by the Task Force on Affordable Housing says home ownership—long a goal for most Canadians—is now beyond the reach of a growing number of Calgarians.

You may be wondering, Mr. Speaker, why I am telling you there is a problem in housing when everybody knows there is a problem in housing. The question, of course, is: What is the Government going to do about it?

I would respectfully suggest that the real problems of housing, at least at the moment, involve interest rates. It is true that mortgage rates have dropped drastically, from a high, I see in this chart, of about 21.5 per cent to 22 per cent in April of 1981 to about 14 per cent today and, you may say, they may go down even more. They seem to be going down, and I hope they do by the end of the year.

I would respectfully submit to the Minister that what is holding back the young couple or the middle-aged couple now is not the current level of interest rates, but the fear that if they go out now and buy a home, pay $20,000 to $25,000 as a downpayment, in one year or two years from now when their term runs out on their mortgage they will lose their downpayment because they think—and a number of people have confirmed this to me—that interest rates will be back up to 21 per cent or 22 per cent.

Has the Minister considered trying to encourage lenders to provide, if not a seven, a five-year term mortgage as their service to a desperately debilitated economy? Has the Minister considered trying to persuade the larger lenders to provide at least a five-year fixed interest rate mortgage? I was sorry I was not here to hear his speech. Perhaps he spoke about that, because I think at the moment that is the crucial problem facing the housing industry. It goes without saying that a 21 per cent or 22 per cent interest rate destroys the hope of

anybody of buying a home. The Minister may say the rates are down, but I think the point is that people have to be reasonably guaranteed that they will stay down for a three or five-year period.

I can think of all manner of people who have come to me in my riding, such as one young couple who bought a home and were paying about $600 a month principal, interest and taxes. They had to renegotiate their mortgage and it went to either $900 or $950 a month. They have a child, the wife cannot work, and they were literally in the position four or five months ago where they were asking how could they get out of their mortgage.

• (1720)

I am certain there are people in your riding, Mr. Speaker, and in that of the Minister who complain about this problem. They are concerned about losing their homes. If they buy a house today, will they lose it in three years when the mortgage runs out?

Another issue is the spread in what the various financial institutions pay their depositors and the rate at which they loan the money, for example, the prime rate. I recently saw an article in the Edmonton *Journal* published some time in October which indicated that the spread in all of the banks in 1972 was about two points. In 1982 the average spread is 4.2 per cent. The Royal Bank on October 6, 1982 had a spread of five and a quarter, the Toronto-Dominion five and a quarter, the Continental four and three quarters and the Bank of British Columbia five. It would not be unreasonable for the Government to approach these financial institutions and ask them to reduce their spread back two points in the national interest. We are all bleeding at this time. Therefore, it would not be too much to ask the banks to reduce their spread. How many couples might buy a new home at 12 per cent who would not buy a home at 14 per cent? If the banks would bring the spread down by two points as their contribution to the national crisis, it would help the housing industry across the country.

There are many other issues; I will just mention a couple. Everyone in this House knows that the capital flight last year was about $10.2 billion in direct investment and $8 billion disappeared from our national accounts. A soured investment entrepreneurial atmosphere drives up interest rates. It is a vicious circle. More money leaves Canada. Obviously some of that is mortgage money. With the exchange rate on the dollar we need more incentives to keep money in this country. A soured investment climate is our problem.

I wish to refer to a proposal made by a small builder in my riding. He has been building homes in the Edmonton area for 20 years. He points out that the unemployment rate is officially 12 per cent. In Alberta it is 8.5 per cent, which seems to surprise some people.

Let us look at housing starts. I realize I am not supposed to refer to charts. However, let us follow housing starts from 1976, when they were running at about twice what they are now, through to the present rate of about 76,000 units a year. In addition, let us look at the growth in unemployment from the beginning of 1981 to the present.

There is a definite causal relationship. The Minister may say the reason there are not more housing starts is unemployment. However, as my constituent points out, virtually everything in housing is labour-intensive. The copper is in the ground, the trees are in the forest. In fact, most products used to build houses come from the ground or our forests. It is simply a matter of taking them out of the ground and the forests and bringing them to the site of the new homes.

This contractor points out that more than two jobs are created with every housing start. I will not go through the details of his formula. However, he points out that if 200,000 homes more than are expected to be started this year were built, it would create 400,000 jobs. That is 400,000 men and women who are now drawing unemployment insurance or social assistance. Think of the saving to the Government if these people came off unemployment insurance or social assistance. The ballpark figure that a construction worker earns is $20,000 a year. An unemployed construction worker now receives about $800 maximum in unemployment insurance. If these 400,000 were taken off unemployment insurance, they would again have self-respect and there would be reduced social problems. In addition, they would be paying taxes and we would have the necessary homes provided.

I have an aunt who lives in a major city in this country. She is the widow of an artist. In fact, her husband painted the portrait of Sir Wilfrid Laurier which is in the lobby. She lives in very modest circumstances. However, she has had an indication that her rent will be increased 15 per cent next March. Unfortunately, because her husband was an artist, she does not receive a pension. I am sure there are hundreds of thousands of people in similar circumstances in this country.

To get back to the proposal by this contractor, if an additional 200,000 homes were started, this would get Canadians back to work. It would get our suppliers, lumbermen, architects and engineers back to work. People who come to western Canada from other parts of the country find they are the last to be hired and the first to be laid off because of the construction collapse.

It may be said that this is all very well in theory, but can it be done in practice? I understand that in 1948 West Germany decided that the best motor for its economy was the housing industry. Ludwig Erhardt and others in West Germany decided that they must get the construction industry going. They decided that if Helmut Schmidt, for example, would donate a portion of his wages to a government-sponsored housing bank, a certain amount of that would not be taxed. It was similar to our RRSP. As a result of that proposal, all kind of money went into the pool. This money was loaned to builders at reduced interest rates. The number of homes under construction went from 200,000 a year to in excess of 400,000. I believe it stayed at that level up to the present time.

There are many men and women in this country who would like to apply their skills and trades. At the moment a great number of them cannot do that. The Government should

consider something imaginative, such as the West Germany plan. For that matter, what about something like our proposal to make mortgage interest and property taxes deductible? Possibly even shelters should be deductible up to a certain point. France does it. That country has a very imaginative scheme which provides subsidies to couples, depending on their income, number of children and that sort of thing.

• (1730)

Aside from the problems I mentioned earlier, Mr. Speaker, the problem is volatile interest rates, interest rates which are too high, and mortgages of too short a term. I respectfully ask the Minister, because he is starting a new area, why will he not look at some of these imaginative programs which have worked elsewhere and consider putting them in place in Canada?

In conclusion, Mr. Speaker, I ask which one of us in this House would deny that housing is the most readily available motor which can get our people back to work right across the country? I think everybody accepts the truth of that. Why, then, in a situation like this, do we have a Bill which, in my respectful submission, is a positive step, yes, but one which does not get at the basic problems?

Perhaps someone on the other side will speak to some of these matters I have raised because they are the major problems right now, and the fastest way of dealing with the problem of housing would be to deal with each of the issues I have mentioned. I hope the Government will bring forward something dealing with those matters; if it does, we can get our housing industry back to work.

When I was speaking about my constituent's proposal, Mr. Speaker, I did not mention that he maintained that by getting 200,000 homes going, the federal and provincial Governments could gain a net amount of as much as $10 billion a year. If the Minister wants to know how my constituent arrives at that, I would be happy to give him the figures. My constituent mentioned that more than two full-time jobs are created for every home begun because almost all the money which goes into housing, apart from land, is for labour. In short, it is the most labour-intensive industry of all. I put it to Hon. Members that the almost Siamese-twin relationship between unemployment and housing starts is striking, and housing really does appear to be the best available domestic motor to get our entire economy going again. I would urge the Government to make some significant innovations in that area as quickly as possible.

Mr. Fred McCain (Carleton-Charlotte): Mr. Speaker, I rise in this House today with a great deal of concern and without any great deal of pleasure to speak on the subject matter of this debate. I would like to reflect on the position of someone who wanted to buy a home at the time I was first married and needed a home. At that time the expectation was—it was almost a promise—that any individual who was frugal and ambitious could look forward to owning their own home in a reasonable period of time. That home would cost them roughly 20 per cent of their income. I feel that my generation and this Government have now put the would-be home owner in a position where he has to spend not less than 30 per cent of his income, and probably 35 per cent of his income, to own a home of comparable quality to that of the home which I was virtually promised by the economy of my country when I bought it.

What pleasure then, Mr. Speaker, can I get in addressing the subject of home ownership when we as a country, and the people on your right as a Government, have allowed the value of one's earnings to deteriorate to that point?

Now, one may say that yes, you can still get by at 20 per cent or 25 per cent. But I say to you, Mr. Speaker, that if you spend in that range as a percentage of your income, you are going far below the standards of those people who were buying their homes when I was buying mine. We have, Mr. Speaker, by our policies put home ownership virtually out of reach of even the most frugal and most ambitious of people today. When I compare that with what I inherited from my country, it is obvious that we have been very, very sloppy in our management of the economy, particularly as it relates to housing.

The Minister and I both come from communities in which, when we were young men, it was the expectation, usually realized by 90 per cent of the people, that we would be in our own homes. Certainly it approached that percentage in the smaller towns and rural areas of the country in the 1950s or 1960s. But we have denied that opportunity to Canadians, Mr. Speaker. We have changed the ball game at various levels of Government. When I purchased my home, the street on which it sits was in and paid for by the municipality or the Province. But today, Government at the municipal level has changed that to the point where you build your own streets and supply your own services, all at the highest possible cost, which in turn has inflated the cost of home ownership. Surely we have served succeeding generations very, very poorly.

I must say to you, Mr. Speaker, that this housing crisis which exists in Canada today is a black mark on the escutcheon of the Government of this country, which is approaching the criminal in its negligence, lack of leadership and forthrightness with the people of Canada as to whither are we going. It is not that long ago that the Prime Minister (Mr. Trudeau), in seeking re-election, was able to say that this country is strong. Well, I want to say it must have suffered from malnutrition or something because it is very, very weak today.

There is no more stark and realistic example of that than the lack of attention to those who follow us and their right to own a home. And is it not reflected in our economy? We have a declining level of house construction in spite of all the incentives provided by the federal and provincial Governments in the form of non-taxable grants, interest-free loans or other incentives.

• (1740)

According to an article in *The Globe and Mail*, as late as October statistics indicated that we still did not have the

upsurge in house building that would make a major contribution to the improvement of the economy. No one is confident that they will be able to sell their house and get their money out of it if they are transferred. As a matter of fact, those who bought houses in the last ten years—except in Ottawa or half a dozen or so other prosperous communities—may have had to suffer a capital loss if they were transferred. In some cases this loss was absorbed by the employer. It is an economic tragedy that we find ourselves in this position, Mr. Speaker.

I do not plan to belabour the subject or to bore the Chair or other Members of the House about this. As participants in Government, while we on this side do not have any influence on policies, I feel that we will have acted as traitors to the generation to come if we compare what we inherited from the country to what we will pass on to the young people who hope to buy a home today. What a tragedy it is.

I should like to deal now with some of the difficulties that I have with the housing program. For one thing, apparently by regulation a church cannot build a home and enjoy the benefits of this program. By virtue of some regulation, this category is excluded. A couple of congregations in my constituency have approached me about this. It is rare that such a house would be vacant or for rent. I appeal to the Minister to examine the regulations to see if church congregations cannot be made eligible for the tax-free grant if they wish to build a parsonage.

I think the regulations that apply to tenants who wish to buy the home they occupy should be amended to recognize the tenant's status, without splitting hairs. I know of a case where, by the grace of the parents, a young couple live in a home in which they have absolutely no investment. They have maintained and heated it but have not contributed to the purchase price. If they qualified for the grant they could buy the home. It was easy for me and all of my generation to do that, and I think these young people should be given some consideration so that they could buy this home. Let the churches build a home and let anyone who has no equity in a home buy it under whatever terms may apply.

It has already been stated that people living in mobile homes on rented or community lots have difficulty getting the grant. The specification that the home must sit on a basement cannot be met if one is leasing from the community or from a private entrepreneur. The regulations should take the needs of all people into consideration. I do not think we have any right to put constraints upon anyone occupying a mobile home. Many people have been stung in the sale of their property when they had to move from one community to another. Someone who owns a mobile home could at least take it along at little cost and not get stuck with a capital loss.

My own sons and daughters have experienced serious capital loss in purchasing homes and selling them in one community after another as their jobs necessitated. I rather admire those who are willing to start out in a mobile home and I do not think the regulations should preclude this type of shelter for those who want to buy it, regardless of location.

I hope the Minister will address some of the inequities that result from the classifications set out in the program. I hope the regulations will be released quickly. If they do not comply with the needs of the parsonage, the mobile home and others, I hope they are not so fixed in stone that they cannot be adjusted so as to be equitable to all who want to buy a home under the program.

With that plea to the Minister I say, let us get on with this. The Bill was introduced on June 29 but the regulations are not available as yet. That is not the fault of the Minister, of course; his predecessor was extremely lax in his duty. I hope that the present Minister is more cognizant of the needs of the people than was his predecessor, who neglected these things. I suppose the secondary role that he now occupies in Cabinet shows that this was recognized by the Government.

Mr. Bill Yurko (Edmonton East): Mr. Speaker, first of all I want to say that I hope to finish my remarks a few minutes before six so that the legislation can be passed.

Like other Members of the House, Mr. Speaker, I support this legislation, but it is still just a band-aid solution to a very difficult problem.

Before I go further, I want to congratulate the Minister on his appointment to this portfolio. I do not envy him, as it is a very difficult portfolio. Nothing he may do will be enough for the people of Canada. In the second half of the 1970s I spent several years as a Minister of Housing in a provincial Government so I know that the problems never disappear; they are always there.

The real problem today is not one of supply of housing but of affordability. Since World War II there has been no greater success story than that of the manner in which Canadians are housed. I say that with all the honesty at my disposal. At the present time we are the best housed people in the world. Indeed, the percentage of total income that goes to housing in this country is one of the lowest in the world.

In this country we have what is perhaps the greatest ratio of single family housing to multiple housing of any country in the world. We have built tremendously expensive communities which have a very low population density and extensive facilities. At some point we are going to have to pay the price for all this, and I feel that time is close upon us. A whole new policy on housing is needed. Some of us who were provincial Ministers or federal Ministers in 1978 recognized how desperate the need was.

There are basically five areas of the total housing picture that must be addressed. The first is global capital financing. Plenty of that is available in Canada today as savings have never been higher. The money is there but the cost of that money is too high when it is required for housing.

• (1750)

The second matter is the delivery process. The third matter is the approval process, and the fourth is the servicing process, which involves various utilities over expansive land areas upon

which housing is built. The fifth matter is affordability, which is a critical matter in the area of housing.

How many people can afford housing today? I would ask the Minister whether this particular program of a $3,000 grant per housing unit is to help affordability, or is it an attempt to stimulate the housing industry and to create jobs? If it is both, as he gestures, that is fine; it will not do very much, anyway. What the Minister has in terms of a good program is the housing repair program.

The housing stock in the nation is such that the present occupancy rate in Canada is three persons per housing unit, and in some areas it is lower. By itself that is the lowest in the world in terms of numbers of people per housing unit, but there is some doubling up and tripling up taking place at present because of costs, particularly operating costs.

I should like to deal with the idea of a shelter allowance directly to the person, but time does not permit me to do so. I am not referring to a one-time housing grant, but to a shelter allowance directly to the person or indeed through the income tax system to provide rental rebates, as is being done in the Province of Alberta. There are many systems to assist people directly with respect to affordability of housing; many have been tried in Canada.

Again I put before the Minister the report of the provincial Housing Ministers and the then federal Minister as a result of a conference which was held between January 31 and February 1, 1978. It was literally the first sectorial conference sponsored that year and was initiated by the provincial Governments rather than the federal Government. Yesterday I heard the Secretary of State for External Affairs (Mr. MacEachen) dwell on the fact that provincial Ministers never put meat on their programs when they come before the federal Government at a federal-provincial conference. There has never been more meat or thought given to the entire housing picture or the new direction of housing in Canada as it should evolve with respect to affordability, delivery, servicing and every other aspect of housing, than was put forth by the provincial Ministers unanimously in 1978. To a large degree they were approved by the then Minister, the Minister of Consumer and Corporate Affairs (Mr. Ouellet).

What happened? Even the projections put forth at that time are very relevant in today's picture. They knew what was happening in terms of supply and in terms of interest rates. They outlined the situation eminently well. Their first projection was that upward pressure on interest rates would develop as a result of national and international economic influences which would affect housing affordability. We knew that in 1978 without equivocation.

Also they came forth unanimously with policies on global funding and on the extension of the capital cost allowance. There were unanimous suggestions or directions with respect to funding mechanisms for federal grants to municipalities, which is an area upon which I want to touch very briefly. There was a unanimous recommendation, not for mortgage interest rate deductibility, which was a subsequent Progressive Conservative policy, but for deductibility of property taxes from income to reduce the federal income tax and, therefore, provide some taxation breathing room to municipalities. Today the municipalities are strapped for funds and strapped in their ability to raise property taxes. They have risen by a factor of four or five over the last several years.

In regard to the entire area of infrastructure and the tremendous load of high interest rates on the capital cost of housing, I suggest that the Minister should permit the municipalities to issue tax-free bonds so that they could instal infrastructure, purchase land for social housing and become involved to a much greater degree in that area. What is wrong with municipal tax-free bonds directly associated with financing of housing and community development? I do not mean tax-free bonds for municipalities on all their other expenditures; only tax-free bonds for supplying accommodation and services to the housing they build within their respective jurisdictions.

Tax-free bonds are not a new idea. They worked in the United States remarkably well. They serve to reduce the price of housing, to provide proper utilities and proper community development. Indeed, municipalities can therefore borrow at significantly below the market level of interest rates; under today's interest rate climate, some four percentage points below the going interest rates for money.

The federal Government will have to address itself to the borrowing capabilities of Canadian municipalities in relation to having ability to provide municipal services.

I want the Bill to pass this evening, so I will not hold it up beyond six o'clock. It is an important Bill even though it is only a band-aid solution. The role of the federal Government in assisting municipalities on a selective basis across the nation will indeed have to be increased. The load on home owners because of energy price increases will have to be reduced. For example, my energy costs have risen by five times, even in Alberta, in the last four years. The cost of maintaining a home is now very high because property taxes, energy costs, utility costs and interest rates are very high. Even if interest rates come down, the cost of servicing a home, because of high energy costs, high property taxes and other ancillary cost items, will be very high. Therefore the repeated demand for housing from here on will drop significantly, and the 278,000 housing units built each year in the latter half of the 1970s will never occur again, unless our population rises explosively. This will not occur. Our population has stabilized. The average age has risen to 28 years. Indeed, the extent of immigration allowed into Canada is being curtailed.

I would have liked to speak for 30 to 40 minutes on this matter, but in the interest of passing the Bill and getting these moneys out to home owners, I will conclude my remarks at this point.

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

Some Hon. Members: Question.

Motion agreed to and Bill read the third time and passed.

BUSINESS OF THE HOUSE

Mr. Deans: Mr. Speaker, I rise on a point of order. Since we have reached this stage in the business of the week, I am wondering whether the Government House Leader would be able to tell us what will be the business of the House for tomorrow and Friday.

Mr. Pinard: Mr. Speaker, first of all, tomorrow we will deal with Bill C-95, followed by Bill C-131, followed by Bill C-85. That is the business of the House for tomorrow, so there is a slight change. Rather than the second Bill being Bill C-85, it will be Bill C-131, and Bill C-85 will be the third item tomorrow.

In any case, on Friday the business will be Bill C-91 and then Bill C-98. I hope before the end of tomorrow to have a meeting with House leaders in order to clarify the business for next week.

[*Translation*]

The Acting Speaker (Mr. Corbin): Order, please. It being six o'clock, the House stands adjourned until tomorrow at two o'clock in the afternoon, pursuant to Standing Order 2(1).

At 6.01 p.m., the House adjourned, without question put, pursuant to Standing Order.

HOUSE OF COMMONS

Thursday, November 18, 1982

The House met at 2 p.m.

• (1405)

MOTIONS UNDER S.O. 43

[*English*]

LABOUR CONDITIONS

NORTHWEST TEL IMPENDING LAY-OFFS

Mr. Dave Nickerson (Western Arctic): Madam Speaker, whereas the employees of Northwest Tel, the federal Crown corporation which has a monopoly on telecommunications in the western Northwest Territories, Yukon and northern British Columbia, are facing severe lay-offs which they suspect are motivated by the desire of the Liberal Government to maintain high profit margins in spite of the six and five per cent guidelines applied to rates, thereby allowing the quality of the service to decline, I move, seconded by the Hon. Member for Yukon (Mr. Nielsen):

That the Minister of Transport provide a full explanation of the impending lay-offs at Northwest Tel for which he is responsible.

Madam Speaker: Is there unanimous consent for this motion?

Some Hon. Members: Agreed.

Some Hon. Members: No.

* * *

ELECTORAL BOUNDARIES

DISSEMINATION OF INFORMATION ON PROPOSED CHANGES

Mr. Ron Stewart (Simcoe South): Madam Speaker, this weekend proposed changes to the boundaries of federal electoral ridings are to be published in *The Canada Gazette*. It is my understanding that Members of the House are to be given the information on these changes tomorrow, only a day before publication. In light of the fact that a number of Members on the Government side have already been informed of such changes, that the information was distributed to the media a week ago, and that changes to my riding and its new name were conveyed to me by an outside source, I move, seconded by the Hon. Member for Brampton-Georgetown (Mr. McDermid):

That this House strongly condemn this underhanded and unfair practice of selected distribution of important information which directly affects Members and their constituents, and is an affront to both.

Madam Speaker: Is there unanimous consent for this motion?

Some Hon. Members: Agreed.

Some Hon. Members: No.

* * *

CANADIAN PACIFIC RAILWAYS

PROPOSED RENT INCREASES

Mr. Les Benjamin (Regina West): Madam Speaker, I rise to move a motion under the provisions of Standing Order 43. In view of the fact that the real estate division of Canadian Pacific is raising rents in some of its apartments at double the six and five guidelines, and whereas Canadian Pacific Chairman, Ian Sinclair, sits on the Government Committee telling workers to live with six and five, I move, seconded by the Hon. Member for Winnipeg North (Mr. Orlikow):

That this House calls upon Mr. Sinclair to resign from the "black and blue ribbon" Government Committee and, failing that, that the Government dismiss him.

Madam Speaker: Is there unanimous consent for this motion?

Some Hon. Members: Agreed.

Some Hon. Members: No.

* * *

[*Translation*]

AIR TRANSPORT

PROPOSAL THAT CAISSE DE DÉPÔT DU QUÉBEC TRANSFER SHARES TO QUÉBECAIR

Mr. Pierre Gimaïel (Lac-Saint-Jean): Madam Speaker, I rise on a matter of urgent and pressing necessity, under the provisions of Standing Order 43.

In view of a statement by Mr. Campeau, President of the Caisse de dépôt du Québec, to the effect that the Caisse would have $1 billion to invest in the transport sector during the next four years; and whereas Québecair and its employees are searching high and low for $30 million in order to save more

S.O. 43

than 900 jobs, I move, seconded by the member for Chicoutimi (Mr. Dionne):

That it be suggested to Mr. Michel Clair, Quebec Minister of Transport, that he communicate with Mr. Campeau of the Caisse de dépôt du Québec and ask him to buy $30 million worth of capital shares in Québecair.

Madam Speaker: The House has heard the motion by the Hon. Member. Is there unanimous consent for this motion?

Some Hon. Members: Agreed.

Some Hon. Members: No.

* * *

[*English*]

AIRPORTS

MIRABEL—RETURN OF EXPROPRIATED LANDS

Mr. Scott Fennell (Ontario): Madam Speaker, in light of the fact that the Commission Parlementaire de l'Assemblée Nationale du Québec is currently studying the effects of the expropriation of Mirabel lands, considering that the Minister of Public Works (Mr. LeBlanc) and the officials of the Canada Land Commission have both refused to answer an invitation to attend before the Commission, sent to them by the Province of Quebec, and as the people of Mirabel have been mistreated and have suffered over the Government's blunder for the past 13 years, I move, seconded by the Hon. Member for Joliette (Mr. La Salle):

That the Government commence immediately the retrocession of the 80,000 acres not required for the largest airport in the world and sell the land back to the original owners and tenants at a price which does not contemplate profit but merely recovers original cost.

Madam Speaker: Is there unanimous consent for this motion?

Some Hon. Members: Agreed.

Some Hon. Members: No.

* * *

• (1410)

ENVIRONMENTAL AFFAIRS

CALL FOR RECONSTITUTION OF SUBCOMMITTEE ON ACID RAIN

Mr. Stan Darling (Parry Sound-Muskoka): Madam Speaker, I rise to move a motion under the provisions of Standing Order 43. Because of new and alarming information of damage caused by acid rain to ground water in the Muskoka-Haliburton area of Ontario, and since thousands of cottages are located in that area, and it is a very serious situation, I move, seconded by the Hon. Member for Simcoe North (Mr. Lewis):

That the Minister of the Environment immediately reconstitute the Special Subcommittee on Acid Rain as requested by all members of that original Committee and have them look into this serious matter on a continuing basis.

Madam Speaker: Is there unanimous consent for this motion?

Some Hon. Members: Agreed.

Some Hon. Members: No.

* * *

HARBOURS

SILTING AT NORTH RUSTICO, P.E.I.

Mr. Mel Gass (Malpeque): Madam Speaker, I rise to move a motion under the provisions of Standing Order 43. Every year since 1976, the harbour at North Rustico, Prince Edward Island, requires dredging due to the movement of the sand. Every year the cost involved in dredging the harbour mounts. In 1981-1982 alone the cost was approximately three-quarters of a million dollars. Continous dredging is not the answer to this problem. Therefore I move, seconded by the Hon. Member for Vancouver South (Mr. Fraser):

That the Minister of Fisheries and Oceans instruct his officials to commence a study to find a permanent solution to this problem.

Madam Speaker: Is there unanimous consent for this motion?

Some Hon. Members: Agreed.

Some Hon. Members: No.

* * *

OLD AGE SECURITY ACT

DEMAND FOR WITHDRAWAL OF AMENDING BILL C-131

Mr. Neil Young (Beaches): Madam Speaker, I rise to move a motion under the provisions of Standing Order 43. In view of the Government's decision to bring forward Bill C-131, an Act to amend the Old Age Security Act, for second reading and debate in the House later today, and in view of the certainty that the effect of this Bill will place a further 100,000 poor and near poor elderly Canadians into abject poverty, I move, seconded by the Hon. Member for Winnipeg North Centre (Mr. Knowles):

That this House demand that the Government withdraw this shameful piece of legislation immediately and bring forward proposals that will provide our senior citizens with decent and adequate pensions.

Madam Speaker: Is there unanimous consent for this motion?

Some Hon. Members: Agreed.

Some Hon. Members: No.

FISHERIES

SUGGESTED REFERRAL OF PEARSE REPORT TO STANDING COMMITTEE

Mr. Donald W. Munro (Esquimalt-Saanich): Madam Speaker, I rise to move a motion under the provisions of Standing Order 43. In light of the equivocal answer on the Pearse Report given to me by the Minister of Fisheries and Oceans last week, as reported in *Hansard* for November 8 at page 20481, and in light of the rising tide of demands from the fishermen on the West Coast that the Report be more carefully examined before any implementation takes place, I move, seconded by the Hon. Member for Vancouver South (Mr. Fraser):

That the Minister of Fisheries and Oceans re-examine his priorities and responsibilities and have the Pearse Report referred, without further delay, to the Standing Committee on Fisheries and Forestry.

Madam Speaker: Is there unanimous consent for this motion?

Some Hon. Members: Agreed.

Some Hon. Members: No.

* * *

INCOME TAX

PROVISION AFFECTING CORPORATE-OWNED LIFE INSURANCE

Mr. Walter McLean (Waterloo): Madam Speaker, I rise to move a motion under the provisions of Standing Order 43. The retention of our small private businesses and their orderly transfer to the next generation on the deaths of their owners are in the interest of the Canadian economy, rather than their forced sale to large corporate interests, often foreign-owned. However, the rollovers contained in the Income Tax Act to permit a tax-free transfer to the next generation are very limited, except in the case of farmers. Corporately owned life insurance used in conjunction with an appropriate buy-sell arrangement previously permitted a mechanism to effect a transfer without tax to the next generation. Therefore I move, seconded by the Hon. Member for Mississauga South (Mr. Blenkarn):

That the Minister of Finance reverse the Government's position, so that proceeds of corporate-owned life insurance purchased after June 28 be no longer credited to a company's capital dividend account.

Madam Speaker: Is there unanimous consent for this motion?

Some Hon. Members: Agreed.

Some Hon. Members: No.

POLITICAL PARTIES

PROGRESSIVE CONSERVATIVE PARTY POSITION ON SOCIAL SECURITY

Mr. Stan J. Hovdebo (Prince Albert): Madam Speaker, I rise to move a motion under the provisions of Standing Order 43. Since the Conservative Premier of Saskatchewan, in an interview in Winnipeg on November 15, proclaimed his opposition to the universality of the Canada Pension Plan, I move, seconded by the Hon. Member for The Battlefords-Meadow Lake (Mr. Anguish):

That the Conservatives in this House be honest with the Canadian people, reverse their stated policy of refusing to outline their platform because they know Canadians would again reject them, and admit that the Conservative Party of Canada opposes the universality of Old Age Pensions and Family Allowances.

Madam Speaker: Is there unanimous consent for this motion?

Some Hon. Members: Agreed.

Some Hon. Members: No.

ORAL QUESTION PERIOD

[*English*]

THE ECONOMY

CONTENTS OF PROPOSED NEW THRONE SPEECH

Right Hon. Joe Clark (Leader of the Opposition): Madam Speaker, my question is for the Prime Minister who will recall that he said recently:

The next Speech from the Throne will represent all that is innovative, bold and dynamic about the Liberal Party.

Some Hon. Members: Hear, hear!

• (1415)

Mr. Clark: I remind the Liberals who have applauded that they have applauded the introduction of 42 tax measures and have applauded the withdrawal of the same 42 tax measures from the budget.

Some Hon. Members: Hear, hear!

Mr. Clark: Will there be new economic policies proposed in that Throne Speech?

Right Hon. P. E. Trudeau (Prime Minister): I think so, Madam Speaker.

STATEMENT MADE BY PRESIDENT OF THE PRIVY COUNCIL

Right Hon. Joe Clark (Leader of the Opposition): Madam Speaker, perhaps the Prime Minister has not had time to be brought up to date on what his Government was planning in his absence, but he will know that on November 10, in a

television interview, the interviewer, Pamela Wallin, asked the Government House Leader, "So, the Speech from the Throne is ready, is it?" Mr. Pinard answered, "Oh, yes. It is ready."

Since it is ready, since it will represent all that is bold and dynamic in the Liberal Party, and since the Prime Minister thinks he might do something to help Canadians who are suffering from economic hardship now, why is the Prime Minister waiting? If he has new economic measures to introduce, and if the Throne Speech is ready, why will he not introduce those measures now in order to help those Canadians in need?

Some Hon. Members: Hear, hear!

Right Hon. P. E. Trudeau (Prime Minister): Madam Speaker, what the Government House Leader was indicating—it must have been at some point before Parliament reconvened in October—

Some Hon. Members: Oh, oh!

Mr. Baker (Nepean-Carleton): November 10, Prime Minister.

Mr. Trudeau: The Hon. Members opposite laugh. I do not know the date of the statement to which the Leader of the Opposition is referring. Perhaps I could have him state the date and add to the hilarity of his Members.

STATE OF PREPAREDNESS OF THRONE SPEECH

Right Hon. Joe Clark (Leader of the Opposition): Madam Speaker, I see that the Prime Minister's sojourn in the Soviet Union has taught him a lot about the responsibility of leaders to respond in a democratic country. Let me suggest to him that, had he stayed, the country would have been better off.

Some Hon. Members: Shame!

Mr. Clark: Some say shame. I say that in all seriousness.

The date on which the Government House Leader said that the Throne Speech was ready was the day after the House of Commons met. The Throne Speech was ready then. Is the Throne Speech ready now?

Right Hon. P. E. Trudeau (Prime Minister): Madam Speaker, it was ready some time in mid October. We had envisaged the possibility of having the Throne Speech read at the end of the month of October. There was a speech ready. It can be made ready at any time. The House Leader attempted, in discussions with his opposite numbers, to see whether we would be able to make progress before the Christmas adjournment on the very important legislation which was already before the House in this session, particularly those measures relating to the last budget and the budget before.

The Leader of the Opposition knows, if he is being kept informed by his House Leader, that for the past two weeks now we have been attempting to get some agreement on a package of legislative measures which we would be able to clear away before reading the Throne Speech. I understand that there is no agreement on the package but that there has been progress on individual bills, several of which have been processed through the House.

It is still our hope that we will be able to deal with the backlog of measures arising from two or three budgets removed, before reading the Speech from the Throne. That does not mean that we have not acted on some of the measures which would have been announced in that Speech from the Throne.

REQUEST FOR ECONOMIC ACTION

Right Hon. Joe Clark (Leader of the Opposition): Madam Speaker, what the Prime Minister or his colleague has been busy negotiating over the last little while is to try to get agreement in the Liberal Party on how they will vote on Bill C-133 and how they will vote on Canagrex. That is what he has been trying to negotiate over the last little while.

Some Hon. Members: Hear, hear!

Mr. Clark: Let me return to what this Government will do to help Canadians who are suffering because of Liberal economic policy. The Prime Minister has promised that there will be bold and innovative action on the economy in the Throne Speech. His House Leader says that the Throne Speech is ready. Why does the Government wait for the Throne Speech to begin action to solve the economic problems of the country? Why will he not bring in economic action now to help the hundreds of thousands of Canadians who are in need and who are losing hope with each passing day?

• (1420)

Right Hon. P. E. Trudeau (Prime Minister): The Leader of the Opposition misses the point. The Throne Speech was ready. In view of the fact we did not begin the session with the Throne Speech, but, rather, postponed it, as I say, until we deal with this legislative backlog, we announced those measures, some by the Minister of Finance in his statement at the beginning of this part of the session. Another announcement which was to be in the Throne Speech was concerning the Royal Commission.

Some Hon. Members: Oh, oh!

Mr. Trudeau: These are examples of measures taken, including one involving $1,100 million, which would have been in the Throne Speech had we proceeded with the Throne Speech. Therefore, the Leader of the Opposition really must be making great efforts not to grasp, but the instrument through which the announcements were made is secondary. The important thing is that the Government has been making announcements. It has been taking bold, innovative measures in order to deal with unemployment.

GOVERNMENT POLICY AFFECTING PRIVATE SECTOR

Mr. Don Blenkarn (Mississauga South): Madam Speaker, my question is directed to the Minister of Finance. I remind the Minister that in his statement on basic economic principles of management, he said on October 27, "We must continue to rely firmly on the dynamism and the creativity of the private sector as the engine of growth in Canada".

Some Hon. Members: Hear, hear!

Mr. Blenkarn: Well, I am glad you are clapping, Doug.

He went on to say that we must improve the financial health of the private sector as well as its ability to expand and prosper. Since that time the only actions we have seen have been the allotment of $400 million to losing Crown corporations and $600 million to buy some service stations, and a further tax of $1.7 billion on employment. What further efforts have there been by the Minister of Finance to improve the health, dynamism and activity of the private sector?

Hon. Marc Lalonde (Minister of Finance): Madam Speaker, it is typical of those in the Conservative Party, I am afraid, that they would rather have a company owned by the British Government than owned by the people of Canada through their Government.

Some Hon. Members: Hear, hear!

Mr. Lalonde: However, putting that aside, I would like to remind the Hon. Member that, in the statement I made, I announced expenditures of $1.1 billion which will be directed toward job creation. I indicated that $400 million will be concentrated upon improvement of the railway system in western Canada. That will have a very significant impact on the private sector in terms of additional orders in the manufacturing sector all across Canada.

An Hon. Member: Quid pro quo.

Mr. Lalonde: In addition to the $500 million under the NEED Program, we have indicated that those funds would also be available to projects which could be sponsored in the private sector. Moreover, in my statement I announced a number of measures which were of a tax relieving nature to various sectors, small business in particular, which have made representations for relieving measures. All those measures are on the record and I would be very pleased to send a copy of my October 27 statement to the Hon. Member.

Mr. Blenkarn: The Minister will know that the cost to Canadians amounts to 47,000 person-years of employment because of his increase in unemployment insurance premiums alone. So much for his work-creating efforts.

INTEREST RATE LEVELS

Mr. Don Blenkarn (Mississauga South): I direct my supplementary question to the same Minister. Interest rates seem to be going up again. Unfortunately, they went up marginally again this week.

Some Hon. Members: Fortunately?

Mr. Blenkarn: Now we have a positive balance of payments at this point. Now, unfortunately, interest rates seem to be going up in the United States.

Some Hon. Members: Oh, oh!

Mr. Blenkarn: In view of a more positive balance of payments condition because of decreasing imports into Canada, will he direct the Bank of Canada and the chartered banks to maintain the 13 per cent prime and a lower rate of interest in Canada so that we will not get back into the swing where Canadian interest rates run 2 per cent to 6 per cent above American rates, and so that we will be able to compete in the world market and private business will have the opportunity to finance?

• (1425)

Hon. Marc Lalonde (Minister of Finance): Madam Speaker, the Hon. Member made a number of statements. The first one having to do with the loss of jobs created by the increase in the unemployment insurance contributions is completely unsubstantiated and I challenge him to prove those figures. He just cannot do it. This is just taken out of thin air and he knows, or he should know, that he has no evidence whatever to support that statement.

Some Hon. Members: Hear, hear!

Mr. Lalonde: On the second point, Treasury Bills in the United States went up 60 points in the last month, 30 points in the last week. In Canada this week they have gone up three points, or three-tenths of 1 per cent. I am surprised that my hon. friend is expressing so much concern when I did not hear him mention the issue, for 14 weeks in a row, until this week, when we have had a significant decline in interest rates in Canada.

Some Hon. Members: Hear, hear!

Mr. Lalonde: That is what we have done in the last 14 weeks.

Some Hon. Members: Hear, hear!

Mr. Lalonde: Finally, the answer to his direct question is no.

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CORPORATE SHAREHOLDING LIMITATION ACT

EFFECT ON INVESTMENT OF QUEBEC PENSION FUNDS

Hon. Edward Broadbent (Oshawa): Madam Speaker, I have a question for the Minister of Consumer and Corporate Affairs. In 1965 the then Liberal Government in the Province of Québec created the Caisse de dépôt as an instrument for

channelling Quebec pension funds into investments. The fund, then as now, is restricted to having no more than 30 per cent of the shares in any enterprise.

Considering that the Minister yesterday, before a Senate Committee, made the extraordinary assertion that Bill S-31 was necessary to stop the Caisse from creating socialism, I would like to ask him what does he mean by this when the Caisse cannot have more than 30 per cent of the shares in an enterprise on the one hand, and, secondly, what business is it of the federal Government to stop any duly elected provincial Government in Canada from creating as many public enterprises as it wants.

[*Translation*]

Hon. André Ouellet (Minister of Consumer and Corporate Affairs): Madam Speaker, I may comment that the Hon. Member's question was preceded by a very long preamble, and that the Hon. Member is a little mixed up. Once more, and it would be useful if the Hon. Member would understand this, Bill S-31 is aimed at safeguarding federal jurisdiction over interprovincial and international transport. The purpose of the bill is not to prevent an institution such as the Caisse de dépôt or other financial institutions in Canada from investing. On the contrary, they are welcome to do so. They may invest, but these provincial institutions may not own more than 10 per cent of the shares.

In many cases, Madam Speaker, 10 per cent is a great deal, and we should also remember that the financial institution referred to by the Leader of the New Democratic Party was created for the purpose of managing funds and not with a view to taking risks and becoming an active shareholder. I think that by its actions and recent statements, the Caisse has clearly shown that it is going beyond the judicious investment of Quebec's pension fund and that it has now become a company that is taking risks and playing the market with the pension premiums of Quebecers. The risk factor is, of course, a matter that is entirely up to the Caisse. It can take risks if it wants to, but we think that in an area that falls under exclusive federal jurisdiction, that is, where interprovincial and international transport companies are concerned, it should not take more than 10 per cent of that risk.

[*English*]

REASONS FOR GOVERNMENT ACTION

Hon. Edward Broadbent (Oshawa): Madam Speaker, there you have it, the ultimate in Liberal authoritarianism and paternalism, just what creates a lot of problems, not just in Quebec but all over the country.

• (1430)

Since the Minister is constitutionally quite correct that the federal Government has authority to regulate in this field, why does the Government not rely on regulation? If the Province of Quebec does something contrary to the national interest in terms of its activity in the transportation field, or any other Province does something that is contrary to the national interest, then take action. Why is the Government moving now to stop a provincial government from using its funds to create a public enterprise? Why is it prejudging the use of these funds?

[*Translation*]

Hon. André Ouellet (Minister of Consumer and Corporate Affairs): Madam Speaker, in my opinion we are certainly not prejudging or drawing conclusions in advance. The bill is not aimed at preventing any normal activity by companies that are controlled by provincial governments. We have clearly established the rules of the game in an area that falls under federal jurisdiction, precisely because we want to avoid coming back later with legislation that would take effect retroactively. I see the bill as a preventive measure being taken by the government that is entirely appropriate in the present circumstances. As for reactions to the bill and recent statements by the President of the Caisse, who said that he had $1 billion to invest over the next four years in transport companies—well, let him invest them. One Member in the House has suggested that the Caisse purchase Québecair. He can go right ahead. He has our permission. He can go and invest in any Canadian company he likes, but we say that he may not invest in more than 10 per cent of capital shares in companies involved in interprovincial and international transport.

[*English*]

FUTURE OF QUEBEC INVESTMENT PLANS

Hon. Edward Broadbent (Oshawa): Madam Speaker, what hypocrisy. Just a few minutes ago the Minister's colleague took pride in the fact that we have a publicly- and federally-owned Petro-Canada. This Minister is now saying that no Province can take similar public action. That is sheer and utter hypocrisy. It is all right for the CPR or Exxon to have more than 20 per cent, more than 10 per cent in the shares of transportation companies, but the Minister says it is not all right for the Province of Quebec. That is totally unacceptable in a democracy.

To get back to a mere matter of dollars and cents that the Minister perhaps understands, is he aware that the President of the Caisse has said that this regrettable authoritarian decision of the federal Government will possibly cost the people of the Province of Quebec some $100 million because the Caisse was planning to invest in excess of $1 billion in transportation over the next four years? Is the Minister further aware that, as a result of this reprehensible action of the federal Government, if it gets away with it, instead of investing in transportation in Canada, the Caisse may have to take its money and invest in Europe or the United States? Is that desirable?

[*Translation*]

Hon. André Ouellet (Minister of Consumer and Corporate Affairs): Madam Speaker, we should take a close look at the

statement made by the President of the Caisse. I find that what he said was grossly exaggerated and without any basis in fact. Clearly, the President of the Caisse did not read the bill and did not understand it, if he is under the impression that he could lose that amount of money, since he is free to invest in any Canadian company, and can continue to do so in interprovincial and international transport companies for up to a maximum of 10 per cent of their shares. He therefore has tremendous investment opportunities, and he should take advantage of them. This threat that the Caisse will go and invest the money elsewhere is, as my hon. colleague said, blackmail, and it is typical of the series of comments we have had from two provincial politicians, Mr. Clair and Mr. Parizeau, who objected to this bill and whose erroneous statements proved to be totally unfounded. I may add that this is the third statement masterminded by the Parti Québécois government and it is as erroneous and unfounded as the others.

* * *

AIR TRANSPORT

FUTURE OF QUÉBECAIR

Hon. Roch La Salle (Joliette): Madam Speaker, my question is directed to the Minister of Transport. I hope the minister will ignore what the Minister of Consumer and Corporate Affairs said about letting the Caisse de dépôt invest in Québecair. Last week, I believe the Minister of Transport had a very serious discussion with his Quebec counterpart. According to the press, there was an undertaking that within ten days, the federal Minister of Transport would be making a public statement on a proposal that, it seems, would help save Québecair. Can the minister inform the House whether this deadline will be observed and what kind of proposal he intends to make?

Hon. Jean-Luc Pepin (Minister of Transport): In fact, Madam Speaker, on the subject of investments by the Quebec government in Québecair, I would like to inform the House that we have exempted Québecair from the provisions of Bill S-31, and consequently, the government of Quebec may invest in Québecair as much at it likes. And why did we do that? Simply because it was clear to everyone that the purpose of this legislation is to prohibit a province from having an interest in an interprovincial carrier that might be prejudicial to the interests of another province. Since that was not the case with Québecair, there was no reason why we should not grant an exemption in this case. I think that is clear. As for my discussions with Mr. Clair, I would like to point out that Mr. Clair has given me a series of ultimatums which have changed substantially in the course of time, because the most recent one was to get him out of the mess he got himself into when, in July 1981, the Quebec government undertook to prevent a merger of the two carriers—I am referring to Nordair and Québecair—that was being planned at the time.

The Quebec government was no longer responsible at that point, but it poured $15 million into Québecair and as a result became involved, for better or for worse. For worse, as it turned out. And now, Mr. Clair's ultimatum is that I should get him out of this mess. Some ultimatum. However, I will try to—

Madam Speaker: Order, please! The Member for Joliette, with a supplementary.

INQUIRY WHETHER MINISTER INTENDS TO SAVE QUÉBECAIR

Hon. Roch La Salle (Joliette): Madam Speaker, I am very sorry to see that government Members are applauding the present situation at Québecair. My question is as follows. In my view, the minister was not clear, and he did not answer my question. Considering the policy on regional transport the minister is to announce shortly, and considering that the minister is well aware of the situation at Québecair and the rate of unemployment in Quebec, could the minister have the decency to stop attacking others and inform the House whether this policy will contain a proposal that will enable this company to take its place among air transport carriers in Canada, and will save the jobs of 900 employees? Today, that is what counts.

Hon. Jean-Luc Pepin (Minister of Transport): Madam Speaker, that is exactly what I said in reply to the previous question. Perhaps my hon. friend failed to hear what I said then. That is exactly what I shall be bearing in mind, namely, saving as many jobs as possible for Québecair employees, in drafting the proposal I shall be making within the next few days, but of course, I do not have the kind of authority Mr. Clair has to send out ultimatums or replies to ultimatums. I am consulting my colleagues about the proposal I intend to make. I do not like the ultimatum approach at all. I think it is undignified, but I am preparing this reply, and I shall be sending it to Mr. Clair as soon as possible, which will be very shortly.

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[*English*]

FISHERIES

PEARSE COMMISSION REPORT—RECOMMENDATIONS AFFECTING WEST COAST FISHERMEN

Hon. John A. Fraser (Vancouver South): Madam Speaker, my question is for the Minister of Fisheries and Oceans. It concerns the Pearse report on the West Coast fishery. On October 27 the Minister was asked by the Hon. Member for Richmond-South Delta if he was intending to recommend action to Cabinet on the Pearse Report, and he answered, "as

soon as possible". On November 8, replying to the Hon. Member for Esquimalt-Saanich, the Minister said, "I hope to be starting the implementation of Pearse's recommendations in the very near future." Last week a fisheries conference held in Victoria resolved that "no policy action should be taken until the proposed Pacific Fisheries Council is in place and it has an opportunity to develop carefully considered views on each issue."

• (1440)

Because it is causing great concern on the West Coast, can the Minister give this House assurance that there will in fact be no implementation of Dr. Pearse's recommendations until the Fisheries Council can advise the Minister what recommendations, and the timing thereof, are appropriate for government action?

Hon. Pierre De Bané (Minister of Fisheries and Oceans): Madam Speaker, I am pleased to inform the Hon. Member that I will be on the Pacific Coast this weekend, and will be meeting with the Fisheries Council. I have met with Dr. Pearse, the President of the Commission of Inquiry. We have done a lot of work in the Department assessing each of the over 300 recommendations which he has made, and I can tell the Hon. Member that I will be moving to implement as many of the recommendations of Dr. Pearse as possible in very close consultation with the Pacific Fisheries Council, and I hope to be able to make a statement on this matter as soon as possible.

REQUEST THAT COMMITTEE STUDY REPORT BEFORE ACTION TAKEN

Hon. John A. Fraser (Vancouver South): Madam Speaker, of course the Minister will know that the fishermen on the West Coast want a very different kind of council than the Minister is speaking of, and it is that newly formed Council which wants to discuss the matter with the Minister.

On November 16 the Hon. Member for Surrey-White Rock-North Delta asked the Minister if he could deny that he intended to implement the Pearse recommendations before Christmas. The Minister replied, "I would not be able at this time to make a definite answer." My question to the Minister, and it is a serious one, and I think a fair one, is to ask whether the Minister is prepared to hold off action until the House Fisheries Committee can consider the Pearse Report and consider the position of the fishermen and the industry.

Hon. Pierre De Bané (Minister of Fisheries and Oceans): Madam Speaker, on the first part of the question of the Hon. Member, the organizational body which we have at the moment to advise the Minister represents the different segments and the different regions of the fisheries industry on the Pacific Coast and, of course, if those different representatives are of the opinion that we could devise a more representative organization, I am ready to hear every suggestion in that regard.

On the question of the implementation—as you know, the 300 recommendations are very different in scope and consequence, et cetera. I think there are a good number of them which are non-contentious and I can move on these recommendations after having assured myself to what extent the different organizations support them. I do not think it would be wise on my part to say today that I will not implement any of those 300 recommendations, even those which are of the "motherhood" type, without going through the various processes. All I can tell you is that I will assume my responsibility. I know that in some particular instances, such as the licensing and the bidding points, there is a lot of contention, and, obviously, I will not be moving without very careful consultation.

KIRBY TASK FORCE RECOMMENDATIONS—MINISTER'S DISCUSSIONS WITH EAST COAST COUNTERPARTS

Hon. James A. McGrath (St. John's East): Madam Speaker, I have a related question for the Minister of Fisheries and Oceans. The Minister was in the Atlantic Provinces last week. He met with some of his counterparts. Did he discuss with them the recommendations of the Kirby Task Force? Was there a consensus arising out of these discussions? Otherwise, can the Minister tell the House what he did discuss?

Hon. Pierre De Bané (Minister of Fisheries and Oceans): Yes, Madam Speaker, I did have the pleasure of meeting with my counterparts in New Brunswick, P.E.I. and Newfoundland. I hope in the next few days to go to Nova Scotia also.

As for the Province which my hon. friend represents, I can tell him that I had a very positive meeting with the Minister of Fisheries, Mr. Morgan, and with Premier Peckford, and what I told them about those matters of federal jurisdiction in fisheries, was that the Prime Minister and my predecessor acted a year ago, and that a Cabinet committee is studying the report. I received the final draft of the Kirby Report about a week ago, and we have not lost time. I know there are other sectors which are of provincial jurisdiction, such as the processing plants, and there, too, I am very positive.

In a nutshell, I can tell you what I have said to Premier Peckford: I would like to integrate the Newfoundland dimension and to give it an essential part in the fisheries policy of my Department on the Atlantic. On the other hand, I expect from him understanding and co-operation with respect to the broad national perspective also. I was glad when he told me he understands it is a two-way street, and I said exactly that.

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CULTURAL AFFAIRS

WOMEN'S REPRESENTATION—OMISSION FROM COMMITTEE RECOMMENDATIONS

Ms. Lynn McDonald (Broadview-Greenwood): Madam Speaker, my question is directed to the Minister of Communications. Many women's organizations presented briefs to the Applebaum-Hébert Committee documenting inequalities in earnings for women artists, the under-representation of women in policy making, on juries making grants, and correlation

between the under-representation of women on juries and grants actually made, and the frequent rejection of women's issues and ideas in programming.

Of the 101 recommendations made in this report, not one addresses these problems. I would like to ask the Minister what he is prepared to do now to see these concerns are seriously addressed and measures are taken to remedy them?

Hon. Francis Fox (Minister of Communications): Madam Speaker, as the Hon. Member points out, a number of submissions were made to the Applebaum-Hébert Committee along the lines the Hon. Member has just indicated. I believe many of those statements or positions were reflected in the first report issued by Applebaum-Hébert, which was a compendium of the views presented to it. While none of the 101 recommendations addressed that particular point, I think there are passages in the Applebaum-Hébert Report where they do indeed note the fact that there is under-representation, both on boards, commissions, and within juries established within the various agencies.

As I have indicated in the House when the Applebaum-Hébert Report became public, it is our intention to review the Report. We would like to see a very important in-depth debate on the Report. Obviously there are some areas where other points of view should be made and improvements can indeed be made on parts of the Report. We will look at those suggestions with an open mind.

MINISTER'S POSITION

Ms. Lynn McDonald (Broadview-Greenwood): Madam Speaker, surely the Applebaum-Hébert Committee is not blind. They were able to read the briefs which were brought before it, and they do admit some of these problems exist. I would suggest to the Minister that the test of a commitment to equality is when some practical problem comes up. It is not enough just to put it into the Charter of Rights. I would remind the Minister there has been a commitment made very specifically in the United Nations Convention on the elimination of all forms of discrimination against women. Is the Minister going to stand with this Convention and the Charter of Rights, or is he going to continue to agree with Applebaum-Hébert that this sorry state of affairs is quite acceptable? Is he actually going to do something practical to address these questions and not merely admit they exist?

Hon. Francis Fox (Minister of Communications): Madam Speaker, the record of this Government is indeed to address practical problems in a practical way.

Mr. Clark: Name one.

Mr. Fox: If there is in the Canadian Constitution what our American colleagues refer to as an Equal Rights Amendment, that is due to the efforts of the Members on this side of the House. Obviously it is a principle to which we are committed and a principle upon which we act on a daily basis, in good part through the help of my colleague, the minister responsible for the status of women.

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PUBLIC SERVICE

GOVERNMENT INTENTIONS WITH RESPECT TO INDEXED PENSIONS

Hon. Walter Baker (Nepean-Carleton): Madam Speaker, in the absence of the President of the Treasury Board I would like to direct a question to the Prime Minister. As the Prime Minister knows, Bill C-133, which is an Act to amend the Supplementary Retirement Benefits Act, has been on the Order Paper for some time. Some Members of his Party have spoken publicly against the Bill and said they would not support it. I know there are others who have not spoken publicly. I should like to know that the intentions of the Prime Minister and the Government are with respect to that Bill. Do they intend to proceed with the Bill as part of the Government's legislative program, or do they intend to withdraw that Bill?

• (1450)

Right Hon. P. E. Trudeau (Prime Minister): Madam Speaker, I know for a fact that this bill has been put on the list to which I referred earlier in the Question Period, that is, the list of bills on which we would like to negotiate a timetable with Opposition House Leaders. Therefore, we intend to proceed with the Bill, but at a time that we hope will be determined through discussion and negotiation.

EFFECT OF AMENDING LEGISLATION

Hon. Walter Baker (Nepean-Carleton): Madam Speaker, I take it that what the Prime Minister is saying is that the Government now intends to proceed with the Bill in its present form. If that is so, is he aware of the commitment he and the former President of the Treasury Board made that "—the federal Government remains dedicated to the principle that public servants' pensions are to be protected from inflation"? Is he not aware that this Bill is a breach of that contract and agreement, and is seen as such?

Right Hon. P. E. Trudeau (Prime Minister): Madam Speaker, I regret to observe that the Hon. Member does not seem to have understood, in any sense, the meaning of the six and five program which was introduced in the June budget. The Hon. Member talks of protection against inflation. It is to protect Old Age Pensions and Family Allowances against inflation that the Government introduced indexation many years ago. As we have explained many times in discussion of the six and five program, our objective is to see that inflation does reach 6 per cent next year and 5 per cent the year after. In that sense, all those who accept a reduction in advance to six and five will be contributing to something that the whole country seems to want. The whole country, except perhaps

some Hon. Members opposite, seems to agree that 6 per cent inflation is better than 12 per cent, and that if Canadians want to reach 6 per cent collectively, they can do it.

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THE ECONOMY

CONVENING OF FEDERAL-PROVINCIAL CONFERENCE OF FINANCE MINISTERS

Mr. Ray Chénier (Timmins-Chapleau): Madam Speaker, my question is directed to the Minister of Finance. Lately there have been suggestions that a federal-provincial conference on the economy should be held. I should like to know if the Minister of Finance could inform the House if he will be inviting his provincial counterparts to a federal-provincial conference of Finance Ministers in the near future.

Hon. Marc Lalonde (Minister of Finance): Yes, Madam Speaker, there have been suggestions to that effect. I have, indeed, been in touch with my provincial colleagues and have suggested that there be a conference of Ministers of Finance on December 17. I have received positive answers from nine Ministers, and I hope the tenth positive answer will arrive soon.

INQUIRY RESPECTING POSSIBLE FIRST MINISTERS' CONFERENCE

Right Hon. Joe Clark (Leader of the Opposition): Madam Speaker, my question is for the Prime Minister. Just the other day the Acting Prime Minister said he would not advocate a federal-provincial conference on the economy. When did the Government change its mind, and why?

Hon. Marc Lalonde (Minister of Finance): Madam Speaker, quite clearly I have indicated that we were going to have a federal-provincial conference of Ministers of Finance. The Leader of the Opposition was asking about a conference of First Ministers, the other day. I am amazed—well, I am not amazed; it is par for the course that the Leader of the Opposition cannot make a distinction between a conference of Ministers of Finance and a conference of First Ministers.

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ENVIRONMENTAL AFFAIRS

REQUEST FOR RECONSTITUTION OF SPECIAL SUBCOMMITTEE ON ACID RAIN

Mr. Stan Darling (Parry Sound-Muskoka): Madam Speaker, my question is directed to the Minister of the Environment. I am sure the Minister is aware and that he shares with me a great concern over the serious acid rain problem. We know this is an ongoing and serious problem. I would point out to the Minister that all Members of the former Special Subcommittee on Acid Rain have recommended the reconstitution of that Committee on an ongoing basis. I would further point out that the precedent exists for this in the continuation of the Subcommittee on the Disabled. The reconstitution of the Committee on this basis would provide ongoing and very important assistance to the Minister. I therefore ask the Minister if he will take immediate steps to see that this important Subcommittee is reconstituted.

Hon. John Roberts (Minister of the Environment): Madam Speaker, it is not for me to direct the Committee, but I would certainly welcome a decision by its Members to establish such a sub-committee and to continue with the work it has done in the past. The work done by the Subcommittee has been extremely valuable and helpful. Now that a new Congress has been elected in the United States I think it would be a great opportunity for Members on all sides of the House to take our important concern about acid rain to Congress. That is one of the functions that such a sub-committee might be able to pursue.

As far as I am concerned I would welcome such an event if it were to take place, but it is in the hands of the Members of that Committee if they wish to reconstitute it in that way.

Mr. Darling: Madam Speaker, I am certainly delighted to hear the comments of the Minister on this subject.

PARLIAMENTARY PHOENIX?

Mr. Stan Darling (Parry Sound-Muskoka): Madam Speaker, the Minister is aware that he has had representations from the Chairman of the Committee and all Members of the Committee. I, personally, wrote to him about this some months ago. We were under the impression that the directive would have to come from the Minister and that the Minister would probably have to seek the permission of the House.

Am I to understand that we can rise from the ashes and become an active committee again?

Mr. Lawrence: Rise from the acid!

Hon. John Roberts (Minister of the Environment): Madam Speaker, I do not know whether the Hon. Member can rise from the ashes.

Mr. Cullen: He will have to get his "ash in gear".

Some Hon. Members: Oh, oh!

Mr. Roberts: My hon. colleague has made a comment which I think I ought not to repeat.

All I can say is that if Members engage in that very useful activity I would welcome it. If there is some impression that I am resistant to such an idea, that impression is entirely false. It is not the Minister who directs the work of the Committee. I would suggest that the Steering Committee should meet and seek a House order for that purpose.

PUBLIC SERVICE

SUPERANNUATION FUND SURPLUS

Mr. Rod Murphy (Churchill): Madam Speaker, my question is also for the Minister of Finance. As a result of the June 1982 budget, it was announced that Bill C-133 would be implemented and that this would restrict increases in the Public Service pension plan by 6 per cent and 5 per cent for the next two years.

For the last year I have had a question on the Order Paper in an attempt to determine the amount of surplus in the Public Service superannuation fund. Would the Minister confirm that that surplus is in the neighbourhood of $14 billion? If that is true, can he explain why he is imposing the six and five program on people whose average pension is $8,000 per year, and on spouses drawing a Public Service pension whose income is only $3,000 per year?

[*Translation*]

Hon. Marc Lalonde (Minister of Finance): Madam Speaker, I am not in a position to confirm the figure given by the Hon. Member, but I shall check exactly what the figures are. What I can confirm, however, is that indexing pensions of public servants is costing the Consolidated Revenue Fund—in other words, Canadian taxpayers—several hundreds of millions of dollars, and that the indexing subsidy is not taken from the contributions of public servants or the government's employer contribution but from the Government of Canada which collects taxes from all Canadians. So I would remind the Hon. Member that all Canadian taxpayers are contributing to indexing, and that what we are asking in this bill is that retired public servants share in the general effort being made throughout the country by all citizens to reduce inflation and stimulate the economy, and both pensioners and the rest of Canada will benefit.

[*English*]

Mr. Murphy: Of course, by separating the supplementary pension plan from the superannuation plan, the Government makes it look as if the indexing is costing taxpayers some money. That $14 billion surplus means that the Government is still ripping off retired Civil Servants.

REQUEST FOR FREE VOTE ON AMENDING LEGISLATION

Mr. Rod Murphy (Churchill): My supplementary question is directed to the Prime Minister, Madam Speaker. In an earlier response to a question put by a Member of the Conservative Party he spoke about the fact that that Party did not support the six and five program. He is wrong, Madam Speaker; it did support the six and five program.

My question relates to support within the Prime Minister's own caucus. This morning the Deputy Speaker said on radio that he would not support Bill C-133. Other Liberal backbenchers have indicated the same thing. Is the Prime Minister willing to let those Members have a free vote on that legislation in the House, even though it could bring down the Government, if the Conservatives show up to vote?

• (1500)

Right Hon. P. E. Trudeau (Prime Minister): Madam Speaker, the Hon. Member is misquoting what I said just a few minutes ago. I did not say that he, that Member of the NDP, does not support the six and five, nor did I even say that the Hon. Member for Nepean-Carleton did not support it. I said that I did not think he understood the philosophy and reason behind the six and five, that generally we are attempting to create a six per cent society of prosperity in Canada next year, and that a lot of people are co-operating and willing to take the risk that Canada will be at a six per cent rate of inflation. That is the object, and that is what I was saying to these Members to whom the Hon. Member referred. I am sure that is something they will understand too.

I have not been involved in the discussions which the Hon. Member seems to know about, but it is something I have been trying to explain; as a matter of fact I did three television programs on it.

Some Hon. Members: Hear, hear!

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[*Translation*]

PETITION

MR. HALLIDAY—PROPOSED SHIFT OF FEDERAL SALES TAX

Madam Speaker: I have the honour to inform the House that the Clerk of the House has laid upon the table the 334th Report of the Clerk of Petitions stating that he has examined the petition presented by the Hon. Member for Oxford (Mr. Halliday) on Wednesday, November 17, 1982 and finds that the petition meets the requirements of the Standing Orders as to form.

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[*English*]

BUSINESS OF THE HOUSE

WEEKLY STATEMENT

Mr. Nielsen: Madam Speaker, I should like to address the usual Thursday question to the Government House Leader and ask him what will be the business for today, tomorrow and as far into next week as possible.

In light of the fact that in the ten useful Government sitting days since returning we have disposed of eight pieces of legislation, I am wondering, since the Government seems to attach great urgency to Bill C-133 relating to the pensions of public servants, whether he will bring it forward tomorrow so that we could deal with it expeditiously.

Mr. Pinard: Madam Speaker, on the last point I am surprised that my colleague did not request that permission this

morning when we met. It is a surprise to me. I am open-minded to such a suggestion, as I have been since the beginning of this part of the session on October 27. This is the first time I have had a firm proposal on a specific Bill. As he knows, I have submitted a list of 17 Bills to him and I am awaiting his answer in terms of a reasonable timetable to dispose of any of those Bills, including Bill C-133. As I say, this is the first time I have heard a specific suggestion on one of those Bills, but I deplore the fact that it was not raised in time for me to establish the business for next week.

In answer to the usual Thursday question on House business for the coming days, I will take into consideration the constructive suggestion of the Hon. Member, hopefully within a reasonable length of time. Today we will be dealing with Bill C-95, which will provide some money for the Calgary Olympics, followed by Bill C-131, capping the Old Age Security Act, and tomorrow the first item of business will be Bill C-119, then Bill C-96 and Bill C-12.

[*Translation*]

As far as the business of the House for next week is concerned, Madam Speaker, on Monday the first item on the agenda will be Bill C-91, to amend the Public Works Act and Public Lands Grants Act. Still on Monday, this legislation will be followed by Bill C-98, to amend the Canada Agricultural Products Standards Act. This legislation will be of considerable interest to our farmers. Tuesday, will be an opposition day, and on Wednesday and Thursday we shall be considering only those bills arising from the last budget, with preference being given to bills reported back to the House by the various committees. The House is aware that two bills arising from the last budget are now at the committee stage. They concern legislation to reduce interest rates for farmers and small businesses, and so if the report is on time, priority will be given on Wednesday to third reading of these bills. Subsequently, still on Wednesday and Thursday, we shall be considering Bill C-131 and C-132, and if we should run out of items on the order paper on one of those days, I am sure the Opposition will be glad to hear that the Canagrex Bill will be kept in reserve to occupy the final minutes of the sittings of the House. For the time being, Mr. Speaker, that is the business of the House for today and up to and including next Thursday. As usual, I can inform the House, in reply to the customary question, that all this is subject to change, on reasonable notice.

[*English*]

Mr. Nielsen: Madam Speaker, what prompted me to suggest today dealing with Bill C-133, the capping of Public Service pensions, were the remarks of the Prime Minister and the seemingly urgent ranking which he attached to that legislation. That is the reason it was not raised this morning.

The Government House Leader has asked for agreement on a timetable, but I do not think he would quarrel with the fact that the passage of almost one Bill per day in ten days is a pretty speedy record of dealing with Government legislation and passing it, notwithstanding filibusters such as that launched by the Minister of State for Finance the other night on his own legislation; he tried to prevent it from going through.

Rather than dealing with the legislation proposed by the Government House Leader for tomorrow, namely Bill C-119, an Act to repeal certain statutes, which is housekeeping legislation at its very minimum, and Bill C-96, the Financial Administration Act, if there is that degree of urgency and if the Government is serious about Bill C-133, the capping of Public service pensions, I invite the Government to bring it forward. It has the assurance of the Official Opposition that we will deal with it extremely expeditiously.

Mr. Deans: Madam Speaker, first of all I am surprised that the House Leader of the Conservative Party has attempted to negotiate on the floor of the House after the many times he chastised me for similar kinds of things. However, I suggest that if the Government would like to call Bill C-133, of course we would be prepared to deal with it, but we certainly do not intend to deal with it expeditiously.

[*Translation*]

Mr. Pinard: Madam Speaker, I have taken note of the representations made by my hon. colleagues opposite, and my conclusion is that the Hon. Members would like to be able to do my job. I am afraid, however, that for the next three years they will have to let the Government decide what will be on the agenda.

ROUTINE PROCEEDINGS

[*Translation*]

AGRICULTURE

PRESENTATION OF EIGHTH REPORT OF STANDING COMMITTEE

Mrs. Éva Côté (Rimouski-Témiscouata): Madam Speaker, I have the honour of tabling, in both official languages, the Eighth Report of the Standing Committee on Agriculture.

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

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[*English*]

CHARTER OF RIGHTS

TABLING OF MANUAL OF COMMENTARIES

Hon. Mark MacGuigan (Minister of Justice): Madam Speaker, pursuant to Standing Order 41(2), I am pleased to lay upon the Table of the House copies of the Department of Justice Manual of Commentaries on the Charter of Rights and Freedoms.

This manual is what I referred to in my dialogue last week with the Hon. Member for Saskatoon West (Mr. Hnatyshyn) as the federal white book of Charter interpretations.

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AGRICULTURE

EGG PRODUCTION—TABLING OF REPORT OF INQUIRY AND RESPONSE THERETO OF NATIONAL FARM PRODUCTS MARKETING COUNCIL

Hon. E. F. Whelan (Minister of Agriculture): Madam Speaker, in accordance with the provisions of Standing Order 41(2), I would like to table in both official languages the response of the fact finding inquiry into egg production costs to the National Farm Products Marketing Council and the response of the National Farm Products Marketing Council to the report of the fact finding inquiry into egg production costs.

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PETITIONS

MR. GREENAWAY—CALL FOR INSTALLATION OF MAIL BOX IN LILLOOET, B.C.

Mr. Lorne Greenaway (Cariboo-Chilcotin): Madam Speaker, it is my duty to present a petition signed by 338 citizens of Lillooet in the Cariboo-Chilcotin riding of British Columbia.

The purpose of this petition is to cause the Canada Post Corporation to instal a street letter box at the Old Mill Shopping Plaza in Lillooet. The petitioners have been trying to obtain a letter box for the past 14 months without success. The nature of the petition is to demand that the Minister responsible for the Canada Post Corporation instruct the Chief Executive Officer to instal a letter box at the Old Mill Plaza.

• (1510)

The petitioners hope that, in your examination of the petition, you will find it in order and that you will exercise the discretionary powers vested in the office of Speaker of the House to allow discussion at the earliest possible time in order that the citizens of Lillooet may finally obtain their long sought mail box.

MR. FULTON—TESTING OF CRUISE MISSILE ON CANADIAN SOIL

Mr. Jim Fulton (Skeena): Madam Speaker, I have the honour to present a petition from the residents of northern British Columbia. This petition deals with their widespread concern about the issue of disarmament and peace. These residents also request that the federal Government's plan to allow the American Cruise missile testing in Canada is contrary to their goal of disarmament and peace. Therefore, the petitioners humbly pray that the federal Government will end its agreement with the American military to test the Cruise missile on Canadian soil.

Order Paper Questions

OLD AGE SECURITY ACT

AMENDMENT TO CHANGE TITLE OF ACT

Mr. D. M. Collenette (York East) moved for leave to introduce Bill C-663, to amend the Old Age Security Act.

Some Hon. Members: Explain.

Mr. Collenette: Madam Speaker, the purpose of this Bill is to change the name of the Old Age Security Act to the "Senior Citizens' Benefits Act", thereby striking from the existing Act the words "old age" which, in my view, discriminate against many senior citizens by suggesting that they, at the age of 65, are no longer capable of leading a productive life and are no longer capable of making a valuable contribution to Canadian society. This kind of change is even more important today as Canada's population rapidly gets older.

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

* * *

QUESTIONS ON THE ORDER PAPER

(Questions answered orally are indicated by an asterisk.)

Mr. David Smith (Parliamentary Secretary to President of the Privy Council): Madam Speaker, the following questions will be answered today: Nos. 4,382, 4,384, 4,406 and 4,425.

[*Text*]

INCOME TAX ACT

Question No. 4,382—**Mr. Anguish:**

Is the official residence of the (a) Prime Minister (b) Leader of the Opposition considered to be a taxable benefit and (i) if so, for what reason (ii) if not, for what reason?

Hon. Pierre Bussières (Minister of National Revenue): (a) and (b) No. (i) N/A. (ii) The Income Tax Act specifically excludes from income from office or employment allowances for personal or living expenses that are expressly fixed in an Act of the Parliament of Canada. The Official Residences Act provides for residences for the Prime Minister, the Leader of the Opposition and the Speaker of the House of Commons. This same Act also provides for the furnishing, maintenance and heating and improvements to the building and land.

OIL AND GAS TAXATION

Question No. 4,384—**Mr. Bosley:**

1. What amount did the Government receive from oil and gas taxation in the first quarter of (a) 1982 (b) 1981?

2. What was the income from postage in the first quarter of (a) 1982 (b) 1981?

Mr. David Smith (Parliamentary Secretary to President of the Privy Council): I am informed by the Department of National Revenue and the Canada Post Corporation as follows:

Order Paper Questions

	(a) First Quarter 1982	(b) First Quarter 1981
1. Gasoline excise tax	$ 122,909,631	$ 129,757,181
Marketable pipeline gas	217,157,966	126,124,085
Canadian ownership increase—gas	66,402,240	—
Natural gas liquids	28,837,763	—
Canadian ownership increase—liquids	6,700,988	—
Petroleum and gas revenue	288,798,271	1,703,815
Resources royalty revenue	17,040,580	2,702,532

2. (a) January-March 1982 ($ million)	(b) January-March 1981 ($ million)
576.4	381.2

MINISTERIAL AND DEPARTMENTAL DUTIES OF MINISTER OF STATE

Question No. 4,406—**Mr. Mitges:**

What are the ministerial and departmental duties of the Minister of State, the Hon. Member for Hochelaga-Maisonneuve?

Mr. David Smith (Parliamentary Secretary to President of the Privy Council): Prior to October 6, 1982, the Member for Hochelaga-Maisonneuve was a Minister of State appointed under the provisions of the Ministries and Ministers of State Act. He was for administrative purposes supported by the Department of the Secretary of State and performed such duties as were from time to time assigned to him by the Prime Minister.

CANADA EMPLOYMENT RETRAINING PROGRAMS

Question No. 4,425—**Mr. Gurbin:**

1. In 1981, how many persons were enrolled in Canada Employment Retraining Programs in (a) Ontario (b) Canada?

2. In 1981, how many persons enrolled in such Programs were successful in finding jobs in (a) Ontario (b) Canada?

3. What amount has been spent on advertising the Programs?

Hon. Lloyd Axworthy (Minister of Employment and Immigration):

1. (a) 57,027 trainees started Institutional Training courses
19,323 trainees started Industrial Training courses
3,361 trainees started Critical Trade Skills Training courses

(b) 219,494 trainees started Institutional Training courses
67,746 trainees started Industrial Training courses
5,486 trainees started Critical Trade Skills Training courses

2. Of those institutional full-time, non-apprentice trainees completing courses in the April, 1981 to September, 1981 period: (a) 59 per cent of those taking courses in Ontario found employment; and (b) 52 per cent of trainees across Canada found employment.

This information comes from a three-month follow-up survey of institutional training. Similar information is unavailable for industrial training or Critical Trade Skills Training.

3. $1,266,088 was spent on advertising the programs.

[*English*]

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

Mr. Stevens: Madam Speaker, I rise on a point of order. Once again I ask the Parliamentary Secretary to the President of the Privy Council to explain to the House if he can, why question No. 2,042 which was originally posed in January, 1981, with respect to the Prime Minister's December-January 1980-1981 world tour has not yet been answered. The Prime Minister has just been to Moscow. Do I have to ask a question similar to question No. 2,042 for all of the Prime Minister's trips? Perhaps the Parliamentary Secretary can tell me what the specific reason is why the Canadian people are being denied the truth as to what these trips are costing.

Mr. Smith: Madam Speaker, there is certainly no suggestion of the Government wanting to hide the truth on this or other questions of this nature. At this point in time we have answered 82 per cent of the questions put on the Order Paper in this session. I will, of course, be delighted to look into this matter on behalf of the Hon. Member.

Mr. Murphy: Madam Speaker, I also rise on a point of order. I have a question outstanding on the Order Paper, No. 3,487, which I asked on November 26, 1981. It is with regard to the Public Service Superannuation Account and I inquired about the windfall profits which the Government realized on those accounts. I believe the Government is making these gains because it is paying only 11 per cent on the accounts while the Government would normally have to borrow money at 13 per cent. Those questions covered by Order Paper question No. 3,487 must be answered before Bill C-133 is introduced into this House; otherwise we will be unable to have any logical and clear debate on the matter. It is my understanding that the Government has in excess of $14 billion in that account at this time. We would like question No. 3,487 answered before we debate Bill C-133.

Mr. Smith: Madam Speaker, I do not recall having looked into the progress of the answers to that particular question. I would be happy to do so on behalf of the Hon. Member.

[*Translation*]

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

Some Hon. Members: Agreed.

GOVERNMENT ORDERS

[*English*]

ATHLETIC CONTESTS AND EVENTS POOLS ACT

MEASURE TO PROVIDE GOVERNMENT OPERATED POOL SYSTEMS

Hon. Gerald Regan (for the Secretary of State) moved that Bill C-95, An Act to provide for Government operated pool systems on combinations of athletic contests and events and to amend the Criminal Code and the Income Tax Act, be read the second time and referred to the Standing Committee on Communications and Culture.

He said: Madam Speaker, in rising to participate in the debate on Bill C-95, I want to urge all Hon. Members of the House to support it. The legislation has been in the House having received first reading nearly a year ago. I believe it is very important in relation to a number of worth-while causes.

May I say that the first idea of such legislation came to me at some period after a group of very bright and ambitious young men from Calgary visited my office shortly after I had assumed the office of Minister responsible for fitness and amateur sport in the spring of 1980. Their idea was for Canada to host the Winter Olympics in the west with Calgary being the site, in the same way that the east was the host of the Summer Olympics, the site being Montreal back in 1976, which was a very successful occurrence. At that time these young men outlined to me what would be necessary in relation to financing from the federal Government, from the provincial Government and from the municipality in hosting the 1988 Winter Olympics if Calgary were to be successful in its bid to have the Winter Olympics awarded to Canada.

In the course of my discussion I made it quite plain that in these times it was not possible to contemplate the amount of money necessary for this worth-while purpose being provided from tax dollars. With the levels of taxation as they have to be in a country of this type in order to provide the many public services that are demanded and with so many demands on those moneys, it was not a practical undertaking for the Government of Canada to pay, out of moneys derived from taxes, the amount of support that would be necessary if these games were to take place.

I indicated, however, that it seemed to me it was the responsibility of a national government to co-operate in a worth-while project of this type. Not only had the Summer Olympics been tremendously successful in the development of our amateur sport relating to summer sports, but this occasion would give an opportunity for the advancement of our athletes who participate in winter sports in the same way. Not only would the Winter Olympics be beneficial from the point of view of the vast improvement in facilities which would be available after the games to the general public, but also the holding of the Winter Olympics in the west would have a permanently beneficial effect on winter tourism in this country.

It is a sad comment that Canada has lagged far behind the United States in relation to being able to attract winter tourists for skiing and for other winter sports, despite the absolute excellence of our facilities and the obvious nature of our climate. This provides a great opportunity for attention to be centred in 1988 on the western Canadian Rocky Mountains and upon the advantages of that area for winter tourism.

• (1520)

I said that I felt that it would be possible for the Government to examine non-tax sources of revenue. I had earlier felt that it was unfortunate that the Government of Canada had given up the source of funds that had paid for a very large portion—retrospectively—of the cost of the Montreal Summer Olympics when the Government moved out of the lottery field, abandoned Loto Canada and gave it entirely to the Provinces.

However, when this Government came to office it undertook to examine that decision which had previously been made and reconsider whether the Government of Canada should go back into the lottery business. It was obvious that the Provinces were not very enthusiastic, to say the least, about the federal Government returning to the lottery field. Yet there remains a very real need for a source of funds that do not come from taxes that could be available to help the national Government meet its responsibilities in relation to sports, culture and, as this Bill provides, additional funding for the support of medical research.

If I may begin with the question of sports, I believe that it is quite clear that under the agreement which exists between the federal Government and the Provinces on the method of operation, the federal Government has the responsibility of supporting athletes at least at national and international levels of competence in the same way that the Provinces bear the responsibility of developing their excellent athletes on that level. In the same manner that Provinces have found it extremely important to have a source of revenue that is non-tax in nature to meet some of those responsibilities which they have for their portion of such undertakings, there is a very real need at the national level for the Government of Canada to find such a source of revenue.

The costs of supporting artists in the cultural area and the costs of supporting our athletes and staging events as well as sending teams to international competitions have vastly increased. It is not reasonable to call upon tax dollars as the source of greatly increased financing for those causes, no matter how worth-while they may be.

Recognizing that the Provinces had occupied the lottery field, we searched very hard and conducted a considerable amount of research to determine how the federal Government might raise funds for these causes without, if you like, stepping squarely on the toes of the Provinces. We came up with the sports pool system that exists in most countries and which has been found to be attractive to the public, a good source of entertainment and a harmless form of entertainment. When I say "harmless form of entertainment", I use the words from the Royal Commission in Britain that investigated all aspects of gaming in that country. It gave a very laudatory approval to sports pools.

We considered the use of sports pools because they were popular in other countries and we had every reason to believe that they would be popular in this country, since it involves a voluntary contribution of about $1 by those people who choose to participate and research showed that they would have little, if any, impact upon support for the provincially-run lotteries. In the interest of maintaining good relations with the Provinces, we particularly wanted to find an area that would interfere to a minimum with the field they occupied, whatever we might have felt about the rightness of the Government also to participate in the lottery field.

That is the history behind which this Bill came into existence. I do not know whether Hon. Members are aware of the fact that our research also showed that low-income groups do not, as is sometimes the general impression, participate in these pools more than others. Before establishing the program we carefully considered the involvement of lower income groups. Our studies indicated that all income groups spend approximately one-third of 1 per cent of their annual income on lottery and raffle tickets. The most basic finding is, however, that the expenditure on games comes from the entertainment component of the family budget and does not compete with the essentials.

The sports pool is not a tax, as taxes are imposed or levied on the public. Consumer participation in the sports pool is strictly voluntary and allows for conscious funding by the population of those activities which they may not otherwise decide to support. It is a question of voluntary participation. The people of this country are proud of our artists and our athletes. We are all very pleased when Steve Podborski wins the world championship in downhill skiing or when Ken Reid does so well. We are all proud of Susan Nattrass, Jerry Sorensen and the junior hockey team which won the world championship last year, and we are proud of many other Canadian artists and athletes.

Mr. Dionne (Northumberland-Miramichi): What about the University of Moncton?

Mr. Regan: We are also very proud of the team from the University of Moncton.

[*Translation*]

Mr. Speaker, during the next eighteen months Canadians will be attending a number of sports events, both national and international, and it is very important, and the Federal Government has a duty, to help Canadian athletes prepare for these events. When our athletes participate in sports events abroad, they do not do so as Ontarians, Quebecers or Newfoundlanders but as Canadians. It is therefore entirely legitimate and in the interest of our athletes that the Government of Canada should have an important role to play with respect to these events. Thousands of young Canadians will be training for and taking part in qualifying meets and many will later be competing in the events themselves.

The main events I am thinking of are the Student Games in Edmonton in 1983; the Canada Games in Quebec, in the Lac Saint-Jean area, in February 1983; and finally, the Summer Olympics in Los Angeles in 1984. To prepare for these events, we shall have to set up training centres in co-operation with the provinces, organize courses for instructors, finance travel expenses and take on a host of other responsibilities as well. The Ministry of State (Fitness and Amateur Sport) conducted a survey, some time ago, on fitness in Canada. This past summer we published the preliminary results of the survey which provide basic data on fitness levels and living habits of Canadians.

Using the survey data, Fitness Canada will establish priorities and formulate policy to ensure that the needs of Canadians in the very important area of physical fitness are met. It is clear that the revenue from the sports pool system, part of which will be allocated to Canada Fitness and Amateur Sport, will help us to achieve that objective.

• (1530)

[*English*]

I believe that these athletes do deserve our support and this is the way we can move in that direction. I emphasize again that the nature of the sports pool is very different from that of a lottery, and that appeals to a different group of people.

Let me make a very important point on the entertainment side. If one buys a raffle ticket or a lottery ticket, one buys a number, waits, and eventually finds out whether one has won or lost. The sports pools are different. First, one applies one's skills. If one is a person who follows the games closely, a person who knows sports and is a former great athlete like the Hon. Member for Edmonton North (Mr. Paproski)—

Some Hon. Members: Hear, hear!

Mr. Regan: —then one is in a much better position to gauge what the scores will be in the particular events than a person who perhaps does not have as much background or ability. That is the first part. One is applying an element of skill.

The other point is that, as a consequence of having participated in the choices of what the scores will be, one then follows the games more closely and watches for the outcome with interest. That is exactly the way it works in England where people watch soccer games on television and watch for the results with very keen interest. It results in a greater level of support for sport than would otherwise be the case.

In this circumstance, our legislation provides that the revenue derived from this purpose must be used in the following fields. I would refer Hon. Members to Clause 18(3)(a), (b) and (c), which states:

(3) There may be paid out of the Consolidated Revenue Fund to or for the support of any one or more of

(*a*) activities in the following fields:

(i) the arts and culture,

(ii) fitness and amateur sport, and

(iii) medical research,

(*b*) the 1988 Calgary Olympic games, and

(*c*) worthy capital projects of national interest in the fields described in subparagraphs (*a*)(i) and (ii),

so much of any amounts paid into the Consolidated Revenue Fund pursuant to this section as is appropriate by Parliament for the purpose of this subsection.

Therefore, the revenues will be limited to those very worthwhile purposes.

I must tell Your Honour my main reason for pressing for this legislation, and I say the "main" reason because I believe there are other important causes, such as the need for funding medical research and support of our amateur athletes and our culture. However, I must be honest and say that my greatest reason for pressing forward is that I believe that, in the same way the public of Canada supported the Summer Olympics in Montreal through Loto Canada it is equally important to recognize that the people of Canada would be prepared to give real support through the Government of Canada to the magnificent undertaking of a wonderful group of people who will stage the Winter Olympics in western Canada in the Calgary region. It is for that reason that I believe it is urgent to pass the legislation quickly.

With reference to the amount of commitment which is required, Calgary calculates that it will need $200 million in 1982-83 dollars in order to stage the Olympics. By 1988, that might amount to a great deal more because of the indexing factor. The Province of Alberta, under the enthusiastic leadership of Premier Lougheed, is fully behind this project and is participating fully. The City of Calgary is also keenly committed and is enthusiastically providing its portion of support. I am sure that Members of Parliament will not want the Government of Canada to do less for Calgary.

I also want to say that this Parliament will receive an annual statement from the Crown corporation which will be established. The amount of money gained and its use will be outlined in the statement each year. The Crown corporation will operate with a very small bureaucracy. I am confident it will be successful and I therefore urge Hon. Members to support it.

Before I conclude my remarks, I want to extend my gratitude to several Hon. Members who have been very helpful in bringing the Bill to consideration. First, I mention the Hon. Member for St. Catharines (Mr. Reid) and the Hon. Member for Selkirk-Interlake (Mr. Sargeant). I would also like to make special mention of the very keen interest shown by the Hon. Member for Calgary North (Mr. Wright) for this project in the manner in which he has kept in touch with me throughout the month that we have been trying to bring it forward.

I think it is a good cause. I know that some people have concern about the question of gambling, as they call it, even when the amount of money is so small, but I do believe that this is a worthy cause. We already have many lotteries in the country and this is a very harmless one of entertainment for a worth-while cause. I urge Hon. Members to support it.

Mr. Joe Reid (St. Catharines): Mr. Speaker, so as to dispel any delusion which may exist in the mind of the Minister presenting the Bill, I want very quickly to tell him that I feel honoured in rising, first as the spokesperson on behalf of Her Majesty's Loyal Opposition, but also as the spokesperson on behalf of those interested in fitness and amateur sport.

I rise in opposition to the Bill just presented on behalf of the Government.

Some Hon. Members: Shame!

Mr. Reid (St. Catharines): This is the first opportunity I have had the responsibility of speaking on a Bill directly related to fitness and amateur sport. While I welcome the opportunity, I do not particularly appreciate the occasion. Quite frankly, I really wonder at the priorities given to the Bill by the Government. It reminds one of the old adage of Nero fiddling while Rome burns. To put it into more contemporary terms, it reminds us of the situation of the Government playing with the Hockey Select while the unemployment lines continue to grow.

At the same time, I can hardly understand the priority given to the Bill when it is already under the shade of legal process and in legal doubt. Ever since the announcement of the Bill was made over a year ago or when anticipated in September of last year, there has been a raging debate with respect to the legality of the Bill. Is it or is it not in breach of the 1979 federal-provincial agreement? We have now, Mr. Minister, as Members of this House know, a ruling of a court in the Province of Quebec which says that yes, it might be in breach of that provincial-federal agreement of 1979 and it might lead to some conflict in the court down the line. Nevertheless, the Minister throws caution to the wind. He does not wait until that matter has been resolved but comes forward with the Bill at this time.

• (1540)

I can appreciate that fact. I can appreciate why the Government might be fearful that the Bill might be adjudged illegal, and they want to bring it before us and have it in effect because they do not want to renege. I was somewhat surprised at the Minister presenting the Bill by outlining how a bright young group from Calgary came to him and talked to him about the need for support of the Calgary Olympics, and out of this the sports pool was born. We all know that the sports pool is simply an offshoot of the Government's election promise in February of 1980 and its burning desire to get back into the lottery field as it existed before. So he is carrying on a myth both with respect to fitness and amateur sport and as to how the sports pool came into being.

The Calgary Olympics have been dependent on Government money. What about the commitment given by this Government to the Calgary Olympics? The Minister talks in fine terms about supporting this great international event, but it is a commitment made by the Government only out of non-Government revenues. He continues that argument even now, that the support must come out of non-Government revenues. This just shows how much concern the Government really has for fitness and amateur sport and for Calgary.

I am going to dwell a little bit more on that as my comments are developed, but before doing so, Mr. Speaker, I want to refute utterly, completely and totally the propaganda campaign that has been waged with respect to the relationship between Loto Canada—and I heard it expounded again today—and funding for fitness and amateur sport. We are hearing exactly the same kind of nonsense now with respect to the sports pool as we heard earlier during the existence of Loto Canada and it is high time that these facts are made public and clear to all.

Loto Canada had a mercifully short, scandal-ridden term. We have to thank the Party on this side for bringing it to a conclusion and ending the existence of Loto Canada, which had at every turn brought nothing but disgrace to the Government.

Some Hon. Members: Hear, hear!

Mr. Reid (St. Catharines): The then Minister responsible and now President of the Liberal Party spent many a Question Period explaining away one scandal after another, why they arose and why they should be dispelled. And a shocked and outraged public were disturbed by the answers given. Millions of dollars were squandered; questionable contracts were entered into with wholesalers; jobs were doled out to friends and all the while the drum kept beating that we do this on behalf of our Canadian athletes. Little did the athlete or the Canadian public know that those holding the ticket printing contracts were receiving over twice the amount being forwarded to the Department of Fitness and Amateur Sport.

Some Hon. Members: Shame, shame!

Mr. Reid (St. Catharines): I invite the House to look at the Loto Canada income and expense sheets. There are still a goodly number of people on the Loto Canada payroll. It was simply happy days and open expense accounts! Several people have indicated that Loto Canada was a victim of growing pains and I agree. Loto Canada started its first year with an RCMP investigation into the awarding of security device contracts and finished its last full year of operation by squandering $14 million on a project that was contrary to Loto Canada's own regulations. This is the kind of growing pains that we do not like to see.

Scandals aside, Mr. Speaker, how successful was Loto Canada, and how did fitness and amateur sport benefit from that lottery? From start to finish Loto Canada generated a gross total of $725 million, and a net sum of $211 million. Fitness and amateur sport received $10.6 million or an average of $2.6 million a year. Great benefit to fitness and amateur sport out of that sum of money from the taxpayers and the gamblers of Canada!

More money was spent in one year advertising the benefits that were alleged to go to fitness and amateur sport in one year than they received in four years.

An Hon. Member: Where did the money go?

Mr. Reid (St. Catharines): If fitness and amateur sport did not receive that money, where did it go? The question is properly asked. Eighty-two point five per cent of it went to discharging the Montreal 1976 Olympics debt. The Liberal Government presented to this House, and all Opposition parties agreed, that we should somehow support the taxpayers of Quebec; we should not leave them with the debt of the 1976 Olympics. Loto Canada was then born to pay off that specific deficit of the 1976 Olympics, and it was to exist for a specific term of three years.

We already have extended one invitation, Mr. Speaker; let us look at another. Should anyone doubt the spirit, if not the word, of the Liberal Government commitment in 1976 to wrap up Canada's Loto by the end of the year 1979, let us just take a look at the June, 1976 minutes of the Miscellaneous Estimates Committee. When our present Minister of Energy, Mines and Resources (Mr. Chrétien), then President of the Treasury Board, protested wildly at the suggestion that his Government would renege with respect to that termination date, in full rhetorical flight the Minister revealed his soul as one abhorring the very thought that lotteries, especially state-operated lotteries, would be continued. Time after time the Minister indicated that he would sleep a whole lot better at the end of this three-year nightmare. I have always enjoyed the Minister's speeches but that performance surely must rank among his highest.

We know from those minutes and from the revenue sheets of Loto Canada that both the Opposition, the other Members of this House and fitness and amateur sport were misled by the pronouncements of the Minister. Credit must surely go to the Hon. Member for Winnipeg North Centre (Mr. Knowles) who saw through the theatrics of the presentation and warned that once involved in a lottery, the Liberals would never get out of it. Sure enough, in early 1979, the third year of that definite term, the Liberal Government introduced another Bill to provide an indefinite extension to Loto Canada's life.

The reaction of the present Minister of Energy, Mines and Resources is not recorded. Considering the comments which he had made earlier, he must have winced at that obvious contradiction. The Minister's assurances given three years before were completely discarded as this breath of new life was given to a discredited Crown corporation. It is this proposed new Loto Bill of 1979 that has led to the myth—the Minister has left but he has left the myth that he has perpetuated—that millions of dollars have gone to the sports world.

Let us look at the facts of the situation. In its first short year of operation, Loto Canada netted $28.3 million. In its first full year of operation that net was increased to a total of $74.3 million. What happened after that? The next and third year of operation it fell from $74 million to $62 million. In its last year of operation the profits were $46.3 million.

• (1550)

These figures are important, not only because they are figures, but because they are the only real guideline we have as we consider the net that might be anticipated from the sports

pool. The proponents of the sports pool continue to announce in great exaggerated tones that $100,000 million will be received for the benefit of those who might be the beneficiaries. That we want to refer to as well. However, they have not substantiated how or on what figure it is based.

It is evident in the face of the stiff opposition from provincial lotteries that now exist that if Loto Canada could not make it how in the world can we expect the sports pool to draw the massive sums that are now anticipated by this Government?

Fortunately for fitness and amateur sports and arts and culture, Canadians put an end to that in 1979. One of the early acts of the Clark Government was to negotiate an agreement between the feds and the Provinces. They sold Loto Canada at a time when it had some value. It gave to the Provinces exclusive jurisdiction over lotteries in return for $24 million annually indexed to 1979 and a number of smaller considerations which would total approximately $20 million.

Not only did this agreement remove the irritant between the Province and the federal Government, which allowed the fitness and amateur sports and arts and culture communities to have a fixed sum of return and for the first time fixed sums of revenue on which to plan, build and organize programs, but it was not dependent on the number of Loto tickets sold.

The communities of arts and culture and fitness and amateur sport shared and are now sharing on a 50-50 basis the sum of approximately $30 million annually in addition to their estimates as shown in their budgets. We sold that lottery while it was still saleable. That was a good thing. If this Government had continued to hang on to Loto Canada and tried to compete with the Provinces as it was then doing, it would have been a sad state for all of us.

Let us turn to the sports pool. On the one hand, I do not subscribe to the view that the federal Government, in fact any Government, should be involved in lotteries. On the other hand, I want to say a word on behalf of fitness and amateur sport and in their interest indicate that they are being underfunded. Let us look at each of these in turn.

Canadians expect a good deal from their Government. We have the responsibility of looking after our national defence, job-creation programs, criminal law enforcement and civil law problems. I can tell you one thing. Canadians do not expect, nor do they want to see, their national Government cheapened by throwing its prestige and dignity behind projects and programs that are of dubious benefit to anyone. That is the problem we now face. The desire of the Government to get back into lotteries without a concrete figure as to what will be expended and might be realistically realized is a venture we are not prepared to support at this time.

Here we have a proposal that is based on the exploitation of the betting public. The Minister talks in terms of studies, but it should be pointed out that it is those with modest and low incomes who buy the largest number of tickets.

Has anyone recently been to a bingo game? There you see the gambling instinct at its best, or at its worst. Is that the kind of activity with which the Government of Canada wants to be associated? If it is going to go that far, why stop there? Why not get into casinos or the numbers racket? Where should we stop? Where are we really going to go?

At one time the present Solicitor General (Mr. Kaplan) and the Minister of State for Multiculturalism (Mr. Fleming) both expressed extreme concern with respect to the impact of lotteries on the poor. In fact, I was in this House on December 7, 1979 when the Hon. Member for York West rose and demanded an inquiry into the effect of lotteries in this country. How are those two Members going to vote on Bill C-95?

Setting aside the fact that the federal Government should not be associated with gaming, betting or gambling in any operation, we have to question the ability of the Government to undertake the project at all. The 1979 federal-provincial agreement on lotteries gave the Provinces exclusive jurisdiction in the field of lotteries. In order for the federal Government to operate a sports pool, it will have to demonstrate that a sports pool is not a lottery. One simply cannot accept the word of the Minister. It was nice to hear him distinguish between a lottery and a sports pool, but that is not a legal definition.

Thus far we have the opinion of one court. The Quebec Superior Court expressed the opinion that Quebec's Hockey Select, a sports pool, was not illegal because it fell within the confines of the 1979 federal-provincial lottery agreement. Hence the court in effect ruled that there is no difference between the sports pool now being proposed and the lotteries subject to that agreement.

Surely to goodness the Government would want to know what its legal base is before going further down the line and taking the action it proposes to take today. What will be the fate of the sports pool if it is eventually determined that it is illegal? I can tell you, Mr. Speaker. We will have spent millions of taxpayers' dollars on hardware, advertising and establishing this game and entering into competition with the Provinces. There will be long court cases in the Appeal Courts and eventually the Supreme Court will have to make a determination.

Taxpayers' money will determine what benefit will go to the beneficiaries of a vague and indeterminate Bill. Just to break even, the pool will have to generate enough revenue to offset the $30 million annually from the agreement as well as the start-up costs and production costs.

My point should really be clear. A sports pool is going to cost us money. I am not only talking about the overhead and mechanics; I am talking in terms of the immediate competition that will be entered into by Loto Canada or its namesake with the Provinces.

If it is limited to the number of persons who will be fans, as described by the Minister today, those who are skilled at picking the winner of a game, the numbers will not be great. It is bound to be a failure before it starts. Therefore, we have to concern ourselves with the alternatives proposed in the Bill.

Some studies have estimated the pool will not generate a net in excess of $20 million, which is $10 million less than we are

now getting. The Minister predicted an annual return of $100 million. I challenge him to state the facts and figures to substantiate that.

It is not generally recognized that it was the Diefenbaker Government that established an ongoing commitment to fitness and amateur sport so as to raise the health level of Canadians. That was to come first, the health level of Canadians across this country, and thereby to go on to win international medals and credits. But over the years the winning of medals has tended to overshadow the less glamorous areas of fitness, amateur sports, and recreation, as we know recreation. This has created imbalances in the budget allocation of federal dollars.

• (1600)

As a result of this imbalance, we have a situation where amateur sport is budgeting close to the line and those on the recreation side are faced with critical funding shortages. It is a credit to the ingenuity of the great national associations that they have been able to produce athletes to the degree and quality that we have now. It is to their credit that we are able to have our existing medal winners. With their record of achievements, accomplished even with these tight budgets, it would be much better if we had those advisers in fitness and amateur sports recommend and make comments on our budget deficiencies instead of the incompetent advisers we have had in finance through three mini-budgets within the last year.

Bill C-95 is supposed to be an effort to provide money for fitness and amateur sports. But I raise the question, is it? Who is to benefit most? The Minister was good enough to read out who the beneficiaries of the Sports Pool might be. The Cabinet's choice is remarkable. It is wide-ranging. The pool could benefit fitness and amateur sport, arts and culture, medical research, the Calgary Olympics, or any other worthy capital project related to sports and culture, or it could be a combination of these things. What is it going to be? Considering the Cabinet as it is today, no one is going to be able to depend or rely on any commitment in the future.

Going back to early 1979, I read of a strong protest made by the then Minister of Fitness and Amateur Sport and the then Secretary of State, the present Minister of the Environment (Mr. Roberts), at a suggestion that Loto Canada provide money for medical research. They both said: "Oh, no, something as essential as medical research should not be included in a budget which has the ups and downs that a lottery would have". That gives you some indication, Mr. Speaker, of the attitude of those Ministers at that time with respect to fitness and amateur sports funding. It was not good enough for something like medical research, but it was good enough for fitness and amateur sport, and it should now be funded by the ups and downs of a lottery.

Arts and culture might have some advantage under all of this, but just picture the competition in a Cabinet meeting, with the different Cabinet Ministers, as to which one has the clout, which one has the force of numbers behind him, which one is going to get this kind of money. There is complete vagueness and ambiguity as to who the beneficiaries of this sports Bill are. If we are intending to benefit fitness and amateur sport, why do we not set it out clearly, unequivocally, percentagewise or otherwise? Who really is to benefit from this sports pool?

We on this side of the House have no quarrel with the Calgary Olympics. We heard of the commitment and the representations which were made and how the sports pool was born. But as of this date all they have is a wishy-washy commitment in support of those games, and from non-Government resources. The money will come from Olympic stamps, Olympic coins, or any other kind of money that might come from the sports pool, if, as and when it comes into existence.

I can say that this Party is prepared to make a commitment to Calgary. In our view, the federal commitment should have been $200 million without any strings attached, an iron-clad guarantee. That is what we call a commitment. There should be a commitment that Calgary and its organizers can count on to the last dollar. But right now they still do not know what dollars they are going to get.

While we have no dispute with respect to Calgary, we do have some dispute with the worthy causes, worthy capital projects, which are referred to in the Bill. We have already seen the Government designate the Hilton Hotel as an industry in need of assistance. It well might be the Hilton Hotel that gets the benefit as a worthy project. They might put in a gymnasium to qualify. But what assurance will fitness and amateur sport have that they will get x number of dollars or a share of this commitment at all?

Before leaving the subject of beneficiaries, I want to point out again that even the term "fitness and amateur sport" is not defined in the Bill. We want to know whether the Government intends to give those moneys directly to national associations, to the Department to be divided among the beneficiaries in fitness and amateur sport, or will it thrive on the loopholes it has, as we saw with Loto Canada? We want some assurance that fitness and amateur sport as a whole will receive a fair deal on the division of the profits which will come from any sports pool that will be initiated.

Finally, on the other aspects of this Bill, Mr. Speaker, Clause 14(b) is completely unacceptable to the Members on this side of the House. This Clause opens the door to this Government's operation of any other lawful gaming operation. Can you not just picture the Cabinet determining what will be first in lawful gaming operations that should receive some share of the benefits, or what lawful gaming operation they will get into to bolster the fact that the sports pool is not going to bring in the money anticipated? They will be testing, trying to see which numbers or which game will gouge the public the most, and that is the game they will get into.

Bill C-95 leaves the question open as well to the Auditor General whether should he or should he not audit the corporation's accounts. Given the history of Loto Canada, we find it imperative that the Auditor General be charged with the responsibility of auditing this Crown corporation's books.

This is a bad Bill, Mr. Speaker, unless it is subject to a goodly number of amendments. Even with these amendments, however, it still cannot disguise the fact that the sports pool is very likely a violation of the 1979 provincial-federal lottery agreement, and as such it bodes no good for our future. This is a Bill that throws out a sure thing, a Bill that tosses away $30 million of guaranteed revenue returns, in return for a bad dream. That is too big a gamble for us on this side of the House to take.

Mr. Ian Deans (Hamilton Mountain): Mr. Speaker, I recognize that the Minister and that the two critics of the Parties had agreed to allow the Bill to pass some time this afternoon; at least, that is my understanding. Therefore, I will not take the amount of time available in order that others might have an opportunity to speak on the matter.

I want to begin by saying quite clearly that we are opposed to the Bill for somewhat different reasons from those given by the spokesman for the Conservative Party. It is not an argument whether the moneys will in fact go to the places which the Government says it will, or whether or not there will be sufficient amounts derived from the sports lottery. The argument is whether or not this is an appropriate way to fund matters which are essential in terms of the well-being of the country.

I was looking back into the record, Mr. Speaker, and I am sure you probably recall the circumstances surrounding a speech made by my hon. colleague, the Hon. Member for Winnipeg North Centre (Mr. Knowles), in 1976. On that occasion he said, as reported at page 13336 of *Hansard*:

• (1610)

It is because we believe that physical fitness, amateur sport and recreation are important aspects of Canadian life that we think they should be financed out of general taxation and, therefore, paid for on the basis of the ability to pay.

He continued:

We do not believe that aspects of life as important as physical fitness, amateur sport and recreation should be financed by gambling, which calls on the poor to pay for it, instead of taxation which is levied according to ability to pay.

We also feel therefore that this proposal to put the federal government into the lottery business for all time is economic retrogression of the worst kind.

Then he made a point that I think is borne out by the legislation that is before us today, when he said:

This makes it clear that the government does not take physical fitness, amateur sport and recreation seriously, and it makes it clear that if the government gets into trouble with something else—health costs, veterans' pensions, or what have you—which it cannot afford, it will say, "We can go in for gambling again,"—

That was a prophecy and that is exactly what happened. The Government has decided that it is unable to provide, from general revenues, the facilities for amateur sports, for physical fitness or for the pursuit of excellence in amateur athletics. More important, the Government has decided that medical research is to be undertaken from the funds generated by this so-called non-gambling that the Minister has spoken about. Those funds may be generated from the sale of lottery tickets, or the ability of people to choose who will win or lose on many sporting events throughout the year. In that way they will engage in gambling.

A country cannot be run on the basis of games of chance. It may well be that as a pastime there could be provision for people to purchase a ticket and win a small prize, but essential services should not be funded on the basis of whether enough lottery tickets will be sold. Medical research should not be undertaken on the basis of getting a sufficient number of people on a given Saturday afternoon to bet on the outcome of hockey, baseball, basketball or football games.

If we are now moving toward that kind of financing of essential services, then the Government has ceased to recognize its responsibility and the time has come for it to give up the reins of Government. It is clear that if we believe the health and well-being of the people is important, then we must be prepared to make a financial commitment to that end. This goal should be pursued by encouraging people to take part in athletic events and fitness programs and to commit themselves to a higher standard of medical and physical well-being.

Over the years, many of us have argued that if we had put nearly as much money into preventive medicine as we have into other aspects of life, we would have cut down on the cost of making the nation more healthy. We would not have had to spend the hundreds of millions of dollars that we have spent on hospital care facilities. If we had spent money on preventing people from becoming ill rather than on making them well, we would have cut down on the amount of money necessary for medical care today.

This legislation offers nothing that will make the nation more healthy or encourage people to become involved in athletic endeavour. It does nothing to improve fitness in the sense of the general population becoming more aware and, therefore, more involved in physical fitness as a way of life. The intent of the legislation is quite clear; it will introduce an attitude in the country that gambling is an acceptable way for government to raise money. It is not acceptable, Mr. Speaker. I see my Conservative colleagues nodding in agreement; I am not exactly sure why.

Mr. Epp: Because we agree.

Mr. Deans: Another thing worries me about this legislation, Mr. Speaker. Of course, this may never come to pass but the possibility has crossed my mind. Let us assume that the Government musters its troops and forces this legislation down the throats of Members of the House. Let us assume that the Conservative Party and the NDP all vote against it, as will likely be the case, but that it will pass. If, then, by some weird happenstance, the Conservative Party was returned to power, would it give this power back to the Provinces?

Mr. Epp: We would eliminate it.

Mr. Deans: In other words, the Conservatives are not really opposed to gambling; they just do not think the federal Government should be involved. I hear them say they would eliminate it.

Mr. Epp: What about what happened in Manitoba? Physician, heal thyself!

Mr. Deans: What they are saying is that they are opposed to this and are going to vote against it. If they vote against it, then that means that if that Party becomes the Government, it will eliminate it.

Mr. Epp: Right on. But you will never have that option.

Mr. Kempling: Are you clear on that?

Mr. Deans: Yes, I am clear and I will remind the Conservatives about it in the future, perhaps. The last time the Conservatives spoke on legislation similar to this, they gave their rights away; they were opposed to it only to the point that they thought someone else should have it, but not the federal Government.

Mr. Epp: Be nice.

Mr. Deans: I am being nice and I am being honest.

As a matter of principle, the legislation is wrong. One problem is that the Government has attempted to sneak into it some sort of commitment to the Calgary Olympics. It implies that we will be depriving the people of Calgary and Canada of the necessary money to support the Olympics if the Bill is not passed. It is the position of this Party that if the Calgary Olympics are supportable—and they are—they should be supported out of general taxation. If we believe it is important—

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

Mr. Deputy Speaker: The Hon. Member for Edmonton North (Mr. Paproski) rises on a point of order.

Mr. Paproski: Mr. Speaker, I should like to say to the Hon. Member that in the area of fitness and amateur sport, the federal Government has to pay one-third of the capital cost of projects for national and international games in Canada. So in essence, we must contribute to the Calgary Olympics and to the university games in Edmonton on a one-third, one-third, one-third basis.

Mr. Deans: That is certainly a point of information, Mr. Speaker, but as a point of order it fails rather substantially. However, I am always interested in anything the Hon. Member can add to the debate.

If we as a nation believe it is important to engage in international events from time to time or to host international events, or that it is of value to the country to be involved in the Olympic Games—and I believe we all think that it is—then we must be clear that there is a concurrent commitment to provide the necessary funds. But they must not be provided by some games of chance that may or may not succeed.

As the Hon. Member for Winnipeg North Centre said in 1976, the next thing will be that we will decide that pensions for veterans are too low so we will have to run a lottery. If it does not raise enough money, then the veterans will have to wait until the next lottery. The Government will say that that is a ridiculous suggestion. However, when the Hon. Member for Winnipeg North Centre pointed out in 1976 that the next move of the Government would be the funding of health care out of lotteries, he was absolutely correct. This is what the Government is determined to do. When this measure passes—this game of chance or this gambling which we will approve in the House of Commons—it will then become a source of funding for medical research and therefore for health care.

• (1620)

I know that there are Members on both sides of the House who can see the destructiveness contained in such a measure and that there are Members on both sides of the House who would not for one moment want to see the Canadian health care system, either in whole or in part, dependent upon the whims of a few individuals or, for that matter, a significant number of individuals going out and betting on a Friday or Saturday afternoon on the outcome of sporting events. We are not running the Irish Sweepstakes here. We are not in the business of providing an essential service out of gambling. They may want to do it in some parts of the world; that is entirely up to them. But when we in Canada make a commitment to health care, health services and the provision of adequate facilities for health, whether it be in the sense of providing immediate care or research, we believe in doing it out of tax revenues. Also we believe that it should be funded in a way to allow the people charged with the responsibility of ensuring the continuation of the health care service to do some reasonable fiscal planning, to budget and to commit dollars for years down the road in order to complete the projects which they have undertaken.

This is what we in the New Democratic Party believe in. This is what the Hon. Member for Winnipeg-Birds Hill (Mr. Blaikie) has said over the years. This is what the Hon. Member for Winnipeg North Centre said in 1976. This is what we are saying again today, that there is no place in Canada for the running of a health care system funded in any way out of gambling; there is no place. I say to the Minister that if for no other reason, if the Bill contained no other flaws, that and that alone would cause us to rise to speak and vote against it.

Whoever advised the Minister to include that section in the Bill gave him bad advice. This is no time to play around with the health care system. This is no time to place in jeopardy research projects which are currently ongoing in every major medical health care centre across the country. This is no time to run risk with long-term researchers as they seek cures and solutions to many problems confronting Canadians. That is what this type of legislation begins to do.

It does not add to the funding. It substitutes dollars. Although the Minister and his colleagues may shake their heads, as sure as I stand on my feet the commitment of the Government to health care research in the next five years will be diminished proportionate to the amount of money raised by this fund. That is wrong.

The Government is already in severe financial difficulty. The Government is already having difficulty raising the

necessary funds, or at least so it claims, to meet its commitment to health care. To turn around and suddenly suggest that we can encourage more people to go out and gamble on Saturday to raise more money to be put back into health care through the sale of various tickets and games of chance is simply unacceptable.

In any event, without belabouring the point, I say to the Minister that he should take that section out of the Bill, because in itself it is offensive to most people. Further I say to the Minister that if the Government is interested in funding the Calgary Olympic Games, he should bring forward legislation to the House of Commons for debate, legislation which sets out the number of dollars the Government believes it has to commit to fund the games. Let us debate the merit of it and let us pass that legislation in order that the money can be made available now. But let us not encourage the continued ongoing mood of gambling in the country. Let us not now decide that from here on and forever more we will have a sports pool system which will make the sport itself less important than the gambling that takes place as a result of the sport.

Has the Minister been to Las Vegas? Has he ever sat and watched the big board?

Mr. Cosgrove: No.

Mr. Deans: Well, I have.

Mr. Cosgrove: Shame!

Mr. Deans: I have never bet a penny, but I sat and watched the big board. I went to Las Vegas because I knew this legislation was coming up and I felt the urge to do research.

Some Hon. Members: Oh, oh!

Mr. Deputy Speaker: Order, please. The Hon. Member for Hamilton Mountain has the floor.

Mr. Deans: Thank you, Mr. Speaker. I am not one of these people who believes that we should just read a book and think we have all the knowledge. I believe that if we are to speak about something we should go to see it first-hand. Thus, when I was speaking about offtrack betting, I went down to the track to see what was going on. When I speak against opening up gambling in Canada it is because I went to the biggest gambling casinos in the world and saw people lose their money. I saw them standing in tears at the door because they had spent every penny they had; they did not even have enough money left for a cab fare back to the airport. Is that what we want in Canada?

Some Hon. Members: No.

Mr. Deans: That is where we are going, that is where we are going. The reason I raised that point was because the interest in the game taking place was simply on the rate of return that it paid on the dollars bet. The game being played, whether it was baseball, football or horse races at the track, was not the real interest. They could not even see the event because it was not carried on television. They could not enjoy the event. All they could do was bet money and sit and agonize over whether or not they would get a return. Is that where we are going in Canada? Is that what we want? Is that the kind of system we think we should have? Is that what the Government is asking us to support?

If the Government really wants to put in place the gambling which is available in other parts of the world, gambling which does little if anything for the sport itself, does little if anything for the tens of thousands, if not hundreds of thousands, who lose their money in a year, and does little if anything for the amateur sport it is supposed to be supporting, then I say to the Government that this is not the way we should do it.

Perhaps the Minister misreads the benefits. Perhaps he does not understand the consequences. It is entirely possible that as well meaning as he is, he has not thought through the end result of this legislation. It is a move in entirely the wrong direction. It must not be allowed to pass the House in this form. If the Government wants us to deal with the Calgary Olympic Games, let us do so. But let us not put into perpetuity the gambling mentality that will undoubtedly result in serious consequences for so many people and so many families in this country.

• (1630)

Hon. Jake Epp (Provencher): Mr. Speaker, in an article in the May, 1982 edition of the *Canadian Churchman*, let me put on the record the opening sentence. It reads as follows:

> Canadians are forking out over $1 billion a year on something that undermines the work ethic, encourages greed and materialism, exploits the poor and distorts social priorities.

We are being asked today by this Government to accept a Bill which allows the federal Government to get back into the gaming industry. What we are debating here today is action which in 1970 was illegal. In 1970 it was prohibited by virtue of the Canadian Criminal Code. Suddenly after ten or twelve years we not only have had legalized gambling, government-sponsored—in fact, governments being beneficiaries of that gambling—but gambling has become a part of the Canadian pattern. Today we seem to say that we have to increase this new source of revenue, not because we want to justify that new source, but because the Government needs it for valid programs. It is based on this theory that the ends justifies the means.

I believe it is very bad underpinning when a government says that a program, a policy, is good because somebody down the road might benefit. Social policies should not be based on that principle alone. It is a very sad, bad and dangerous value when governments say that a policy is valid in and of itself because we will be able to transfer or redistribute money to some other group. Keep in mind, Mr. Speaker, that the Criminal Code was changed in 1970, and in 1976 for the Montreal Olympics. The Government committed itself to Loto Canada. It is true, and I am pleased to say that it was one of the actions when our Party was in government to remove the federal Government from the gaming industry.

Mr. Paproski: It wasn't making any money anyway.

Mr. Epp: The question was asked by the Hon. Member for Hamilton Mountain (Mr. Deans) whether we would remove the federal Government, should we be re-elected, from the gaming industry. I sincerely hope that will be our action at that time.

Mr. Keeper: What if you are Premier of Manitoba?

Mr. Epp: When I am Premier of Manitoba, if that happens, we in Manitoba will take care of you, too.

Mr. Deputy Speaker: I might remind the Hon. Member that his remarks should be addressed to the Chair.

Mr. Epp: The carrot is put forward to the people, Mr. Speaker, that they might somehow get out of the economic difficulties in which they find themselves by buying one chance, one hope which somehow might extricate them from the daily living that is faced by most Canadians. It is a fantasy based on advertising, glib, glossy advertising, the kind that, if corporations used it, many of us in this House would get up and argue borders very closely on false advertising, if in fact it is not false advertising. But because governments do it, somehow there is legitimacy. I suggest that is wrong.

There might be those listening today or Members in this House who say to themselves: "Here stands someone who is still living in the past; he should get into the modern age". Does the Government sincerely believe that projects that are valid public projects are best funded through gambling?

That brings me to the Calgary Olympics. What is the background to those Olympics? When the Canadian Olympics Committee makes application to the International Olympic Committee to host either a Winter or Summer Games, there is a letter from the Government of the day supporting the application. That letter is more than support, that is, verbal or moral support. That letter clearly is an indication to the International Olympic Committee that the federal Government will back a successful hosting of those games financially.

Mr. Regan: That is not right.

Mr. Epp: When the Olympic Committee of Calgary went to make application, it had a letter from this Government and a clear understanding—and the Minister has said so in the past, if one looks at testimony given to the Standing Committee on Labour, Manpower and Immigration—that it was going to receive approximately $200 million from this Government to help host the Calgary Olympics.

Mr. Paproski: Plus the coin and stamp program.

Mr. Epp: I agree with the Hon. Member for Hamilton Mountain when he said that it is a valid project—and I personally believe it is—and that the Government should bring forward legislation and we will debate the merits of it. At no time did the Government put a condition on the Calgary Olympics Committee that the Government would only back the games if the Government got the lottery Bill.

This is very interesting. Many Canadians, and I am one of them, would like to see national institutions, such as the National Art Gallery, built and become part of the national heritage. But that question is not put to the people who want the art gallery. The question is not put about the lotteries. But when we get to the Calgary Olympics, then those conditions are put. Calgarians are being ill-served by this Government's doing that.

What is the fundamental issue relating to lotteries? I have before me a brief presented on the question of lotteries by some of Canada's so-called main line churches, for instance, the Baptist Federation of Canada, the Salvation Army and the United Church of Canada. At the beginning of my speech, I read an excerpt from the *Canadian Churchman*, which is from the Anglican Church. Studies show that of all people buying lottery tickets, up to 77 per cent have an annual income of less than $10,000.

Mr. Lapierre: No.

Mr. Epp: This is a regressive taxation on the poor.

Mr. Lapierre: You are wrong. Table your study.

Mr. Epp: I am not wrong, I am dead right.

Mr. Keeper: It is like user fees.

Mr. Epp: The reason is quite obvious; the advertising appeals, as I said earlier. What about two people in financial straits who think when they see lottery advertising that maybe their dream will come true? Odds are never mentioned in advertising. But what are some of the odds? The Quebec Consumer Protection Office states:

> You are twice as likely to be hit by lightning and at least 20 times as likely to be murdered in a year as you are to win $1,000,000 in a lottery—

Surely the Government should not come back to the House when we have 1.5 million people unemployed, when the Government is in serious economic straits, when it is running a deficit $24 billion plus, and say to Canadians: "Look, we believe we can finance some projects legitimately if we get back into the gaming business". Yet that is what the Government is asking us to do today. This kind of approach is wrong.

From the excerpt that I gave from the *Canadian Churchman*, it is obvious that there are those who are in strong opposition to the creation of lotteries, as I am. There are those who would say that the Government would get funds that it would not normally receive. If one analyses that carefully, it can be seen that one of the groups which praised the institution of these lotteries used the same terms as the Minister when calling it cheap entertainment. That was one of the terms used by the Minister in support of the Bill. In fact, I think he said that it was harmless entertainment.

• (1640)

He also stated that it allowed us to support worthy causes. I ask the Minister in all seriousness if that is why he wants this bill. Or is it, as the churches stated in their brief, that the

various lotteries represent one of the best examples of political patronage that has ever been devised by any government? Loto Canada was wracked full of patronage and wracked full of people who knew that it was easier to get into the Loto trough than to receive legitimate funds from the Government of Canada.

Mr. Regan: Are the provincial lotteries like that?

Mr. Epp: I say the same thing about provincial lotteries. I have no doubt about that because it is a question of principle. I do not care if it is provincial or federal, the principle is the same. Do not give me this red herring by suddenly asking if the Provinces are different. They are not. I say that if the Governments have legitimate projects, whatever they might be, then come to us in the House and legitimately tell us what the project is, its costs and its benefits, and let us debate it and have the Canadian people know about it legitimately and openly.

That is not what the Minister wants. The Minister wants very definitely to have a slush fund. Then he can go to the groups and use that money very openly and say: "Here is the Government of Canada giving you a cheque for your project or your program". I am saying, if the project is legitimate, make it legitimate and do not do it this way.

The Minister may think that those are harsh words, and they are. But I sincerely believe that this is the ultimate purpose of the distribution of lottery funds. History in this country and in other countries has proven that to be the fact. If the Minister does not believe it, I will read to him from the church brief I mentioned earlier. It says:

> They present a new and powerful form of political patronage and potential for corrupting abuses. They raise expectations among community organizations, where perhaps none should exist, with respect to assistance from the public purse. They lull politicians and the public away from the task of analysis, the setting of priorities, and the making of commitments, which are indispensable for the ordering of social life. They are indeed the modern version of 'bread and circuses' that distract away from basic concerns.

This is the negative comment on charities themselves:

> There is already evidence that some charities have become lazy in their responsibility for fund raising because of their dependence on government lottery handouts and other charities which refuse to accept lottery money on ethical grounds are penalized.

Mr. Blaikie: Mr. Speaker, I rise on a point of order. I do not want to interrupt the Hon. Member, but if it is possible I would like to ask him a few questions. I hope he might leave some time at the end of his remarks so I would have that opportunity.

Mr. Deputy Speaker: That is not a point of order.

Mr. Epp: The Hon. Member for Winnipeg-Birds Hill (Mr. Blaikie) has made a legitimate request. I am not trying to dodge the question but my problem is that I understand the Bill is to be divided on shortly and there is another Member who wishes to speak. I cannot take that time. Possibly we can have that exchange when the Bill goes to Committee.

I would much rather see the Government review its expenditures, reduce those which it finds unnecessary and then return to us with legitimate programs. I suggest to the Minister that I know that this is a better route to take.

I am not alone in speaking against lotteries. While some provincial Governments do not share the partisan position that I hold, quite frankly there are a number of provincial Governments that are seriously questioning the continued existence of lotteries even at the provincial level. I suggest to the Minister that he seriously consider setting up an all-party Committee to study the subject of lotteries and what they mean to the Canadian public, both in the immediate and long term, before this Bill is passed. I believe the Minister should seriously consider that suggestion because of the moneys involved and the large expenditures which might be made by Canadians. I am concerned that during economic hard times we are making it easier to justify another means of raising revenue.

Not only do I believe that raising revenue through gambling by the Government is wrong, but it removes a certain moral basis of operation from the Government. When Governments lose their moral obligation to instil a sense of responsibility in their citizens not only to obey the laws but contribute to their society, something is lost in our society. That is the danger of this Bill. I am not trying to be personal with the Minister but I suggest to him and his Government that it is wrong for us, at the federal level, once again to enter the field of gaming which we happily left in 1979.

PROCEEDINGS ON ADJOURNMENT MOTION

[*English*]

SUBJECT MATTER OF QUESTIONS TO BE DEBATED

The Acting Speaker (Mr. Corbin): It is my duty, pursuant to Standing Order 40, to inform the House that the questions to be raised tonight at the time of adjournment are as follows: the Hon. Member for Bow River (Mr. Taylor)—Mines and Minings—Courier service expense; the Hon. Member for Winnipeg-Assiniboine (Mr. McKenzie)—Veterans Affairs—Pension recommendation made by United Veterans organization. (b) Introduction of legislation; the Hon. Member for Winnipeg-St. James (Mr. Keeper)—New Employment Expansion and Development Program—Timing of fund expenditures. (b) Expenditures in Quebec.

GOVERNMENT ORDERS

[*English*]

ATHLETIC CONTESTS AND EVENTS POOLS ACT

MEASURE TO PROVIDE GOVERNMENT OPERATED POOL SYSTEMS

The House resumed consideration of the motion of Mr. Regan (for the Secretary of State) that Bill C-95, An Act to provide for Government operated pool systems on combinations of athletic contests and events and to amend the Criminal Code and the Income Tax Act, be read the second time and referred to the Standing Committee on Communications and Culture.

Hon. Steven E. Paproski (Edmonton North): Mr. Speaker, I do not plan to take up too much time in this debate. Many of the things that the Hon. Member for St. Catharines (Mr. Reid), who is well versed on the entire area of lotteries and fitness and amateur sport, has said in his excellent comments about this Bill echo my feelings. The Hon. Member for Provencher (Mr. Epp) has also echoed my thoughts about this Bill.

However, I would like to bring to the attention of the Minister that in August of 1979, when we made an agreement with the Provinces, the federal Government was receiving $24 million which was connected to the consumer price index. What I am really surprised about is the fact that on November 18, when there are 1.3 million people unemployed, when the country is going down the drain, we are talking about games of chance and lotteries. This does not make any sense to me. Having spent 14 and one-half years in the House, I cannot believe that today we have to deal with a Bill like this. It is most annoying.

I thought the Minister was a sport, but apparently he has been sold a real bill of goods. I find it unbelievable that a rower from the Canadian Olympic Association will suddenly tell him how to run his own Department. Now I know why the Hon. Member from the other place is taking over from him. This man has been a disaster. We had $24 million connected to the CPI which the Minister was receiving from the provincial Governments. There was nothing to do but stay there and collect the money. They have had $60 million in the kitty in the last three years, split up between culture and sports. Have Hon. Members heard the people from the sporting department making any complaints about the funding in the last three years?

• (1650)

Some Hon. Members: Yes.

Mr. Paproski: You have, have you? Well, you assured them that you haven't got a piece of the action. Don't give me that stuff.

Some Hon. Members: Oh, oh!

The Acting Speaker (Mr. Corbin): Order. The Hon. Member should address his remarks to the Chair.

Mr. Paproski: I heard an echo but I am sorry that I got off the point. Since the present President of the Liberal Party, Iona Campagnolo, was Minister, and previous to that when John Munro was Minister, we had committed ourselves, in Fitness and Amateur Sport, to national and international sports amounting to one third of capital costs. There is no way that you can get out of it now, I say through you, Mr. Speaker. This minister knows that. There is a deal with the municipalities, the provincial Governments and the Federal Government. They are each responsible for a one-third slice. The Minister could have received something else from the provincial Governments if he had that close federal-provincial co-operation that we had in the short period we were in government.

Some Hon. Members: Oh, oh!

Mr. Paproski: Because with us it was all in the family. We dealt with provincial colleagues. We did not have that problem. You have another problem, Mr. Speaker. The problem is that there is no Liberal Government out there any more that can deal with it, unfortunately—or fortunately—and that is where the problem is. The Liberals could have held two or three draws annually if they had sat down with the provincial Governments and said: "Gentlemen, we want two or three draws annually for Olympics, for university games and for international sport". The Minister said that the money is for the Canadian and the Calgary Olympics. My God, Mr. Speaker, they will not be around here in 1988. They will not have to worry about that.

An Hon. Member: You won't.

Mr. Paproski: I will be around. Don't you worry about me.

Some Hon. Members: Hear, hear!

Mr. Paproski: Don't you worry about me, Daddy, I'll be here. They will not be around in time to really appreciate the Calgary Olympics, but we will look after them. We do not mind. We are pretty easy with our provincial colleagues. We do not care what stripe they are. We do not play the kind of political games that you gentlemen do.

Do Hon. Members know why these people want to get back into the lottery business? Let me tell them. There were 6,000 Grits—Liberals, excuse me—

Some Hon. Members: Where?

Mr. Paproski: —who automatically lost their little kiosks which were making only $30,000 or $35,000 annually. When one asked them whether they were making any money, they replied: "No, we are not making any money". Do Hon. Members know what they were doing? They were writing off the $10 tickets into the $1 and $5 package. How much money were they giving back to the federal Government? A big zero. And anything they could write off on the $10 ticket, they were writing off.

An Hon. Member: What about the Grey Cup?

Mr. Paproski: I will take up the Grey Cup matter in a couple of minutes. Another 120 distributors were making anywhere from $200,000 to $300,000 annually. I would not say they were all Grits, but 95 per cent of them were.

Some Hon. Members: Oh, oh!

Mr. Paproski: I think this is ridiculous and I think it is getting into something which is wrong. I say through Your Honour that the Minister has been sold a bill of goods. He will have to use the machinery that the provincial Governments will be using in order to crank out these little tickets, whenever they are selling them; so if there is $60 million in there, it will take them a year and a half to get back into the business. It will cost them $60 million to get into the business and by that time we will have another election and the Government will be finished. So there you are.

Some Hon. Members: Hear, hear!

Mr. Turner: That's what you said the last time.

Mr. Paproski: I will not say any more, but good luck to you in the next federal election.

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

Some Hon. Members: Question!

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

Some Hon. Members: On division!

Motion agreed to, Bill read the second time and referred to the Standing Committee on Communications and Culture.

Some Hon. Members: Five o'clock!

PRIVATE MEMBERS' MOTIONS FOR PAPERS

[*English*]

All items preceding No. 94 allowed to stand by unanimous consent.

CANADIAN BROADCASTING CORPORATION

Mr. Hal Herbert (Vaudreuil) moved:

That an humble Address be presented to His Excellency praying that he will cause to be laid before this House copies of all minutes of meetings, letters and other communications during the last year between the Minister of Communications and the Canadian Broadcasting Corporation that deal with the balance or bias of reporting.

He said: Mr. Speaker, it is appropriate that we will be discussing the Canadian Broadcasting Corporation this afternoon in view of the publication this week of the report of the Federal Cultural Policy Review Committee, commonly known as the Applebaum-Hébert report, but before I get into the subject of the motion, the Canadian Broadcasting Corporation, I would like to make a brief comment on the motion for papers.

Beauchesne's Fifth Edition states that in 1973 the Government tabled in the House of Commons its views on the general principles governing notices of motions for production of papers. The following item states that the purpose is "to enable Members of Parliament to secure factual information about the operations of Government to carry out their parliamentary duties and to make public as much factual information as possible".

I now realize that these motions for production of papers have become a farce. On more than one occasion the Government has agreed to produce for me, but on one occasion I had in my possession papers produced by the Government which I found to be totally inadequate and incomplete. I complained to the Speaker and was informed that that was too bad, but that there were no powers in the House to enforce the production of the documents. As recently as this week, an Hon. Member of the Official Opposition also received a ruling from Madam Speaker that, once again, it was too bad whether he did or did not get the papers which were to be produced by the Government according to the motion and there was nothing further that could be done.

Thus, as a Member of the Committee studying the Standing Orders of the House, I have suggested that we abolish this process in its entirety, that we recognize that it is entirely up to the Government to make up its mind whether it will or will not produce documents, the extent to which it will produce documents, that we request these documents via a question on the Order Paper, and then keep our fingers crossed that maybe we will be lucky. I am not at all enchanted with this procedure because we have just passed a freedom of information Bill and I feel it is too bad that we cannot get documents which are essential in order to do our work as competently as possible.

I would like to refer to the essential subject, which is the Canadian Broadcasting Corporation, and the suggestion that there may be some bias in its reporting. In a moment I will illustrate. I have spoken on this subject many times over the years. In looking at some of the questions I have placed on the Order Paper, I did notice that to questions I asked concerning radio and the average percentage of listeners in peak listening times on those CBC radio stations in Montreal and Toronto, the answer was that at peak listening time in Toronto, Station CBL has approximately 7 per cent of the total listening audience. I am quoting only from Canadian Broadcasting Corporation figures provided to me. In Montreal the corresponding figure for Station CBM is approximately 2 per cent, and for Station CBF approximately 8 per cent.

• (1700)

Just to complete the radio picture, in another question I was advised that across the country the CBC English and French owned and operated stations, together with CBC affiliated

radio stations, had a total audience of 8.9 per cent. I have never suggested that that is not an important segment of the population of this country. Nevertheless, let us keep things in perspective.

As far as television is concerned, also in answer to a question on the Order Paper, again using Canadian Broadcasting Corporation figures, we find that, as far as English television programming is concerned, the CBC-owned and operated stations, together with the private stations that are affiliated with the CBC, are unable to attract the same viewing audience as the private networks. Furthermore the number of viewers tuned in to stations south of the border is almost as great as those watching CBC.

In the case of the French language stations, the Canadian Broadcasting Corporation, Radio-Canada, does attract a somewhat larger viewing audience than the private network, and I think this is to be expected. Unfortunately, those watching the stations south of the border are not divided into English and French speaking viewers, although I assume they are all watching English television.

It amuses me when I watch American programming south of the border to see the number of advertisers from the Montreal area that spend their money advertising on American programs, despite the fact that they lose the benefit of the deductibility. Apparently, they find it more profitable to advertise south of the border, realizing that many Canadians are tuned in to those American stations.

I have discussed with the spokesmen for the Opposition parties that we should give as much opportunity as possible to Members to participate in this debate this afternoon, but since I made reference to the Applebaum-Hébert report I would like to put a few quotes on the record.

One of the important points that the report brings out is that the contribution of CBC television to Canadian cultural expression has been meagre. That is the word they used. The CBC has not been responsible to Canadian artists and has failed to promote them. The report suggests that CBC TV should produce only news shows with its own staff, and all other programming should be purchased from private producers. It is the hope of the Committee that by commissioning programs from independent producers rather than maintaining the present scale of in-house production, the CBC would tap a source of fresh program ideas.

The Applebaum-Hébert Cultural Policy Review Committee was exasperated with the CBC's bureaucratic arrogance and lack of verve. Its solution is to limit the CBC's own production to national news and current affairs, and have the Corporation buy other Canadian programs from private producers. It says that, unlike CBC Radio, television lacks creative initiative and intellectual leadership, and that in fighting to retain a position of power within the Canadian broadcasting system the CBC has developed a tradition of secretiveness which extends to virtually every arm of its activities.

It is on that note of secretiveness that I want to go back to an action of mine in May of 1973 when the Standing Committee on Broadcasting, Films and Assistance to the Arts were talking about the difficulty that we were experiencing as Members of Parliament in obtaining information. As a result, and I suppose one might term it a fit of anger, I proposed a motion that the estimates for the Secretary of State for the fiscal year ending March 31, 1974 as they related to vote 50, payment to the Canadian Broadcasting Corporation, be reduced by $1,000 from $232,797,000 to $232,796,000. Mr. Speaker, when the question was put on the motion, it was agreed to on the following division: Yeas, 6; Nays, 5; and that motion stood.

We have never opposed the principle of the Canadian Broadcasting Corporation, the need to provide services in remote parts of this country and the need to provide alternative programming and to promote Canadian culture. I have just read into the record that in 1973 the CBC's budget was $233 million in round figures. Today the figure is over three-quarters of a billion dollars. I feel that the public has the right to ask questions of its Members of Parliament about the manner in which these moneys are spent, and I deplore the secrecy in both Crown corporations, particularly the Canadian Broadcasting Corporation, that seems not to want to provide the public with the information it desires.

I wrote to the President of the Canadian Broadcasting Corporation on October 22. I was angry. The previous evening I had watched a program immediately following the Prime Minister's third speech in which they put on a satire on the news broadcast, "The Journal". I said: "If this is supposed to be an example of Canadian culture, then some of us would be less proud to be Canadians". I suggest there are better ways to spend three-quarters of a billion dollars than supporting the "independent", non-journalistic, untalented, overstaffed employees of the CBC.

Why was I angry? First of all, I thought that the program was out of place. I do not mind satire; I do not mind fun. For example, Radio-Canada puts on a program of satire at the end of the year and certainly they are going to take a poke at the Canadian Broadcasting Corporation. That is all in its right place. One of the CBC's senior officials named William Morgan apparently stated publically that the network did not want to confuse viewers by mixing the network's journalistic responsibilities with its institutional role of conveying Government messages. If that is not biased, I do not know what is.

I was angry, and I say in all honesty I would have been equally angry if such a satire had been put on after the commentary by the Leader of Her Majesty's Official Opposition (Mr. Clark) or after the remarks made by the Leader of the New Democratic Party (Mr. Broadbent). I considered it completely out of place. Despite the fact that I have had response from a Minister, my letter of November 22 to the President of the Canadian Broadcasting Corporation is unanswered.

I have also put another question to him, probably too recent to have a response. I question, for example, why the private networks would spend a lot of time covering what is in Montreal an extremely interesting subject, the fact that the

Chateauguay School Board is teaching its French language students the English language in grades one, two and three. Obviously, in Quebec this is an extremely important subject. I have maintained all along that Bill 101 is discriminatory as far as the French language citizens of Quebec are concerned, that it is putting French language, unilingual Quebecers in a ghetto. The School Board of Chateauguay is fighting the Government's insistence that it discontinue this language training and the issue will go to the courts on December 2. The private networks have handled the item. I wonder why the CBC on the French network has not given at least equal time to a subject which I frankly feel the French-speaking people in the Province of Quebec should be fully informed about.

• (1710)

I have given two examples. I have many in my files, but I have probably taken up enough time. The first example is what I consider the bias in what the CBC does, and second, what I consider a rather reverse form of bias, the omission of reporting on important items.

We asked these questions. I am still a Member of the Communications and Culture Committee. If the Canadian Broadcasting Corporation wants us to support their budget of three-quarters of a billion dollars for this current year, I believe we are at least entitled in return to free and factual information.

I have been unsuccessful. I tried in 1973. Eight years later I am still trying. The CBC should come forward and give us the answers. Let us better understand, rather than take the attitude that this is a so-called independent corporation that does not have to answer to the elected members of the public.

Once again, I am making a plea through my few short remarks this afternoon to the Canadian Broadcasting Corporation to help us if they expect us to help them.

Mr. John Bosley (Don Valley West): Mr. Speaker, I am interested in the fact that the Hon. Member has presumably been debating his motion for the production of papers with regard to bias in the Canadian Broadcasting Corporation and communications about that bias between themselves and the Minister of Communications (Mr. Fox), and yet never mentioned that item in his speech.

I suppose, given the Member's practice on occasions of notices of motions for papers, private members' motions and so forth, one should not be surprised. The Member will know of the concern the House now has about this particular Member's intentions when he introduces a motion. I do not yet know whether this was one of those he introduced in a fit of anger, as one of the others was, as he indicated. I assume from the fact that the Member spoke on this one, and I mean this in kindness, that he was not supporting it since he has developed a tradition in the last year of not speaking only on those he does support.

We had a peculiar circumstance earlier this year in connection with the Member's motion with regard to Dominion Day. His decision in support of his motion was never to make a statement, not to say a word in the House of Commons. He was quoted in the press on that matter as saying:

> I said to myself, Herbert, keep your mouth shut. The best thing you can do is not to open your mouth.

It is difficult now to know whether he meant his remarks today in support of his proposal to be taken seriously. I support his proposal and want to say so to him. My dilemma is that I want to know whether in fact he means, having opened the debate, that he does not want it to pass. Perhaps after I sit down he might privately indicate what he prefers.

Second, I made careful note of some matters that he raised in his short discourse on which I want to comment. The Member is absolutely correct—and this is not to comment on the Speaker's ruling—that it was surprising to discover that even when the House of Commons has ordered that papers be produced, the Government nevertheless has the right to refuse those papers.

That is worrisome, at least to me. I understood that the obligation of the Government if it wished papers not to be produced was to present its case here for not having papers produced and so convincing the House or making some argument about national security, or some such thing under their claim with regard to their interest in freedom of information, rather than, after the House has decided that something should be produced, hide behind their admitted right not to produce papers. It calls into question the whole matter of freedom of information.

The motion which the Hon. Member put on the Order Paper and that he did not debate is an important one. There is always a concern about whether the public corporation does show bias. In fairness to the Hon. Member, it is partly his interest in this area and certainly the interest expressed by Members on our side in Committee which led to the publication in July of this year of a fascinating book by the Canadian Broadcasting Corporation. The book is called "Journalistic Policy". It is the new bible on how journalists are to behave within the Corporation and what their rights and professional responsibilities are. It is a very interesting book. In fairness, I should say that the origin of this book arose from concerns in Parliament and in the Corporation about this question.

Interestingly enough, the Hon. Member did make reference to the satire which was mounted on the Corporation after the address of the Prime Minister (Mr. Trudeau). He said he would have felt just as upset if it would have been made after the other speakers. However, he did not indicate, which I found surprising, any concern with the origin of the reason why there was no journalistic comment after any of those speeches, that being the Government's request.

He appears not to be concerned by the quote that he gave with regard to the obligation of the Corporation. I made quick notes. I do not have the direct quote, but I think I can correctly paraphrase what he said. The quote said that the Canadian Broadcasting Corporation has an institutional role of conveying Government messages. I would have thought that very statement alone implied bias, and one should be concerned about that question.

I note in the book "Journalistic Policy" that the Canadian Broadcasting Corporation outlines matters which it regards as broadcasts of national importance. Nowhere in that list is included a message by the Prime Minister of Canada. It is not in the policy of the CBC that those messages are of national importance. There are major addresses, major parliamentary debates, policy conventions, First Ministers' conferences, state occasions and Royal visits, but nowhere in the middle of the heat of this issue when this document was being prepared, and it was prepared before the request, was that issue addressed. Therefore, it was legitimate for journalists to question at the time whether in fact an accession to a request by the Prime Minister under terms to be set by the Prime Minister was a fair request to the public broadcasting corporation.

I make that point because elsewhere and throughout this document the CBC makes the point that it must remain independent of all influence if it is to be able to achieve non-biased programming. We had two examples last year of circumstances where the Corporation had clearly shown something beyond bias. Members will recall the two cases in which the CBC was involved in which they were accused of libel, slander and defamation of character. One was lost in court in British Columbia. The Corporation was ordered by the court to pay the secondest highest libel award ever made in Canada because of the defamation of character involved. Second, Members might recall the out of court settlement involving the then and current Premier of Alberta.

The whole question of bias and the way the CBC deals with bias is an important issue if one believes in the protection and preservation of the CBC. Therefore, the letters between the CBC and the Minister of Communication (Mr. Fox) at approximately the same time as the libel suits were being discussed are important issues and should be important to Parliamentarians as showing what the CBC was saying to the Minister and what the Minister was saying to the CBC. I hope the House will find it within its power to approve the motion, notwithstanding the fact that the Government may yet decide, even if the motion is approved, not to produce the papers under cover.

It was not my intention to speak at length. However, I want to make a couple of other points with regard to the book "Journalistic Policy" which I urge all Members to read because it does relate to this issue. It is not my intention to speak here today about the Applebaum-Hébert Commission. That is for another day.

One of the issues that relates to the question of balance and bias in broadcasting, as Hon. Members will know, is protected for Canadians by the Broadcasting Act and applied by the CRTC on licences of television broadcasters, notably when their renewals come up. One of those issues is that the CBC is, in effect, exempt from that policy.

• (1720)

It is therefore disturbing to find the CBC in journalistic policy documents make this statement under its open section on journalistic policy, and in the section called "Balance":

> Balance is not to be confused with the concept of "right of reply". The CBC must itself accept the responsibility for determining when a significant imbalance has occurred, and what remedial action must be taken.

Clearly, the CBC does not believe that it should be subject to the same provisions with respect to the protection of Canadians which the CRTC is empowered to provide with regard to other television stations. The CBC believes it is their role to make that determination internally. If that is the case, Mr. Speaker, that only strengthens the argument for producing papers passing between the Corporation and the Minister on this question. Surely it is in the interests of the House to do so.

Finally, Mr. Speaker, I want to make reference to one other definition, or one other policy statement which is in this book, with regard to current and public affairs programming. I believe most Canadians tend to believe, rightly or wrongly, when they have observed bias in the CBC, that it is in the current and public affairs programming or in the news broadcasting. The CBC, therefore, defines its role, and I think this is important on the question of bias, as follows:

> The role of the CBC, then, in its current and public affairs programming, is to inform Canadians about the issues they confront as they decide upon their future through the democratic process. The exercise of this responsibility calls for identifying and exploring the issues confronting Canadians fairly and thoroughly, comprehensively and accurately, and for reflecting differing views about these issues, fully and fairly, and in a balanced manner, taking into account the weight of opinion which holds those views.

There are two things that should be noted from that. First, the CBC itself will decide in its view what are the important issues today. Second, it has introduced into its own journalistic creed the issue of the weight of public opinion. One is therefore interested, because this document was prepared in response to these concerns last year, as to what the communications between the Minister and the CBC on journalistic bias were.

In protection of the CBC, and in protection of the freedom of information issue, when we have a Corporation which has exclusive privilege under the Broadcasting Act, which has protection separate from private broadcasting, which has large amounts of public money, surely in that circumstance, if not in any other, communications between the Minister, who is supposed to be in an arm's length relationship with the Corporation, and the Corporation's concerns on those issues, deserve to be brought to the House of Commons. If bias is to be rooted out of the public Corporation, the House of Commons has an interest, I believe a serious and deep interest, in ensuring that it knows what the CBC and the Minister were talking about when they were discussing that issue.

Mr. Mark Rose (Mission-Port Moody): Mr. Speaker, I would like to offer my contribution to this debate. I will perhaps be a little more general than the two other Members who preceded me. I think it is essential that the CBC, as our primary cultural agency, be open to public scrutiny. I do not think anyone can deny that is important. I have heard all kinds of stories over the years of real and imagined biases within the CBC. Some of my friends in the Tory Party have on occasion approached me in the House at about nine o'clock and asked

me whether I had had time yet to write the ten o'clock news. I know that some Members of my Party sometimes think that the ten o'clock news is written by the Government. Certainly, the Quebecois Liberals on the other side are sure that the CBC is dominated by separatists. Some people even insist that the political party who runs the CBC is the Rhinocerous Party. I am sure that all those things cannot be true. I guess it depends on which story you are looking at and at which time.

I will not go over the examples cited by the previous speaker, but I was here in the October crisis in 1970, and I know there was a directive that went out at that time from the President of the CBC, George Davidson, to all his newsmen to refrain from commenting on the imposition of the War Measures Act. The CBC was not entirely free, therefore, at that time of some sort of political pressure, though where it came from originally, I do not know. I do know that the CBC has a tradition of having for its Presidents rather highly placed civil servants, and I would like to say they are not always established at arm's length relationship with the Government; but it is hard to believe that after association throughout all those years they can suddenly forget their old friends, even though they might do their best to do so.

I believe all of us were concerned about the recent example of the Prime Minister (Mr. Trudeau) appearing in his mini-series. Why that was done, I have no idea. I objected to it strenuously because while the Prime Minister has every right as the Leader of our country to speak to the nation, I did not think he was entitled to a serial. He spoke for three 15-minute shots rather than one 45-minute shot. I do not know whether that was because he felt he could not hold his audience for 45 minutes or what. That might have been part of it. Actually, what he could have done, had he wanted to, was to decide that a five-minute daily shot would be enough, and have nine of them. That might have been even better. He would have become almost as familiar as the test pattern. Nevertheless, I do not really want to talk about that at the moment.

I agree with the mover of the motion that the CBC spends a great deal of money. I do not think it spends too much money per capita. It provides more services than other state-owned and operated broadcasting systems. With two radio services, a far North service, an international service and two television services, I think we Canadians get very good value for our money.

The Hon. Member for Vaudreuil (Mr. Herbert) claimed that the CBC had tripled its budget since 1973. I invite the Hon. Member to look back at the total federal spending since 1973. It has gone from $19 billion to roughly $70 billion. So the CBC on that point is not out of line. But it does not give the CBC a better excuse to deny this legitimate information. So I agree with the Hon. Member on that point.

The CBC has a tremendous mandate, and because of that it cannot be compared to the private broadcasting system, either in this country or in any other. In 1968 the mandate in the broadcast act was to safeguard, enrich and strengthen the cultural, political, social and economic fabric of the country. That is quite a mouthful. Also it was to serve the special needs of geographic regions, to contribute to the flow and exchange of cultural and regional information and entertainment, as well as contribute to the development of national unity. It might be arguable whether it actually succeeds at that, but that is in its mandate. That is a pretty big mandate for any corporation.

No one can question the fact that sometimes it falls short of achieving some of its mandate, but I do not think anyone in this room or any other room can deny that the Canadian Broadcasting Corporation has been a major tool in achieving many of these rather lofty goals. The CBC is the main cultural institution in Canada. It seems to me that it is the most pervasive and most powerful. While it would be nice if more people went to concerts, listened to chamber music, recitals and lectures, the fact is that most people spend most of their leisure time watching television or going to the movies.

An Hon. Member: Or watching the House of Commons?

Mr. Rose: No, they are not watching the House of Commons, unfortunately.

Why do we have the CBC in the first place? It began under the Bennett Conservative Government. There was a feeling abroad that we would be inundated by American programming, and if we were going to develop our own cultural identity we had to have, in those days, one or two radio networks across Canada. Is this not also true today? That is why I could not really accept much of what the report of the Applebaum cultural commission recommended relating to the CBC. We established public broadcasting then, because it was either a choice of support by the state or domination by the United States. The same thing is true today, probably in spades.

• (1730)

We must ask if we need the CBC today. Does our cultural integrity, our social and economic fabric, need safeguarding, enriching, strengthening? Will private sector industries work toward these goals on their own, without the CBC? I doubt if that can be done. We have had the CRTC, and its content regulations and other protection but they have not worked out very well. The private sector has not produced much Canadian programming either, and I do not blame it. Private television networks such as CTV and Global have been forced, through economics, to use drama programs imported from the United States. Incidentally, as the Applebert Report points out, imported at a higher cost than these programs are sold to England. The fact that three networks are bidding for the same programs puts the price up.

With the best will in the world and despite promises made when they received their licences, private broadcasters cannot spend the money that is required to produce attractive Canadian programs. They are in an economic bind. The alternative is the popular U.S. imports. The only network with money to spend on programming is the CBC. I could elaborate on that point, Mr. Speaker, but I do not have the time today.

Some people claim that CBC should not be publisher and author at the same time, in other words, it should not be involved in hardware and in software at the same time, and that it is a conflict of rules for it to be a publisher before it has been an author. A lot of people argue that the CBC should not get into production but should concern itself with hardware, news, sports, weather and public affairs, and leave entertainment and drama to private enterprise. It is held that the CBC should buy entertainment from private production companies.

That is the Applebert solution, Mr. Speaker, but I do not buy it. I agree that private programmer must have more access to the CBC. The people who criticize the lack of more access to the CBC are right on point. I do not think anyone can defend the proposition that the CBC should not be more open. But there are a lot of competing interests to consider. Many of the creative people whose jobs depend on the CBC are concerned about the situation. It has been said that if all the variety and entertainment programming were taken away from CBC, as Applebert has recommended, approximately 6,000 jobs would be lost. Of course, some of those jobs might be picked up by the private networks, but I doubt it. Despite the content regulations and other efforts, however, the money has yet to be found to create a viable production industry in this country.

With the best will in the world, I do not think that the private sector can produce high quality Canadian programs. The market is simply too small. If programs are produced only for export, how can they truly reflect Canada? I think there must be a judicious mix of private and public programming and more money must be provided for this purpose. I believe that Canadians are entitled to the best domestic and foreign material available, regardless of the delivery system—whether it comes in by dish, by satellite, by wire or by cable. We must find a solution to that problem, otherwise the goal of national unity with which the CBC is charged will be lost in the squabble over who can watch what and the kind of censorship which is applied to what.

If that sounds like a departure from this Party's policy, Mr. Speaker, I do not apologize for it. As far back as 1968 or 1969 I asked the then Chairman of the CRTC why people in Mission or Vancouver were less impervious to cultural domination than people who lived in Edmonton? In my constituency viewers could pick up all kinds of U.S. signals in the air and it did not change our loyalty as Canadians. People in Edmonton did not receive those signals, however, and were denied the TV choices available to me. There was no way they could steal signals from the Americans because they did not have the cable companies and they certainly did not have the dish.

An Hon. Member: Oh, oh!

Mr. Rose: What would the Hon. Member call it?

Mr. Bosley: Receiving.

Mr. Rose: I am sure the Hon. Member is a master of euphemisms.

The CBC must continue to produce programs and to broadcast those programs. I do not think there is any conflict in the publisher-author role at all, but I think we need other alternatives to an entirely monolithic public production system. This country is a living example of the mix of private and public enterprise that has worked very well up to now.

I should like to refer now to a very famous journalist who writes for that radical sheet, the *Globe and Mail*. In today's column Michael Valpy asks:

> What makes MASH affordable to the CBC is that the cost of the series is spread around the big American networks—

In an earlier paragraph in the article he wrote:

> Applebert assumes that once CBC television gets out of production, private production houses will be there to do the job.

I do not think that will be the case, and niether does Valpy, Mr. Speaker, unless they can get the money.

It is a truism to say that CBC costs too much, that it wastes too much money and that it is top heavy with bureaucracy. That is the conventional wisdom, and perhaps it is true in some cases. All these things could be said about some of the operations of any large corporation. But the CBC does not operate solely for money; its mandate precludes it from being in business only the nickels and dimes. It has a mandate which gives it many responsibilities. We should not look only to the balance sheet of the CBC. We gripe about its secrecy, its lack of flexibility, its repudiation of much private production, and make real criticisms in those areas, but I do not think we can judge it in the same way that a private network can be judged.

A study of the CBC carried out by McKinsey and Company compared it to the national networks of France, Great Britain, Japan, Australia and Sweden, in 1978. It showed that the CBC produces at least twice as many hours of programming per employee as the other networks, and that it produces between three and ten times more hours of programming per $1,000 than those networks. That is not a bad record, Mr. Speaker. It does not sound as if it is squandering money.

I tend to support the CBC because since 1932 my Party has supported the concept of public broadcasting. We do not think that private broadcasting should not exist but we believe that public broadcasting is crucial. Even that left wing sheet, known as the Toronto *Sun*, ran an editorial today which said, referring to the CBC, the Applebert Report goes one better than throwing the baby out with the bath water; it wants to throw out the baby and keep the bath water. In other words, it wants to throw out the programming aspect of CBC and just keep the hardware.

I think we have spent far too much money on hardware in this country, already Mr. Speaker, whether on radio transmitters or cable. Now, if we are not careful, each homeowner in the country will be asked to buy a satellite dish. We have all kinds of money for hardware, it seems, but not enough for software. That is why we do not have programs of the quality many people want.

There is just one other thing I should like to comment on before I sit down, Mr. Speaker. An elderly pundit with the

Southam chain wrote a little column about me the other day in which he called me pathetic.

Some Hon. Members: Oh, oh!

Mr. Rose: He went on at great length.

An Hon. Member: Charles Lynch.

Mr. Rose: I am too kind to name him. He went on at great length and wrote, "But where has Rose been for the last dozen years?" This is the first time I have ever had a column dedicated to me, Mr. Speaker I am flattered. He asked where the NDP is when it is needed. He asked where I have been all these years. I would like to tell him. Obviously he does not do his homework. I read his articles occasionally, so I know that he very seldom does much research. He cannot really do much because he has to play his harmonica and do various other frivolous things such as talk on the CBC for a fee and run around playing with the Press Club band. Few of the Press Club band are reporters. I once asked a trumpet player how he got into the Press Club band, and he said, "Well, I bought a want ad once". In any event, the band and Charles are found over at the Press Club a good deal. I thought I would like to let him know that it is not a new interest that the NDP has expressed in the CBC and its problems and concerns. I looked back into committee proceedings for the past two years and discovered that I raised questions concerning the CBC and Canadian content 11 times. According to the indexing branch, those references take up 35 pages of text in the transcript.

• (1740)

An Hon. Member: Incredible.

Mr. Rose: Take that, Charlie, and put it in your harmonica.

Dealing with the CRTC, I have intervened in favour of expanded CBC and CBC II. I called for the CRTC to protect the programming base of CBC by restricting Canadian Pay TV to program types which are not presently being displayed for nothing. Also I intervened before the CRTC to support CBC II, an extension of television service with the CBC as the cornerstone, and to extend the package to northern rural areas. Also I have asked questions 12 times already in this session in the House of Commons.

My colleagues and I keep up our interest in public broadcasting. It goes back to 1932. We will not stand by and let Applebaum or any other highbrow suggest that the CBC be emasculated and the whole thing privatized, because privatization of the CBC is not the Canadian way at all. It is based entirely on the American model. We do not think it is suitable for Canada for two reasons, first, because Canadians need and want the CBC; second, because we do not have the market to support a private production industry such as the one existing in the United States, without destroying the very nature of the thing we are trying to enhance.

Some Hon. Members: Hear, hear!

Mr. Ron Irwin (Sault Ste. Marie): Mr. Speaker, it is a pleasure to participate in this debate. I thought it would be much more serious than it is. What has happened, as usual, is that the poor CBC and the poor Canada Post, the two major institutions which bind our country together, have become the public's common ache.

I came here to discuss the Applebaum-Hébert report because I think it is one of the most profound reports we have received in several years.

An Hon. Member: What kind of a report?

Mr. Irwin: Hon. Members of the NDP should just quieten down and perhaps they will learn something.

I think a wide discussion, as requested by the authors of the report, is needed. I do not think we can be partisan about culture in the country.

As a result of what has been said, I feel that we should not be going the Cabinet route. I do not think the report should be transferred to Senator Austin, who has quite a wide-ranging knowledge. No doubt he will come up with very wise recommendations which may not fly in the House of Commons because, like everything that goes this route, it may become partisan. Like obstacles, the acid rain report, or the reform of the House, something like this should go to a parliamentary or a special committee.

As I look around the House, I see expertise in the Opposition and in the Government backbenches on every field relating to the report, except the record industry. We have authors, publishers and former media people. In fact, we have people who are publishing now, and I myself was on the CRTC for three years. I think it is a shame to take something like this and have it end up, after having spent $3 million and several years of study, as a bucket of ashes; just a parliamentary report which may get a week to a week and a half of media hype and then is forgotten.

I think this matter is important, but because my time is limited I want to make those comments first. My conclusion in terms of this report is that it should go through some kind of committee of the House of Commons. We should go through it and look, not just at the CBC, which is only part of the report, but at the entire area. I think the media has failed miserably in that it highlighted the electronic media and forgot the private media completely. It has turned into a CBC critique, and I do not think that was the intention of the report.

I understand from some of the members of the committee that they are not happy—and these people come from all fields—with what has happened to the report. The only discussion we hear is about the CBC. In any event, at this point I should like to discuss the CBC, but first I want to make it clear that it is only part of our culture.

An Hon. Member: A big part.

Mr. Irwin: A big part but not the most important one. The most important part of our culture is the regions which, in the words of Northrop Frye, "throw up their talents to major

centres". If the CBC part of this report is important, it is only because the authors clearly pointed out that the CBC completely ignored regional talent and the out-house talent in Canada; it is now struck, in the words of the authors, with in-house hardening of the arteries.

Most of the things indicated in the report have been said by other Members of the House and by other committees. We have been saying it for so long that I think it is about time to start getting down to implementing many of the suggestions.

In reviewing this matter, I got carried away and went back to 1949 when we first invented the CBC. On March 28, 1949 the Government said that the CBC would be set up, that we would lend it $4 million and that that was the last Canadian taxpayers would have to pay for it. It indicated that the money to keep the CBC going would come from permits for which people would pay when they purchased television sets. Almost immediately, in 1950, it went to $4.5 million, and now, as has been indicated by other speakers, it is three-quarters of a billion dollars.

The mandate has not been followed by the CBC. I should like to refer to a very important statement in the report which read as follows:

> Too many Canadians are beginning to question the very need for a public broadcaster such as the CBC.

For the benefit of the NDP Member who defended the CBC, I should like to indicate that the Minister gives it only lukewarm support. Fewer and fewer people are supporting it and its television. That is bad. We do not see this happening with CBC Radio. There is a very small loyal and articulate group which says that it is good and that it should be protected, but more and more we find fewer and fewer people supporting the concept of the CBC. This bodes badly for what is happening to CBC television.

The report dealt with many things which we know, such as the fact that broadcasting is risky and that because of dishes we will soon be tiering programs. For example, if I want to watch a show on carpentry, on French or on Spanish, it will be available. There will be shows on many channels geared to individuals interests. Also, the report dealt with fragmentation of audience and reach.

Reach is very important. This is the problem with the CBC. It is more involved with reach than it is with its original mandate. Reach is this—how many people do I reach? Then that number is taken to the people to whom the Corporation sells advertising and they pay *X* number of dollars; it increases in direct proportion to the reach. The more people it reaches, the more it gets for its advertising. Thus, what does it do? It goes to the most popular American programs. It is crazy to use taxpayers' money so that the CBC can get involved in production of advertising, which nobody really watches. It pays $11 million a year to affiliates so they can show the advertising and show the so-called Canadian programming, which reaches the greatest audience which means American programming shown by affiliates. Therefore, on top of everything else, $11 million is paid by the CBC to its affiliates so that we can show more American programming. That is the main problem with the CBC.

• (1750)

I had high hopes when Pierre Juneau went to the CBC. No matter how partisan we are with regard to Pierre Juneau, he was the best original thinker on the CRTC. His FM policy, the Canadian content policy and others, all were his original thinking. There has not been much new since 1968. Most of the things I dealt with when I was at the CRTC were things Pierre Juneau initiated. I think he may become overwhelmed by the CBC octopus. I think the job is too big for Pierre Juneau. I think that a parliamentary committee should go in and say, "This is what we want." I think the CBC is so big that Pierre Juneau's talents will be wasted at the CBC unless we support him. That means that as well as criticizing the CBC we should adopt things that have been suggested in the report. We should remove the advertising and get back the Canadian content, get back to having Canadian actors, writers and performers in place, and say that we will give support if it costs a few extra dollars.

Mr. Rose: It is $150 million.

Mr. Irwin: At the same time, we could go to private broadcasters, whom most Members in this House are too timid to attack. We are very good at attacking the CBC but we do not attack the private broadcasters because we may need them. We should say to them that $100 million has come out of the CBC budget—I disagree with the report, they will not get $100 million because their reach will still be the same, but they will get a good portion of that $100 million—and ask, what have you done lately to employ Canadian actors and writers who are fleeing to the United States? We must be doing something right. We have produced them. But they are off to Florida, California and New York, and we do not see them again. Broadcasters are making $1 billion in revenue each year. TV, radio and the private sector make $1 billion in revenue in advertising, minus costs. I was almost sick when I had to ask, as a person from the region, to go to the CRTC, and while I had the privilege of seeing these financial statements, which the taxpayer did not, I had to sit there and talk about community channelling and what that person was not doing to hire Canadians to do the work, only to hear them reply that they could not afford it. I was not able to rebut because the figures were confidential.

That is not the case in the United States. Most of what is done in the United States I disagree with. But any broadcaster who has a licence in the United States has to make those figures public. We have protected monopolies. They are protected in the sense that they are given the privilege of a licence. If anyone else tries to use the frequency, or in the case of cable, the area involved, we lay criminal charges and send in the police. But for the privilege of a licence in the United States, figures have to be made public. In Canada we have to rely once a year on Statistics Canada. How can any individual broadcaster, say, from Saskatchewan or from the Hon. Member's area say, that a certain number of dollars are needed to

hire local people? That is virtually an impossible thing to do unless the public has access to those figures. Parliamentarians have access to those figures and act on them.

No one knocks the CBC in the sense that it is not producing quality. The question is, are we getting $792.6 million worth of quality per year from the CBC? Are we getting the biggest bang from the bucks we are putting into the CBC? After three years of administering the CBC and other groups in the CRTC, I say no. A lot of money is being squandered unnecessarily. I do not think the CBC has the same group with the same concept it initially had. I think the death of the CBC came when it cancelled the program "This Hour has Seven Days." I think that was the downturn of the CBC. That program was too good.

Mr. Rose: Who cancelled that program?

An Hon. Member: The Liberal Government cancelled it.

Mr. Irwin: An Hon. Member asks who did it. I sat with one of the producers who eventually became a CRTC commissioner—

Mr. Blaikie: Which Government cancelled that program?

Mr. Irwin: That is a discussion I would like to get into with the Hon. Member at some point, confidentially. But I think the cancellation of that program was the downturn of the CBC. It became less adventurous. The CBC refused to do new things. Each time Hon. Members go out to the airport, they should look at the huge building housing the CBC. That is the CBC today. The bucks are not being put in the production end. You have very "funny" people doing production at the far end—people who produce the culture in this country do not sit in the CBC building. This building houses the middle and high management personnel for CBC who may destroy the CBC. There are more people shuffling ideas around so that the money is just not getting to the place where we want it. Production is where the money should go. That is the bottom line.

You cannot force people to watch Canadian programming just because it is Canadian, as I told the Hon. Member. Canadian programming has to be good. We put money out for productions such as the program on Louis Riel. That program cost $24 million, but it was good and people watched it. The program was sellable. I do not think Canadians would begrudge programs on, say, Fraser, the Plains of Abraham, or MacKenzie, or any number of things in our history. We have such a rich historical culture. Canadian historical culture is much richer than American, yet my children know more about Howdy Doody, Wild Bill Hickock and Jesse James than they do about Cartier, Champlain or Fraser. If the CBC took this money and spent it wisely—

The Acting Speaker (Mr. Corbin): Order, please. The hour provided for the consideration of private members' business has expired. I do now leave the Chair until eight o'clock this evening.

At 5.58 p.m. the House took recess.

AFTER RECESS

The House resumed at 8 p.m.

GOVERNMENT ORDERS

[*English*]

OLD AGE SECURITY ACT (NO. 2)

MEASURE TO AMEND

Hon. Monique Bégin (Minister of National Health and Welfare) moved that Bill C-131, an Act to amend the Old Age Security Act (No. 2) be read a second time and referred to the Standing Committee on Health, Welfare and Social Affairs.

She said: Mr. Speaker, the Bill before us tonight is one of several measures brought before the House in the budget of June 28. As part of its over-all strategy to reduce inflation, the Government is asking as many groups as possible—taxpayers, public servants, mothers receiving family allowances and pensioners—to help set the course toward achieving this goal. We ask these Canadians to accept a cap on the indexation of their income taxes and benefits over the next two years. But we do so in the fervent hope that all others, acknowledging this sacrifice, will voluntarily agree to commit themselves to similar programs of restraint.

Asking some Canadians to accept now what we can only hope for on the part of others was, I must say, one of the most difficult actions that we as Government have had to take. The Prime Minister (Mr. Trudeau) made that point very clear in his recent talks. After all, we know that we cannot give any guarantees to pensioners that others will join them in the fight against inflation but, at the same time, we are optimistic and believe in the willingness of all Canadians to participate in this critical national challenge.

The purpose of Bill C-131 is twofold. First, it proposes to limit indexation of the basic Old Age Security pension, known as OAS, to a maximum of 6 per cent in 1983 and 5 per cent the year after. The basic pension, as all Hon. Members are aware, is payable to all persons at age 65 who meet certain Canadian residence requirements.

The second purpose, which I stress because of its importance, is that the Bill proposes that the full value of the two pensions paid to low income pensioners be maintained during this period. Thus, pensioners with low incomes who are eligible to receive what is called the Guaranteed Income Supplement, or GIS, or spouses' allowance benefits, will not be affected adversely by the proposal to limit indexation of the basic pension. In other words, these benefits will be doubly increased, that is, they will be increased fully, in accordance with the changes in the Consumer Price Index, and increased by an additional amount to offset the loss associated with the limited indexation of the basic pension. In other words, more than half of the Canadian pensioners—this is the key point of

this Bill—will not be affected at all by this legislation, and all pensioners will receive more in 1983 or in 1984 than in this current year, 1982.

This second proposal testifies, if it is necessary to do so, to this Government's long held commitment to assist the most vulnerable members of Canadian society, especially in times of economic difficulty.

[*Translation*]

The Government has always done its utmost to adjust its Old Age Security program to the economic realities facing all Canadians. Especially in recent years, which have inflicted the hardship of high inflation, the program's structure, and in this it is unique among all our government programs, has helped the aged to cope with the rising cost of living, and it has done so every three months and not just once a year.

Today, all Canadians are struggling with a new economic reality. By implementing radical, and I do mean radical, measures to reduce inflation, we shall be able to surmount our problems. Canadians at all levels of society must adjust to this situation, difficult though it may be, in order to avoid increasing hardship in the future.

[*English*]

Responding to this reality is what Bill C-131 and similar measures before the House are all about. Effective for 1983, that is toward the end of January, 1983, we propose that indexing of the basic pension be limited to 1.5 per cent of the current old age pension every three months, to reach an exact increase of 6 per cent for the full year. In 1984, similarly every three months, the pension cheques will be increased by 1.25 per cent, to reach an annual total of 5 per cent for the complete year.

No doubt, Members opposite will argue that this proposal departs from the Government's policy to protect the elderly against inflation. But I reject such charges at the outset. We certainly are not proposing to eliminate indexing of the basic pension. We are saying that pensions should continue to be indexed and will be, but for a limited time this indexation will be at a somewhat lower rate than the actual rate of inflation. For example, pensioners now receive basic monthly benefits of close to $247, or $246.92 to be exact. With full indexation, such pensioners would see their benefits rise next January to $251.12. Instead, we are asking them to accept $250.62, which is a reduction of 50 cents each month in the period between January and March, 1983. Over this two-year period of a special national solidarity campaign, pensioners would receive about $29 less in 1983 and about $52 less in 1984 than they would have received if no limit were placed on indexation.

Naturally, we hope that by working together we can bring inflation down to 6 per cent and 5 per cent in those years. A year ago last November inflation was running at 12.7 per cent. It went as high as 13 per cent in July. It is now down to 10 per cent, the lowest rate since May of 1980. If we manage to achieve our objective, Bill C-131 will have only a limited effect on pensioners, perhaps negative compared to the expectations in the short run but very beneficial for the future. Of the more than 2.3 million persons who receive the basic Old Age Security, slightly less than one half receive that pension and do not need any supplement, any GIS. These pensioners, the elderly who have some other sources of income on which to rely, and I recognize that often it is modest but it is more than what the vast majority of seniors have, are the ones who will see smaller increases in their monthly pensions.

• (2010)

In describing the provisions of Bill C-131 I have tried to describe frankly its impact on pensioners and the impact we hope it will have on influencing the attitudes of all Canadians.

We are asking 1.1 million old age pensioners to help lead the way in the fight against inflation. I am very conscious of the sacrifice we are asking of them. Their pensions will continue to be indexed, but at a lower rate than might otherwise be necessary perhaps fully to keep pace with changes in the consumer price index. I have to stress that it is not without reluctance that we make this request. We do so with the knowledge that these pensioners who are relatively better off, will be able to adjust accordingly.

[*Translation*]

Similarly, Mr. Speaker, I am very aware of the feelings of uncertainty that exist among pensioners generally, about the future of the Old Age Security pension. Everyone knows about recent rumours to the effect that the universality of this pension was threatened. I think it is high time these rumours should be laid to rest.

The Government has no intention of telling Canadians who have worked and paid taxes all their lives that the pension they earned, as it were, through their contribution to Canadian society, a pension they have been counting on, has suddenly disappeared.

Mr. Speaker, the Old Age Security pension is universal, and as such it is the basis of the Canadian system of income security for the aged. If we analyze this system, we see that whatever a person's income, there is a social contract, as it were, that guarantees a basic pension for everyone. This universal old age pension which is paid to all Canadians who are sixty-five or over, provides a starting point, and represents approximately 15 per cent of the average wage, that is, of the ideal pension. Now, does the fact that we are going through difficult times mean that we are not going to get our Old Age Security pension? I hope I have just made it clear that we are, but does it mean that there is no other way to reform the system? Of course not. I think there is room for change both inside and outside the system. I shall outline these changes quickly, although I am aware that it will take time to implement them. First of all, there will have to be a reform of private pension plans, which means updating existing plans with respect to indexation, survivor's benefits and portability, as well as providing that majority of full-time and part-time workers who do not have access to a company pension plan with a proper pension fund. However, this evening I am not

going to dwell on a subject on which public debate is to begin very shortly. I would prefer to indicate the salient points of future internal changes I feel are both possible and desirable. On several occasions recently, I have tried to make Canadians aware of the new world-wide economic situation and its consequences. For instance, in our capacity as national health and welfare Ministers, my predecessors and I have always tried over the years to convince out Cabinet colleagues to regularly approve considerable increases which were paid out of the public treasury and were added to our regular program budget. In 1979, for example, I told Canadians there would be an extra $20 a month per household for the spouse's supplement and allowance. That was an additional $290 million added to the program practically overnight, not to mention cost of living indexation. In 1980, I received parliamentary approval—easily, I must say—to raise the spouse's supplement and allowance by $35 a month for couples or single people. That was another increase of $500 million added permanently to our programs.

The significant aspect in all this, it seems to me, is that the current or forthcoming economic situation makes it imperative that we take a second look at the options open to us. I have come to the conclusion that we must be very careful before considering the possibility of allocating new funds to meet our social objectives, because the amounts involved in my area are always quite considerable, and I am fully aware that tonight is the first time I put it in so many terms before the House. A higher supplement for single persons in need, the political reality of the current economic situation and, above all, fairness in most cases, all those factors prompt us to consider the possibility of re-allocations within our programs and of tax exemptions for the elderly. This is what I mean. People generally think that we have only two programs, namely the basic old age security pension and the supplement which is paid to approximately 55 per cent of our senior citizens.

But we do have at least two other programs besides those but we seldom hear about them: the $2,200 annual tax exemption for people over 65, and the $1,000 tax exemption for those who receive what we call a retirement income or an income from private pension plans. If we could use a diagram to illustrate this and I often regret that it cannot be done in our proceedings, the overall distribution of these four programs would show that middle and higher income groups profit more from the age exemption and the retirement income deduction. The richer one is, the bigger the benefit from these tax exemptions. For instance, the value of old age pension, age exemption and retirement income deduction is the same whether a retired couple gets $10,000 or $50,000 from additional revenues. This raises questions. Under our present system, it is doubtful whether our intended goal can be achieved through indiscrimating programs that afford the same benefits to lower and higher income groups. One thing is certain, lower income pensioners, in other words those who are eligible for the G.I.S. do not get any tax exemption at all because their income is not high enough to qualify. This is why we say that tax exemptions as such are socially regressive. Therefore, this will eventually have to be reviewed from a practical standpoint, bearing in mind that most pensioners live on a fixed income, the real value of which they can no longer negotiate. What are the possible changes? The question is two-fold: First how can current tax inequities be corrected and second what incentive can be given to Canadians who managed to put money aside during their working life to provide for their old age?

So let us review rapidly the overall value of these programs. Roughly, old age pension expenditures account for $7 billion, some $300 million of which are recouped by the Treasury as taxes. But the supplement is not taxable, if I am not mistaken, it totals $2.5 billion. The basic tax exemption, the $2,220 a year and the exemption applicable to pension income, $1,000 a year, mean an indirect government expenditure of a few hundred millions in tax losses. Any discussion involving change and reform, must consider the overall budget, which means, a total amount of some $9.5 billion, before introducing any changes that would meet our intended goals. For instance, if it is agreed that an increase of, say, $250 million in the supplement of single or widowed recipients, 75 per cent of whom are women, is really necessary, the question is where to find such an amount in times of economic difficulty. Tax revenues have dropped; the cutbacks in the various departments have been used for job creation, which is clearly a national priority, and high interest rates still make any increase in the deficit unthinkable. I emphasize this last point because, in spite of the position taken recently by the New Democratic Party, there are people in this House and throughout Canada who believe that we can simply increase the deficit by a few hundred million dollars to achieve our pressing objectives. However, beyond a certain point, the interests payable on the deficit become intolerable because, from the point of view of a minister of social affairs, it is a waste of money. We must be realistic and avoid seemingly easy answers which would only prolong the economic crisis and exert even more pressure on all future social budgets.

So, we would have to find about $250 million, for instance, to increase the supplement of the 725,000 single or widowed recipients, most of whom are women, as I mentioned earlier, and living under the poverty line, while keeping in mind that it is impossible to find this money elsewhere in any foreseeable future. It therefore seems to me that wisdom dictates that we should analyze, apart from the first objective which is clearly related to social justice, the tax incentives to encourage savings with a view to improving them in the case of senior citizens. Is it not fair to reward those who have saved all their lives by increasing if possible—and I am simply asking the question—the exemption on investment income or by taking any other fair and appropriate tax measure?

Such matters could be the subject of any future discussion with a view to improving the financial programs for our senior citizens. Having said this, I hope that I have made it clear that we intend to maintain old age pensions at their present level, and I have also dealt with two other aspects of our programs for senior citizens.

• (2020)

[*English*]

In conclusion, our senior citizens who are on fixed incomes suffer more than others from the effects of uncontrolled inflation. It is my conviction, therefore, that we must work toward a future world of six and five and later of even less inflation.

There is not a lot of room in which to manoeuvre, and I believe that all Canadians should support the measures of the Government to bring this problem under control. What it means in the long run is that all seniors will be better off. The fight against inflation must be our top priority.

Hon. Flora MacDonald (Kingston and the Islands): Mr. Speaker, I listened with a great deal of care to what the Minister of National Health and Welfare (Miss Bégin) had to say about this Bill to amend the Old Age Security Act. I did so because I had to listen very carefully. I know the Minister is suffering from a bad bout of laryngitis. I can sympathize with her because I know that is about the worst affliction any politician can suffer. Having said that, I can also tell her that is the last word of sympathy she is going to get from me tonight.

I am shocked that the Minister of National Health and Welfare would bring in a Bill like this. I listened to what she had to say. It was a rather subdued speech, I may say. All the time she was speaking, I wondered what kind of battle really went on in Cabinet over this Bill. I wondered what she had to say to the Minister of Finance (Mr. Lalonde) when this proposal came up. Did she have anything to say to the Minister of Finance that would have stopped this mean, wretched measure?

Seldom has a bill come before this House so ill-conceived, so ad hoc in its approach, so mean in its impact or so disturbing in its implications. It is a Bill which exposes this Government's distorted sense of priorities as well as its gross mismanagement of the economy. Indeed, the Bill should never have come before this House. If Members opposite had any backbone, they would join with us in seeing that this Bill never passes this House.

When the Minister of Finance brought in the six and five program as the centrepiece of the June budget, he applied it to our two major income security programs, old age security and the family allowance. He told us that, beginning in January, 1983, old age pensions and family allowances would no longer be indexed to the actual rate of inflation as measured by the consumer price index, but instead would be limited to an increase of 6 per cent in 1983 and 5 per cent in 1984.

At the same time, the Minister of Finance told us that those senior citizens who receive the guaranteed income supplement or the spouse's allowance, either in full or in part, would be protected against the partial de-indexing. Not only would the guaranted income supplement and the spouse's allowance continue to be fully indexed to the actual rate of inflation, but they would be increased to compensate for any loss in the basic old age pension.

He went on to say, with regard to the other income security program, that mothers eligible for the income-tested child tax credit receive up to an extra $50 per child for the 1982 tax year. We learned that the child tax credit benefits and family income thresholds for receiving the child tax credit would continue to be fully indexed to inflation.

I review all of this because it is important to understand two things. First, it is important to understand how shabbily a large number of our senior citizens are being treated under this legislation. Second, it is important to understand how unfavourably their treatment compares to that of Canadians who receive benefits under other income security programs.

This legislation is directed against the 1.2 million senior citizens who do not qualify for either full or partial guaranteed income supplement. What does this legislation do to these 1.2 million people? Assuming that inflation stays at its current rate of 10 per cent, each one of those 1.2 million senior citizens will lose $290 in the next two years, just over $70 next year and a further $220 in 1984. They will lose $290. Who are these 1.2 million Canadians who are being asked to make this sacrifice? Some of them, it is true, are probably well off, but I would say to the Minister, a great many of those 1.2 million Canadians are not. Some of those people are single elderly people with incomes just over $8,900 a year. That is where the cutoff comes for those who receive the full guaranteed income supplement. Those receiving more than $8,900 a year, whose incomes are just in excess of that figure, are the ones this legislation hits hardest. People who receive an income of $8,900 a year, or a bit more, if they happen to live in one of our major urban centres like Quebec City, Montreal, Toronto, Hamilton, Ottawa, Winnipeg, Calgary or Vancouver, already live below the poverty line. Their total income, Mr. Speaker, is $25 a day. This legislation will cost these single elderly people $290 over the next two years. To put it another way, it will cost them 12 days' income at $25 a day. That is why this Bill is so mean and ill-conceived.

• (2030)

This Bill also zeros in on another group, the elderly married couples with incomes of just over $15,000. They suffer a loss in income over the next two years of $580. That is what they are going to lose. That comes to about two months' rent for people in that category, and they will have to find that two months' rent somewhere else. Almost 25,000 single elderly people have incomes between $9,000 and $10,000, and another 25,000 seniors living as married couples, have incomes between $15,000 and $16,000. That is 50,000 elderly, Mr. Speaker, who are going to be hardest hit by the Government's six and

five legislation. The Minister said tonight, these are the ones who are to lead the way in the fight against inflation, the elderly Canadians. Fifty thousand elderly Canadians will be the hardest hit, single people with incomes between $9,000 and $10,000 or married people with incomes between $15,000 and $16,000. Those incomes are hardly riches or largesse. In fact, Mr. Speaker, they are hardly enough to live on in Canada in this winter of 1982.

Twenty-five dollars a day is what these people are getting to pay the rent or the property taxes, to pay the upkeep of a home, perhaps even a car; or to pay for transport to and from supermarkets, the doctor, the pharmacy, the library; to pay for food, hydro, heating, oil, gas. That is where the $25 a day has to go, to pay for the telephone, perhaps the luxury of a daily newspaper or cable television. It is really not very much, $9,000 or $10,000 a year in Canada in the winter of 1982. There is no great margin for extravagance. Indeed, there is no margin at all. Yet the Government is effectively cutting the income of these elderly Canadians. It is penalizing them for having the virtue of living just beyond the threshold of the guaranteed income supplement. They cannot expect to have the loss which they will sustain in the basic old age pension made up in the guaranteed income supplement. Truly, it is these people who are being required to bear the burden of the six and five legislation.

There is such a pettiness, such a meanness in this Bill, a meanness beyond justification, indeed, beyond comprehension. How much, I would ask, can the Government hope to save from these 50,000 senior citizens who are the first level to be hit? How much is it going to save by applying this six and five measure against that first group? Is it going to save $15 million or $20 million? That is a trifling sum to a Government, to this Government particularly, the biggest spenders of all time. But $15 million or $20 million to these 50,000 senior citizens is no trifle, sir. Even if it is split amongst the 50,000, it still is very meaningful. The $12 a month that it represents to every one of these senior citizens can make a big difference, the difference of having or not having a telephone, keeping the thermostat a degree warmer, or of eating nutritious food, fresh fruit and vegetables, even the difference of having $12 a month for the little luxury of spirit and soul, a frivility above the bare bones of existence.

This miserly measure is doubly hard to understand because of the double standard the Government imposes. These 50,000 senior citizens whom I have identified as the first level will be denied the full indexing of their old age security, they will be denied that $12 or so per month. But at the same time, a senior public servant is allowed to enjoy an expensive sabbatical in Paris, subsidized by the taxpayers. That sabbatical, Mr. Speaker, of that public servant would, in dollar terms, be enough to pay for the indexing cutback of some 1,000 of these 50,000 senior citizens. That is what it would pay for.

Ebenezer Scrooge was a miser, but at least he was an honest one. He denied himself as much as he did his employees and his victims, but the same cannot be said for the front benchers opposite. They simply do not comprehend what it is like to live on $9,000 or $10,000 a year, one-tenth of their ministerial salaries. If they did, they would never proceed with this Bill. Perhaps, if they were more in touch with the people in this income bracket, they might begin to appreciate the impact of this Bill.

I do not know whether the Minister has had much mail on this subject, but I can tell her I have received a lot. I would like to quote from one such letter because it refers to the Minister's statement earlier this year when she told the senior citizens who were to accept this six and five limitation that they would have to learn to live with it. And this lady said, referring to the Minister, that she may be able to live with it, "but I am very much afraid I may not. I am finding that living through my second Canadian depression is much more worrying than my first." The next page of the letter reads as follows:

• (2040)

I have an income of approximately $8000, alimony, OAP and CPP. I am not eligible for any extra Federal assistance because I sold an RRSP last year. I live in a one room apartment, in an older building which is now out of rent controls, thanks to yearly 'legal' raises. I have a 15 year old Ford I can no longer afford to drive. Two years ago, I put every extra cent I had into a small house, 50 miles out of the city, considering it a wise investment. It is rented because I cannot afford to live in it. I can't sell it at any price, because of the financial situation, and can't ask enough rent to cover the increased mortgage payments, let alone utility and fire insurance.

Every ongoing, basic living expense has gone up this year: food, medical premiums, automobile insurance, light and telephone bills, property tax—everything!

I haven't dared to see my automobile mechanic or my dentist. I can't buy clothes, eat in a restaurant, go to a theatre, or think of a holiday anywhere, ever. And this is my Golden Age in the wonderful country of my birth?

That, Sir, is indicative of the response of many elderly Canadians to this six and five measure and to the cutbacks that they will have to sustain.

I would like you to contrast that with the treatment that young families with children received in the June budget. Again, assuming 10 per cent inflation, families with children will get $54 less per child over the next two years as a result of the proposed Bill C-132; $17.76 less in 1983, and $36.60 less in 1984. However, in 1983 when they file their income tax returns, if their family income is $27,000 or less, they will receive $50 per child more in child tax credit benefits. So families with two children and incomes of less than $27,000 will actually come out ahead in 1983, and will lose about $50 over the whole two year period.

Let me underscore what this will mean, Mr. Speaker. It will mean that single pensioners with incomes of $9,000 will lose $290 in this two-year period, but families with two children and incomes of $27,000 will lose less than $50 over the life of the program. That is the inequity, Mr. Speaker.

I would ask the Minister where she considers the equity to be in the proposals she is putting forward. Does the Minister seriously argue that a single, elderly widow with a $9,000 per year income should be sacrificing six times as much as a family with a $27,000 income? Does she also argue that such people should have the base for their future pension entitlement permanently lowered by these two years of arbitrary

indexing at six and five? Why are they being asked to do this? The Government claims it is because of restraint and to free the money for job creation.

A study of the figures in the budget papers will show that they make a mockery of the claim. The budget papers reveal that the amount the Government will save from the changes to the old age pension, the family allowance and the child tax credit amount to $10 million. That is all that is saved out of the great six and five program for seniors.

Mr. Deans: Dammit, you voted for it. What are you talking about?

Miss MacDonald: But at the same time, the Government has found money to pay out $300 million in $3,000 cash grants to first-time home buyers and to any buyer of a newly built home costing up to $100,000. That means that the Government is giving $3,000 to people who can afford a $10,000 downpayment and monthly mortgage payments requiring an annual income of $40,000.

Less than a month ago we learned that interest charges on the public debt would be $990 million less than was forecast last June. That is money the Government suddenly found; it was a windfall. Is any of that $990 million being diverted to job creation? Not a nickel, Mr. Speaker. We have not heard a word about anything of that nature. We have to take the $290 from the old age pensioners with incomes of $9,000 per year to make up for the job-creation program. That is what the Minister proposes. But the Government does not propose to touch the $990 million that it suddenly found.

When I consider the kind of priorities that the Minister of National Health and Welfare and the Minister of Finance have sought to bring in through these various measures, I ask myself how they can stand there and defend them. How can anybody on that side of the House defend them? But after listening to the Minister of National Health and Welfare tonight, I conclude that she has no difficulty in defending any measure like this. She does not even seem to know what she is proposing.

On November 4 on "Canada AM", referring to the universality question, the Minister said:

> All social programs, that means in particular pensions and all benefits for children, will remain the way they are. People are in the middle of an economic crisis and they need stability.

Well, they sure do—especially with incomes of less than $10,000 a year.

So why would she make such a statement when she had Bills on the Order Paper—Bill C-131 and Bill C-132—making very significant changes in the old age security and family allowance programs? One can only hope that she meant no further changes, but if not, her capacity for self-deception is truly remarkable.

There are only two logical explanations for this Bill, Mr. Speaker. One is simple incompetence. The Government simply did not know what it was doing. The second is that the Government decided to move away from universality in stages.

First, they would de-index the universal income security payments, such as the basic old age pension and the family allowance. This was to be followed in October by income-testing family allowance itself. If that was successful, they would then look at income testing the old age pension. There is considerable evidence to support that interpretation.

Much has been written in the past few weeks to the effect that the Minister of Finance wanted to cease making the family allowance universal. When caucus opposition made that impossible, he did an end run around the caucus and went public with the idea. The changes he suggests would be a radical departure from what Canadians have come to expect and accept.

Much of the retirement planning in this country has presumed the existence of universal old age pension. The $26.91 mothers receive each month to help them raise their children is seen as recognition of the important social role those who care for our future generations perform. Moreover, up to 30 per cent of the benefits flowing to those with the above average incomes, flows back to the Government in taxes.

• (2050)

If the Government really wants to bring some order out of the confusion of our income security system, there are much better ways to proceed than with this Bill. There is much that can be done through the tax system and otherwise to see that the funds available for income security programs are targeted much more equitably according to need. For instance, the tax expenditures represented by the exemption for dependent children might be used instead to enrich the refundable child tax credit. The age exemption might be converted into an income tested refundable tax credit for the elderly. Methods could be devised to pay out such credits monthly, so that eligible recipients would have a steady cash flow. We should in fact examine with the Provinces—and I have asked the Minister about this before—the whole system of taxation and transfer payments. This could be done with a view to making graduated levels of payment based on income and this, in turn, would strengthen incentives for people to earn more, as opposed to the present system with its arbitrary cut-off lines which encourages dependency. These are some examples of how the Government might better approach this whole question.

What we should avoid at all costs is what Bill C-131 and Bill C-132 set out to do, that is, to approach this important and sensitive area of public policy with ad hoc solutions designed to deal with short-term problems. The result of such an approach is inequity. Indeed, it produces results which are at cross purposes with the goals stated. Worst of all, the present inequities and the anomalies in our income security and retirement income systems are compounded, and a comprehensive solution is made more difficult.

It is no accident or coincidence that the Government which has given birth to this mean-spirited Bill is the Government which has dragged its feet for a year in bringing in its Green Paper on pension reform. How often have I heard the Minister of National Health and Welfare say that she will be bringing

in that Green Paper on pension reform next week or next month? I have heard it dozens of times. That Green Paper must be grey with age by now, and we still have not seen it.

The population in Canada of 65 years and over has risen more than 600,000 in the last ten years alone. That age group is growing at an annual rate of 3 per cent. This means that without any increase in real benefits, the economy will have to grow 3 per cent each year just to provide the revenue necessary to support pensions for these people. We must comprehend fully what that means. It means that the larger the population which reaches age 65, with little or no Canada Pension Plan, private pension income or private savings, the greater the public burden will be, since these people will have to be supported by the guaranteed income supplement. If we do not move on pension reform, we will find ourselves encouraging a greater and greater public debt. Even for the most selfish motivations we must act with urgency to see that Canadians now moving toward retirement have the maximum opportunity to make provision for their retirement income.

This means broadening the number of people covered by the Canada Pension Plan and reforms to see that it is adequately funded. It means making private pension plans and personal savings instruments such as RRSPs more accessible to people who have to move from one job to another, or work part-time, or drop out of the labour force to raise children. It means making it possible for women who work in the home to build up pension entitlements in their own right. It means early vesting in private pension plans and a change in attitudes so that people are encouraged to begin planning for their retirement from the moment they enter the labour force. It means all this and more.

We do have enough time, barely enough, to begin making these adjustments. The population from infancy to age 17 years, on whose behalf family allowance and the child tax credit are paid, is declining. There are about 850,000 fewer people in that age group today than there were ten years ago, and that decline is accelerating. This means that family allowances and the child tax credit will be less of a burden on the public purse over the next few years than they have been in the past. Also it means that an increasing portion of our population is of working age, contributing to the economy. If we use this period wisely to assist people in providing for their retirement, and if the economy resumes moderate economic growth with moderate rates of inflation, we can adequately support those who will be retiring in the next two decades.

Every year we let slip by without action makes it more and more difficult to avoid real crisis when the elderly becomes the largest single age group in the population. If we fail to prepare for it, we will have no excuse because the warning has already been given in the age group statistics of the 1981 census.

With a challenge such as this, with exciting new ideas proliferating daily on ways to make our major income support programs more rational and more humane, the fact that we are debating here tonight, a Bill such as this, is to me a source of anger and frustration to the Minister and her colleagues it should be a source of shame.

Perhaps there is a single virtue to this mean-spirited and ill-conceived Bill, a Bill which attempts to bail out the Government from the consequences of its economic and fiscal mismanagement on the backs of the elderly, near poor. Nothing could demonstrate more clearly than this Bill the urgent need for a comprehensive reform of both our income security and retirement income systems. The bankruptcy of an ad hoc policy of muddling through is nakedly exposed in this Bill. My hope is that it may provide the impetus for policies that will make it possible for those systems to fulfil better their original purposes, that is, helping those in need and ensuring a life of dignity for the elderly. That possibility, that hope, is no argument in favour of voting for this Bill. Instead my Party will vote to defend the lot of hundreds of thousands of senior citizens, elderly citizens whose existence will be made much more difficult because the Government singles them out as their primary target in the effort to correct its own economic mismanagement. My Party will be voting against this Bill.

Some Hon. Members: Hear, hear!

Mr. Neil Young (Beaches): Mr. Speaker, I listened carefully to the Hon. Member for Kingston and the Islands (Miss MacDonald). As I listened to her, I thought back to the time about two or three weeks ago when my little guy was getting underfoot at home and to keep him busy and out of his mother's way, I said, "Hey, son, go into the den and look up in the dictionary to see if you can find for me a name that would properly describe something or someone who would be capable of swallowing himself." He did that. An hour later he came back and said, "I have found it. It is a Tory." he said. After listening to the previous speaker, I can fully understand what he said. That Party several weeks ago waxed eloquent in support of the Liberal's six and five program. In fact, in this very House the Tories voted in favour of a component of that program.

• (2100)

We know in this House that when the previous Conservative Government was elected they were going to do exactly the same thing the Liberals are trying to do in this Bill. We know, and the people of Canada know, that if the Tories were ever elected again they would be as bad as the Liberals. I do not have to say that. The previous Minister of Finance for the Tory Government, the Hon. Member for St. John's West (Mr. Crosbie), is reported in the Sunday *Star* for November 14 as saying this:

> When you ask somebody how you would go about cutting spending and that somebody is not in the Government, you're not likely to get clear answers because nobody wants to enunciate unpopular action until they're in the Government.

I do not see that particular Party as being any different from the gang over there. In fact, that Party would probably dismantle more programs in their hurry to reduce deficits and save their corporate friends from unnecessary tax increases.

We in the New Democratic Party unequivocally state our opposition to this Bill. As far as we are concerned, we will not be happy until the Government withdraws that Bill.

This Bill is an offensive piece of legislation and it should not be allowed to pass through this House. If this Government is allowed to get away with punishing the elderly in Canada, it will be to the shame of every Member in this House, Liberal Members included. In fact, after all of the things the Minister has said over the years in expressing her concern for the elderly, the poor and the disadvantaged in this country, for her to come out an hour ago and openly support what this Government is doing is unacceptable. I say that if she has any self-respect at all she would resign in protest against what the Government is doing to the elderly poor in this country.

We will have no part of this Bill at all in this corner of the House. What this Government wants to do is place a limit on the only protection that seniors have against the erosion of their purchasing power as a result of inflation. The Government wants that limit to be 6 per cent in 1983 and 5 per cent in 1984. In addition, the Minister has said that those who only qualify for the Old Age Security are being asked to take a reduction of $55 per person in 1983. Our research shows a much different figure from that. Our research shows that the loss in 1983 is much closer to $77 per person per year in the first year only. In 1984 we estimate a further loss of $218.93. That is nearly $300 over the next two years.

According to our calculations the Minister is either missing or ignoring a couple of important factors. One is the smaller base on which the percentage increase is calculated during each quarter in 1983 and the compounding effect this will have during 1984. The other thing that has to be remembered, contrary to what the Minister is trying to convince elderly Canadians about, is that her facts are not the facts.

This is not simply a two-year one-deal shot. If or when the Government restores full inflation protection in 1985, it will be on a base figure that is much less than that used today, nearly $300 per person per year over the two-year period less of a base, in fact. What we are talking about here is a permanent reduction in pension income for retired Canadians and for future retired Canadians. It just does not last for two years. Because it is compounding and because we are talking about percentage increases and because we are talking about a much smaller base at the end of the period, pensioners will never regain that money. That money will be lost to them. The base will be less and they will continue to lose money year after year after 1985.

Over the next two years some 1.2 million Canadians will feel the bite of this Bill. The Minister responsible for the Status of Women will know that half of that number happen to be women. In a press statement on June 29, 1982, the Minister of National Health and Welfare (Miss Bégin) attempted to place the best possible light on her decision. She tried, Mr. Speaker, but in my view, she did not quite make it. This is what the Minister stated in her press release:

> In keeping with our Liberal traditions in the area of social policy, the budget of June 28, 1982, fully protects the lowest-income Canadians and the working poor. However the budget takes as a given that Canadians who are not in need are entirely prepared to share in the serious sacrifices which are required to bring our country out of the economic crisis.

Then she said, and I still cannot believe that our Minister of National Health and Welfare would even say such a thing, the following:

> The sacrifice of pensioners who are not in need of the supplement to help the country get out of the economic crisis by creating permanent jobs will come to $55 per person for the entire year 1983. This is a considerable amount.

If the Minister does not believe that today's seniors make a sacrifice every day of their lives, then I do not think there is any hope for that particular Minister. The seniors who talk to me every day and those who come into my constituency office every weekend tell me an entirely different story. There is not a single senior citizen who relies on OAS alone, never mind the OAS and the GIS, who is not having a tough time every day in meeting the basic costs of food, shelter, clothing and transportation, not one. Wherever has the Minister got this idea that no one is suffering out there. As I said the other day, I don't know what she has been smoking.

The Government wants to wax eloquent about its six and five program. I have a letter here from a constituent of mine, a Mr. Marc Zwelling. The letter is dated November 2, 1982. Mr. Zwelling writes:

> Have you noticed what's happened to milk prices in our neighbourhood? I wonder if it's a national phenomenon.
>
> At the IGA the 2-litre size of homogenized milk was $1.67 last month—now it's $1.88. At the Mina-Mart (owned by Dominions Stores, I believe) it was $1.75, now $1.87. At the Red and White it was $1.75 and now $1.90.
>
> I believe milk prices went up earlier this year, too, but not so much. We're talking about 12 per cent hikes. Whatever happened to "6 and 5"?

I would like to ask that question, too.

• (2110)

While this Government wants to control the incomes of the average Canadian, including the elderly poor, it is doing absolutely nothing about the real causes and effects of inflation, which is price gouging such as that. I would be much more impressed if the Government were to tell Canadians that it wants them to lower their expectations but that it will make sure that the producers, businesses and corporations of the country will do their fair share while the Government controls their profits and prices. Even under previous attempts to control wages and prices, nothing was done about prices at all. Incomes were effectively controlled while profits were not. We know this to be true.

In an attempt to understand the number of people who will be affected by this legislation, I suggest that the Minister should perhaps read what the National Council of Welfare said in their analysis of the Government's budget. To save the Hon. Minister some reading time, I could read what the Council said after the budget came down. The National Council on Welfare in June 1982 said:

> At first glance these measures may seem equitable. The large number of low-income elderly persons who get the Guaranteed Income Supplement—close to 1.2 million, or half of the aged population—will receive the same total amount of Old Age Security and Guaranteed Income Supplement payments as they would have without the budget. The better-off half of elderly Canadians who do not qualify for the Guaranteed Income Supplement will give up $77 each in Old Age Security benefits in 1983 and an estimated total of $291 by the end of the restraint period. Persumably they can afford the sacrifice.

However a closer look shows that in fact many elderly men and women who live at or just above the poverty line will be hurt by the budget. In its present form the Guaranteed Income Supplement is directed to those with very low incomes and is not available to many poor and near-poor senior citizens. When the limits on indexation come into effect next January, a single person's eligibility for the Guaranteed Income Supplement will end once his income from earnings-related pension plans, savings and investments reaches $6,123. This means that a single pensioner with a total income (including Old Age Security) of as low as $9,200—more that $500 below the poverty line for larger cities—will pay the same $55 sacrifice in Old Age Security payments as someone living on a moderate or affluent income. Over 100,000 poor and near-poor elderly Canadians will see their incomes reduced by this feature of the budget.

That is 100,000 poor and nearly-poor Canadians who, through what this Government is proposing will be driven even deeper into poverty. The Government has estimated that it will save $105 million as a result of this cutback. I am using the word "save" as the Government's word because it is not what we call it. That $105 million is being lifted from the pockets of over one million pensioners, and it is $105 million that those Canadians cannot afford to lose. They are people who have worked hard for our country over the years and have made life much easier for future generations. They have rightfully earned the right to a secure and comfortable retirement. They have paid for it, and now the Government is proposing to deny them that right.

This Government is making no bones about what it is doing. It is saying to the elderly in Canada, "Through our incompetence our country is in an economic mess, and we are making you pay for it". After you discard all the fancy words and phrases, that is exactly what the Government is saying it will do. For once I wish the Government would deal honestly with the people of this country.

For about the last 30 months the Minister and a number of her colleagues have been travelling across the country promising great reforms to the pension system. Is this the kind of reform the Government is talking about? Is this the kind of pension reform the Government is really considering? In fact, during all this time the Minister has clearly said in every public statement that the Government saw the need to improve the pension system. There was not even a hint that it intended to dismantle the improvements made to the pension system over the years.

As recently as April of this year, just two months before the June budget, the Minister assured Canadians that the Government had no intention of changing the rules of the game. In fact, in a speech to the Conference on Industrial Relations on April 20, 1982, the Minister said this:

The Government believes that, with the exception of a major increase still to come in Guaranteed Income Supplement benefits for single persons, the public pension system has served Canadians well.

Just listen to this:

We have no intention of changing the 'rules of the game'. We want to maintain indexing of the Old Age Security Pension and the Supplement every three months, and to retain the universality of the basic OAS pension.

Two months later, the Government changed the rules dramatically when it introduced its June budget. Indexing of the OAS is now capped at about 50 per cent of the Government's own forecast rate of inflation over the next 18 months. By placing an even greater emphasis on the income tested guaranteed income supplement, the very principle of the universality of the OAS is being threatened.

In the same speech to which I just referred, the Minister explained the Government's further concern about those seniors who receive the GIS and are still living below the poverty line. This is what she said in that same speech in which she said had no intention of changing the rules of the game:

Additional expenditures of $730 million per year will be needed to raise a single person above the poverty line; the federal Government is committed to do this as soon as possible. This reform is of great urgency and will be undertaken on a priority basis as soon as funds are available or can be released from some other area.

In contrast to this expression of concern, I find the statements which the Minister made earlier to the Standing Committee on Health, Welfare and Social Affairs to be somewhat more than interesting. The Minister appeared before that committee on April 2 of this year and responded to a question about why the $730 million needed to increase the guaranteed income supplement could not be taken from the money the Government had saved in its November, 1981 budget. You will recall, Mr. Speaker, that the Government estimated that it would save $915 million in 1982-83 and $1 billion in 1984 by reducing transfers under the Established Programs Funding Act. Here is what the Minister said on that occasion about her concern for those individuals who rely on the GIS to at least lift them out of the depth of poverty:

The way I looked at that, as the Minister responsible directly for social policies and, of course, social justice in Canada, is, what will benefit most the huge clientele of whom I am the voice in Cabinet and for which we have these billions of dollars? And I subscribed—I must say without too much difficulty—to the hypothesis on which the budget has been developed that if we continue to have to pay large sums of money in interest on federal borrowings and deficits, that will be more harmful to my clienteles and the big budgets I need to protect and continue to see indexed every year than any other approach.

• (2120)

Then she said—no wonder she left, she is ashamed:

—therefore gave my full support to the budget, a budget which is aimed at reducing, not in a harsh way but in a reasonable way, year after year, the deficit of the Government. That was the basic choice that we had to make.

No wonder the Minister has left the House. If I were a Minister I would not want to sit and listen to my own words coming back to haunt me either.

So the Minister on the one hand seems to recognize that our elderly poor are living in poverty and that this is an unacceptable condition. She also says that when the money becomes available both she and the Government will take action to end this state of affairs. So what does she do when the money does become available? She and the Government and the Cabinet decide that what they want to do is to throw the money in to stave off interest rates as a result of deficits that this Government has accumulated. In fact, what they are doing to people on OAS benefits now they decided to do last November to people who are in GIS benefits, who are drastically below the poverty line and who desperately need help.

The Minister said that she had no difficulty in doing so. After going over the Minister's statements on what this

Government has said over the last 30 months since we had the much-touted National Pensions Conference, I really wonder whether they have actually any credibility left in this country. They have certainly lost it in this House, and with this Bill they have certainly lost it with every senior citizen in this country. They say their intention is clear about what they intend to do about the OAS in the future in terms of whether or not it is to remain a useful universal program. I do not trust them one little bit, and I am quite sure that the average Canadian, at least from the responses I have been getting recently, would agree with that sentiment.

The Minister also said that nothing has changed for those seniors who now receive both the OAS and the GIS, and I suppose in some respects she is absolutely right. Those individuals will continue to have incomes far below the poverty line. On the other hand, she is absolutely dead wrong because things have changed and they will change over the next two years because the population of seniors at the end of two years who will receive OAS and GIS will be much greater than now and every one of them is going to have $300 less per year of pension income as a result of what this Government is trying to do today.

Again, that is not exactly my idea of pension reform. I always thought that to reform something meant to improve matters for the better, not to make a bad condition worse. That is what this Government and what this Minister have managed to do. Rather than opting to remove the weaknesses in our pension system, they have done the opposite. In so doing they have broken faith with Canadians once again. They have spent the last 30 months raising hopes and expectations across the country that real pension reform was on the way at last. Today, with this Bill and the June budget, those hopes are destroyed, Mr. Speaker.

I am sure all Members in this House get letters from constituents and from senior citizens in groups from time to time. Many of those letters are from people who tell me of the inadequacies of the pensions they get and how it is often difficult to make ends meet. Others make no bones about the fact that discussions on pension reform have gone on long enough, and it is time they get some action. I know some other Members received a copy of an open letter on pension reform from the Council of Pension Reform for Singles some time ago. Those who did I know will be interested in a few of the things they had to say.

They start out by saying:

> This discussion will be different, inasmuch as it is written by single pensioners who have banded together to form their own Council on Pension Reform for single women/men and is probably the first such paper ever written.

They say:

> The majority of women, single, now in their eighties and up, many of whom were in the labour force through two wars and a depression, up to fifty years, who merely because they were born too soon also have no "personal protection under the Canada Pension Plan" . . . Is it being taken for granted that they are all tucked away in public wards in nursing homes, senile and unable to care for themselves? We can assure anyone interested that there are not enough nursing homes in Canada to hold them, but no matter where they are living they still need to pay living costs which increase by the minute.

They go on to say:

> We are the same segment of Canadians who did not qualify for Canada Pension, are the same Canadians who, when they retired at sixty-five years of age had to live for five years on their small wartime savings until they received their Old Age Security at seventy years of age. It must also be remembered that for women of that day private pension plans were practically unknown. These are also the same seniors who are ignored by pension reformists, seniors organizations and Government alike. All reformists have to suggest is an increase in Old Age Security on a means test.
>
> It is an acknowledged fact that singles have been, and are today, $800 and up below the poverty line in Old Age Security. Couples are slightly above the poverty line. This has been true year after year and nothing has been done for singles. Singles who through wartime and depression sacrificed in order to make some preparation for retirement are now being penalized by means tests. There were no trips to Europe in their day and few luxuries, nor are there now. Their standard of living is slipping and they have no relief.

Finally, Mr. Speaker, they say this and they make more sense than anything I have heard in this place tonight. They say:

> We believe it is time to combine Old Age Security and Guaranteed Income Supplement as one Old Age Security Pension without a means test. The present two plans are expensive to administer and are causing so much division, cheating and bitterness against the Government amongst pensioners who made some provision for their retirement and who are being penalized for having done so, that it would appear that everyone, including the Government would in the long run be better off both financially and in good-will, by combining the two pensions.

Most if not all the seniors that I know who are forced to apply for the GIS feel exactly the same way. They deeply resent the welfare stigma attached to the plan through the requirement that they have to prove their poverty before they can receive the GIS. Our personal pride in being able to hold our head up to friends and neighbours is valuable to all of us. It is even more so to elderly people, and it is unconscionable that this Government wants to make life for thousands of older individuals even more difficult than it already is.

The National Pensioners and Senior Citizens Federation has also noted to the Government that literally hundreds of thousands of seniors are receiving $85 a month less than that required to provide the absolute minimum of food, clothing and shelter.

A number of seniors have told me that they are confused by the complexity of pension programs or, indeed, what may be available to them from time to time. It is no wonder when you look at this mish-mash that serves as a pension system. In Canada we have private plans that cover only 50 per cent of the male work force and one-third of the female work force. Even at that, employer-sponsored plans only account for less than 10 per cent of the over-all income of present senior citizens. At the federal level we have the old age security pension, the Guaranteed Income Supplement and the Canada-Quebec Pension Plan. In addition to that, because of the inadequacies of these programs, the richer Provinces have introduced their own supplementary programs. Ontario has its Guaranteed Annual Income System, GAINS. Alberta has the Alberta Assured Income Plan. Both of these are means tested.

• (2130)

It is no wonder that people are confused. The fact that all those bits and pieces are in place is a clear indication that

something is out of place here. Why should individuals have to rely on a whole number of programs in order to receive an income on retirement?

Surely an adequate pension is a right and not a privilege. Surely every Canadian should have available a decent and adequate pension, regardless of sex, marital status, income class and previous employment history. Surely it is reasonable to expect on retirement that individuals will have an income that is above the poverty line and that the income will grow with the standard of living.

Pensions must be viewed as inter-generational transfers. They must connect the living standards of pensioners to the general standard of living. There is no question that public pensions must be expanded immediately to guarantee a poverty-free and secure standard of living for Canada's two million seniors.

It is only the federal and the provincial Governments that are in a position to ensure that this is done. In the public debate over the past 30 months, a consensus has emerged, at least from the majority, that some basic improvements must be made quickly. In fact, the Minister has publicly said there is a need to increase pensions immediately by $25 a month. She said that less than three weeks ago, I believe.

Even the corporation of William M. Mercer, hardly a socialist organization, has said that pensions should be increased now because it is necessary by a minimum of $100 a month. It is obvious to Members of this Party that the Old Age Security must be increased and the Canada Pension Plan expanded.

In conclusion I will say that if this Bill is not withdrawn by the Government it is the view of this Party that it cannot be allowed to be rammed through the parliamentary process. If and when it is referred to committee, individuals and organizations wishing to have input into this measure must have an opportunity to do so. The consequences of this legislation on the incomes of the elderly in Canada makes it imperative that this be done. Finally, if this Government is serious, which is questionable, about redistributing income in this country by directing the available funds to those most in need, I can think of a better place to start rather than attacking Canada's elderly population, that is, to overhaul the tax structure in this country. That is where the unfairness lies, and it is high time the Government made it equitable to all Canadians.

Mr. Gus Mitges (Grey-Simcoe): Mr. Speaker, it is a pleasure for me to say a few words on Bill C-131 to amend the Old Age Security Act. Before doing so, I would like to point out that the last speaker for the New Democratic Party said that in supporting the six and five program we in this Party imply that we support as well the principles of Bill C-131 to reduce the old age pension. The Hon. Member knows very well that we supported the six and five program as it applied to civil servants. It had nothing to do with old age pensioners.

It is common knowledge in this House and across the country that the NDP can say anything irresponsibly, promise anything, knowing full well and sighing with relief at the same time that they will never be in a position of national power to put their money where their mouth is or to take their feet out of their mouth. As a veterinarian, I am more than willing to offer my services for medical assistance, surgery or otherwise—

An Hon. Member: For foot and mouth disease.

Mr. Mitges: Yes, for foot and mouth disease. Most of them in the NDP are in dire need of it. I am sure I can call on my hon. friend from Guelph, a colleague and classmate of mine, to give assistance if I require it. I do not think I need any assistance, Jim.

To get into the substance, if this Bill is passed into law, it would limit the incease in the basic old age pension to a maximum of 6 per cent in 1983 and 5 per cent in 1984. In other words, old age pensioners are being told that, like it or not, they will have to take a cut in their meagre pensions to conform with the six and five policy of restraint.

I believe that the six and five program is a small step in the right direction, but I believe that the Government in its deliberation on this matter, should have considered the exemption of old age security recipients from this legislation. Many senior citizens have a bad enough time as it is without having to cope with a decrease in their pension.

When one considers a 10 per cent inflation rate in the country coupled with a 6 per cent decrease in the pension, one must realize that this will have a devastating effect on the seniors of our country, many of whom are barely managing now to cover the cost of only the bare essentials of life such as food, clothing, higher and higher rents and escalating drug costs.

This is a terrible slap in the face to our seniors. When one reflects on the hardships and devastations they experienced and lived through, two world wars and a devastating depression of the 1930s, one must conclude that this is one heck of a way to express our gratitude and thanks, by cutting back on their pensions. This is a terrible injustice and should not be allowed to take place.

I do not want to leave the impression that I am not in favour of restraint. I believe restraint in government spending is adamant, and when I say government I mean all three levels, federal, provincial and municipal. However, surely common sense should tell us, and common sense should prevail, that restraint should not be imposed on those citizens who can least afford it, our senior citizens. Equity and fariness must be exercised in this case. However, if Bill C-131 is passed, it will be throwing equity and fairness out the window.

Simply put, it is not fair riding out the recession on the backs of our senior citizens. Seeking restraint from those who can afford it, I can go along with, but seeking restraint from those who in no earthly way can afford it is unthinkable to say the least.

The effects of inflation on the elderly are devastating. Today, 20 per cent or some 600,000 of them live in poverty.

We know as well that senior citizens are forming an ever-increasing section of our population.

That is why I believe the time has come, and I think it is long overdue, to take a serious look at all our pension needs, public and private, to ensure that at the time of retirement, one should be able to live our's declining years without fear of deprivation and without the worry of having enough funds to live on.

I know that over the years there has been a lot of discussion and a lot of studies regarding pensions. As worthwhile as they have been, I think the time has come to take the bull by the horns and come forth with action. I firmly believe that all Canadians are now more ready than ever to make the necessary contribution from their salaries and paycheques to ensure security in their old age. All I can say is, let's get on with it.

I believe all Members of this House would give speedy passage to any bill brought forth to make this a reality. It is important to understand that we must get away from the stereotype idea that pension funds are not part of an obligation on each and every one of us, that we only put money away if we can spare it. I believe that pensions should be looked at, as my colleague, the Hon. Member for Kingston and the Islands (Miss MacDonald) said, as a deferred income that we will draw upon once we leave the workplace. We must make sure as well that all pensions in force should not be drained of funds by being over-extended in the form of loans to the Provinces or otherwise. There should be sufficient funds, wisely invested, to ensure the presence of actual money there, not just a paper figure, but actual money to take care of any crisis or emergency. This is one area where bankruptcy would be a terrible disaster.

• (2140)

It is a sad state of affairs, Mr. Speaker, that in this so-called enlightened age, only 28 per cent of women in the labour force today are covered by some sort of a pension plan, and over half of that 28 per cent are in some level of Government. Another thing to remember is that our present pension system is not geared to the problems and situations faced by women. For example, what if a woman drops out of the labour force to have children? No allowance is made at all for this. Benefits are not adjusted for the period she is away because her pension is based on total earning and working life, which in this case is smaller and shorter. But her need for pension coverage is no less necessary after her most productive years are over .

A housewife who finds herself widowed is in a very similar position. Her career was as a housewife, for which she received no pension because most pensions collected by a husband are non-transferable. She cannot collect on that pension even though she contributed so many years as a housewife. She is left with what amounts to poverty line pension, unless otherwise provided for.

What can be done to rectify some of the problems I have mentioned? There have been a number of proposals offered to help women overcome these handicaps. One suggestion which has been talked about for a while is to allow housewives to contribute to CPP. The question of whether contributions should be voluntary or not is central to whether the plan would work. Some housewives simply cannot afford to pay into the system, but their need is no less obvious. Another proposal is to allow more housewives to collect contributions from private pension plans of deceased spouses. Survivor's benefits, to my mind, are important if women are to maintain their independence. Another idea put forward to help women out in the case of a marriage breakdown, was to make it mandatory that pension credits in a private pension plan held by the husband be split 50-50 on divorce.

Another proposal is to have fully portable indexed pensions. Few pension plans today are portable, except for Government employees. When you change jobs, you cannot take credits with you, so you loose your contributions. These are some of the solutions offered. It goes without saying they do not solve all the problems, but they are a start. Right now, we are anxiously awaiting the Government's so-called Green Paper on pension reform. We have been told it will be out soon. Hopefully, the report will lead to some meaningful and substantial reforms which are so rightly deserved by the majority of the Canadian population.

Another related matter concerning senior citizens and pensions, Mr. Speaker, is the subject of old age. You may ask the question, how old is old? That is a question which has puzzled physicians, economists, business leaders, labour, government officials and every man and woman in our country. Two thousand years ago, the average life expectancy was only 22 years. Seventy-five years ago, in Canada, the life expectancy for the male was 48 years and for the female, 51 years. However, the average life expectancy today for a male is somewhere around 74 years, and for a female between 76 and 78 years. Today's 65-year old man or woman probably has greater vigour, greater stamina and better health than the 50-year old man or woman in the 1900s. There is no question that the lifespan of man will continue to increase. Perhaps within the lifespan of many Canadians alive today, one-tenth of our population will live to be 100 or older. Soon, perhaps within a generation, active, vigorous men and women of 85 years or more will make up a substantial group in every community.

However, because of the longer lifespan of people today, there is another area of importance which will have to be looked into, that is, the impact this will have on our national economy. I think the time has come when we must review the retirement practices in industry. In the very near future we may find it desirable to go in the direction of voluntary retirement, depending upon the health of each worker. It may even be desirable to defer retirement in many cases from age 65 to 70 or 75. Regardless of what may happen, however, the human values of forced retirement at age 65 cannot be overlooked. What happens to the person at age 65 who is told that his usefulness in the labour force is over? He is no longer allowed to contribute. He is suddenly cut off from his working companions of many years. Just because he turned 65 years of age he

is supposed to stop functioning. How can you equate this kind of treatment when today these very same people have the most active seniors' and senior citizens' organizations in the history of our country. In view of this, how can labour say with any conviction that seniors are no longer able to contribute to the labour force? I do not think there is anything magical or sacred about the age of 65. Retirement at age 65 has been arbitrarily adopted and blindly accepted. Chronological age is not a barometer which necessarily indicates the physical age of a person. A person forced to retire due to the age formula loses more than just an income. In many cases, and I have seen some, as I imagine other Members of the House have, a person is faced with emotional problems every bit as serious as economic ones.

In our society, work has come to mean recognition as well as a feeling of being a useful member of the community. Some retirees, through an inward feeling of uselessness and insecurity, become melancholy and unhappy, and at times quite ill, which can only be overcome by work. During World War II, many elderly people went back to work in Canada. I think there were some 250,000 of them. Their employers learned to respect their steady and reliable performance. Recently in the U.S., the National Association of Manufacturers polled a group of business leaders on their attitudes toward elderly workers. Significantly, the president of one of the companies stated: "We choose and select when we hire people and I see no reason why we cannot do the same when we retire them." There are those and there will be those tomorrow who will want to retire. There are those today and there will be those tomorrow who will need to retire because of ill health or inability to do their job. Retirement is not a bad thing, but forced retirement of a man or a woman who is healthy, who wants to work, is bad both for the man and the woman and for our country as a whole.

Older citizens of Canada have a treasury of skills and experience that could be used in so many ways in every community. Seniors want to be constructive and productive. Our society has to find ways to keep them working if they so wish. To accomplish this, we must stop using one myth after another to justify age discrimination in employment. We must stop believing the myth that a young labour force guarantees greater production and less overhead. That may be true in the case of a man operating a jackhammer, but there are all kinds of occupations where the elderly are just as productive as their juniors.

We must also stop believing the myth of the heavy cost burden involved in hiring the elderly. Department of Labour statistics show that putting an older person on the payroll, including all the fringe benefits, costs only a few pennies an hour more than it would to hire a younger person. We must stop believing the myth that older persons are absent from their jobs more than younger persons. The very opposite is true. The notion that older persons are ready to be put on the shelf, is about the silliest form of prejudice which still exists. It is simply incredible that we have permitted our society to become so youth oriented that the job market starts to close after a person reaches 40.

What is needed in Canada, today, Mr. Speaker, is a drastic change of attitude. We have to get away from the notion that elderly people have done their part and should be put on the shelf. Our attitudes must change so that retirement from active, productive living should be by choice and not by compulsion because of age. Many seniors have no desire to stop work. Many seniors are able to work and want to work, but modern methods of business and industry deny them the opportunity to do so. The performance of Government in recent years for the betterment of senior citizens permits a small amount of pride. The challenges of today must give us even greater energy, greater dedication and a greater commitment to get on with the job, not only of creating a better Canada, but a better deal for all senior citizens. If we succeed in changing the popular conception of age and return those seniors who wish once more to the role of national productivity, I think we will then meet our two greatest needs. These are the need for a chance to make a living, and the great emotional satisfaction that comes from being useful, from being respected for one's productivity rather than being respected just for being elderly.

• (2150)

Mr. Gordon Taylor (Bow River): Mr. Speaker, the saying that we should never judge anyone until we have walked a mile in his moccasins is an excellent dictum. Tonight, I wonder if any of us is prepared to walk in the moccasins of those who are entirely dependent on a pension.

I remember when there was a pension of $20 per month for those aged 70 and over. In those days, though, you could buy five pounds of hamburger for 15 cents, so $20 went a long way. Through the years the pension has increased in accordance with the requirements of providing food, clothing and shelter for the human body. Eventually, the pension reached a reasonable amount; then inflation came along. That made quite a difference.

The Government made wonderful speeches to the effect that the pensioner could not live on that amount when the cost of living was so high, and so the pension would be indexed. The whole purpose of indexing was that food, shelter and clothing for the human body could still be supplied.

How many times have I heard Ministers and backbenchers opposite, and even Members on this side of the House, remark on what an excellent thing indexing is. The former minister of finance was asked how pensioners were going to continue to live on their pensions when the cost of energy and almost everything else was going up. He answered that the pension was being indexed so that they could live on it. The amount indexing brought in never equalled the amount of increase in the price of energy, however, but it helped. The whole purpose of indexing, as put forward by the Government and, I suppose, by Members on this side of the House, was to enable people to continue to enjoy a reasonable standard of living.

I remember being on a platform in the beautiful City of Drumheller, which is nestled in the canyon of the Red Deer River, when 200 or 300 people had turned out for an auction

at a church. One question that was put to each candidate was about the stand they would take on indexing. One candidate said, "I am against indexing; it costs too much money and we cannot afford it". Another candidate said, "I am not in favour of indexing, even though I am getting an indexed pension myself." When it came my turn I simply asked the people, "If you do not have indexing, how are the aged going to live?" That is the only purpose for it, Mr. Speaker. It is not a gift, a gratuity or a Christmas present; it is essential if a person is to be able to pay for food, clothing and shelter.

I have been in the homes of senior citizens and pensioners who receive the full basic pension and the guaranteed income supplement and their assured income from the Province. Some are still having a rough time making ends meet. I am sure you realize, Mr. Speaker, that energy costs have gone up by 15 to 30 per cent. I went into the home of a pensioner in Edmonton last winter. He was wearing a big, woolly sweater and his wife was wearing a night robe of some kind. It was only eight o'clock at night. I asked him why he was wearing his sweater, but I soon found out why. The house was cold. He said that the Government had asked the people to co-operate, to keep costs down and not to use too much energy. He said that he wanted to co-operate with the Government, so there he was, shivering. I shivered too and I kept my overcoat on. It is still chilly in that home, Mr. Speaker, but they wear woollies in order to co-operate.

If this Bill passes, the aged will co-operate, but there will be some cold ones amongst them and there will be some hungry ones. They will have diseases and they will die sooner because they will not be able to afford the things that they should have.

Do we want history to record that we did not look after our senior citizens properly—those who have served this country? People who are now aged 65 were born in 1917. They went through a few good years after the first World War, and then came the depression. People who have not lived through the depression will never know what it was like, but people who did live through it, those who are 65 years of age today, still suffer because of the malnutrition, lack of food and heat that they experienced. If they had to cut their own food or haul their own coal in order to keep warm, that is what they did. And all through the years of World War II they co-operated.

I knew a miner who was 83 years of age when World War II started. After the first World War miners were lucky if they got three months of work a year. But we needed coal for the war effort, and so he got his carbide lamp and his old mining clothes and went back into the mine to help his country, in World War II. It took a few years off his life, but he co-operated.

Senior citizens have already paid the price and we should not ask them to pay more. They should have the right to live well now.

May I call it ten o'clock, Mr. Speaker?

PROCEEDINGS ON ADJOURNMENT MOTION

[*English*]

A motion to adjourn the House under Standing Order 40 deemed to have been moved.

MINES AND MININGS—COURIER SERVICE EXPENSE

Mr. Gordon Taylor (Bow River): Mr. Speaker, tonight we will discuss one example of utter waste of the taxpayer's money which the Minister of State for Mines (Mrs. Erola) blatantly defended as being in the national interest, saying, "The cost of distribution is completely justified in the national interest." Five hundred and seventy-six packages containing three maps, a photo of the Minister of State for Mines with the Governor General and a press release for use on Dominion Day, were sent by courier service on June 30 at a cost of $5,935. Even Santa Claus and his reindeer starting on June 30 could not get the packages throughout Canada by the next day, which was a holiday in any event. Certainly it would not be possible for any courier to do it, but they still spent $5,935.

• (2200)

If they had to be sent, why were they not sent by Canada Post? They arrived late anyway, so wasting $5,935 is inexcusable. No private company or business could stay in business if it wasted money in that manner.

Then comes the question, why were they sent at all? The weekly newspapers certainly did not ask for them, nor could they use such large maps in their weeklies. It appears that the photograph was really the important item. If it were used, it would enhance the Minister's vanity at the taxpayers' expense, of course, but it would do nothing else. What was this worth? Was it worth $3,000 of taxpayers' money?

There is another aspect to the answer of the Hon. Minister to the questions asked by the Hon. Member for Cariboo-Chilcotin (Mr. Greenaway) regarding the cost of producing the package. The return tabled in the House of Commons indicated that the production cost was $1,783.08. On Monday night the Hon. Member for Cariboo-Chilcotin stated that representatives of Energy, Mines and Resources told him that the price of the three maps was $5.95 and that no reduction was given. Therefore, the cost of the three maps is 576 times $5.95 or $3,427.20. Also last Monday the Parliamentary Secretary when replying to the Hon. Member for Cariboo-Chilcotin stated:

> The approximate cost of this was $3,000.

This was $3,000 for the photograph, approximately. Adding the cost of $3,000 for the photograph, to the $3,427.20 for the maps and the $1,783.08 for whatever the Minister included, the total is $8,210.28. But the Minister's return indicated that the production cost of the package was only $1,783.08. Does the total production cost not include the cost of the maps, the cost of the photograph, the cost of the fancy envelope, the cost of the two-page press release, etc.? Of course it does.

The tradition throughout British Parliaments is that Ministers must answer questions accurately. If such were not the case, there would be no use in Members of Parliament asking questions. I am asking the Government to investigate fully the answer which was tabled in the House by the Minister. If it was inaccurate—and I believe it was—the Minister should be asked for her resignation pronto. Otherwise it will be a mockery of Parliament. Parliament cannot operate unless truthful answers containing the whole truth are given by Ministers.

Also on Monday night the Parliamentary Secretary told how wonderful the maps were and are. No one is or was questioning the value of the maps. Of course they are splendid maps. We are questioning the extravagance of the Minister in a time of restraint and the inaccuracies contained in the reply tabled in the House. If the Minister wanted to be Santa Claus with the people's money and send out presents, she could have sent the maps to the weeklies via Canada Post, free; she could have sent them to the schools of Canada which would be far more sensible, free; or she could have sent them to the libraries of Canada, free, where they would have been used.

The total cost of the package plus the courier service appears to be in the vicinity of $10,000. It is almost a complete waste of money. No wonder the editor, a very knowledgeable lady, of the Cochrane *Times*, a weekly newspaper in Alberta, wrote a story which appeared on the front page on July 14, which ended with the question, "This is restraint?"

If the Minister had *X* dollars which she just had to spend, rather than waste it on this silly exercise that benefited largely only the courier, she could have spent it in a number of other ways. Here are a few suggested ways the Minister could have spent the money. She could have helped the unemployed in her own constituency and elsewhere who have used up their unemployment insurance benefits. They could stand a few cents to help them out. She could have given the money to the Minister of Finance (Mr. Lalonde) so that he would not have to cut the indexing of the pensions of the superannuates, including retired RCMP and Armed Forces personnel and retired civil servants who actually paid for the indexing. What about the old age pensioners about whom we were talking tonight? The Minister could have given the money to the Salvation Army or to the Catholic Women's League to help them feed and clothe the poor and the unfortunate who tonight are cold, and many hungry. The Minister could have used the money to reduce the deficit or to lower the myriad of taxes which this money-hungry Government is imposing on the people, etc. etc. But, instead the Minister hired a courier at a cost to the taxpayer of $5,935 and sent out 576 photographs of herself at a cost of $3,000, as her parliamentary secretary revealed, to say nothing of the other costs.

• (2205)

Then to cinch the ridiculous, the Minister blatantly told the House:

The cost of distribution is completely justified in the national interest.

This is a proper case for the President of the Treasury Board (Mr. Gray) to investigate fully, and to make the findings public.

[*Translation*]

Mrs. Thérèse Killens (Parliamentary Secretary to Minister of State (Mines)): Mr. Speaker, I have examined the question asked by the Hon. Member for Bow River (Mr. Taylor) concerning the distribution of maps illustrating our country's growth to Canadian community newspapers so they would be able to use them during Canada Week. I am convinced that the public funds used for that purpose were a justifiable expenditure at a time when all Canadians were celebrating the achievements of their nation. The maps and the literature were sent to the newspapers in smaller communities so as to enable them to use those documents during Canada Week. In answer to a similar question earlier this week, it was clearly stated that those maps which depict the territorial evolution of Canada had a very particular meaning after we adopted our Constitution.

Because we wanted to have those maps widely known to the public, we decided to inform smaller towns and villages to the same extent as the larger urban communities which are already well served by the information networks. We had to use courier services to distribute the maps along with a photograph commemorating their presentation to His Excellency the Governor General so that Canadian Community Newspaper Association members would receive them before Canada Week, if at all possible. Originally, Canada Post was to look after the distribution of the maps, but unforeseen difficulties cropped up during the preparation, printing and wrapping of the maps and therefore they were not ready for distribution until late in June. Thanks to a courier service, it was however possible to deliver the material in time to allow its recipients to use it and give it the attention it deserved during Canada Week. Of course, as stated by the Hon. Member for Cariboo-Chilcotin (Mr. Greenaway) a certain number of newspapers may not have received the material before Canada Day, July 1. However, I am pleased to know that thanks to the efforts which were made, they were able to use it as reference in the preparation of their forthcoming issues.

The printing of the maps did cost $1,783,08, as previously mentioned. The Hon. Member for Cariboo-Chilcotin said that the maps had cost $3,427.00 but he was referring to the retail price of the kit. However this amount also included storing, handling and distribution costs as well as some other overhead charges normally included in retail prices. However, the latter charges were not incurred because the 576 parcels were sent directly by the Printing Bureau through a courier service.

Mr. Deputy Speaker: Unfortunately I have to interrupt the Parliamentary Secretary, but the time allowed to her has expired.

• (2210)

[*English*]

VETERANS AFFAIRS—PENSION RECOMMENDATION MADE BY UNITED VETERANS ORGANIZATION. (B) INTRODUCTION OF LEGISLATION

Mr. Dan McKenzie (Winnipeg-Assiniboine): On November 2, 1982, I asked the Minister of Veterans Affairs (Mr. Campbell) the following question:

In June of this year the Minister said that he was giving very active consideration to the recommendation made by the United Veterans Organization which would ensure that veterans' pension increases would reflect the greater of the C.P.I. or the average increase given to the five lowest categories of civil servants. When is the Minister going to present the necessary legislative changes to Section 58 of the Pension Act so that veterans will be spared the task of going cap-in-hand to the Government for their annual increases?

The Minister was totally non-committal in his answer.

I also asked:

—has the Minister had any discussions with the Government House Leader as to when he can fit this veterans' legislation into our schedule for this year? It would be appropriate if we dealt with it this year. It is not a contentious issue. All that is required is one speaker from each Party. Has the Minister had any discussions with the Government House Leader?

The answer I received was no.

This question was preceded by a query respecting the method of calculating and making pension payments to veterans. Here again, I received a non-committal answer indicating the Government is not willing to bring in much needed legislation.

Legislation should be introduced before this session expires. The problem areas are numerous and, contrary to the Minister's belief that everything is operating smoothly, there are many recommendations made by veterans' organizations and the Official Opposition which have yet to be acted upon. Let me outline just a few to refresh our memories: A complete review of those recommendations made by the Woods Committee that have not yet been implemented; A complete review of all those recommendations made by the Senate Committee on Health, Welfare and Science Report entitled "They Serve, We care", which have not been implemented.

In this case special attention should be given to the apparent inequity of the way in which pension increases do not reflect the principle of parity with the average wage of five unskilled categories of public servants, or the increase in the consumer price index, whichever is greater, and that this principle is not entrenched in the Pension Act; the apparent inequity of the way in which veterans are compensated for periods spent as prisoners of war; and the increasing of the annual exemption for income derived from bank deposits, bonds and dividends to a minimum of $500. As well, there are recommendations aimed at having the Canada Pension Commission, the Entitlement Board and the Pension Review Board establish specific deadlines for each stage of the veterans pension application process. Finally, there are ways and means of increasing the use of the aging veterans' programs so that more veterans could take advantage of the system.

There are ongoing problems with the aging veterans' programs, even though the Minister has so much praise for it. The details of the program are still not clear to local councillors, both in the application and implementation process.

There should be a review of current benefit payments for medical expenses in order to determine the feasibility of extending medical requirements currently provided for WVA-CWA recipients to spouses and eligible dependent children. Attention should be given to problems which the Indian War Veterans across Canada face in their attempt to receive their due benefits. The ongoing announcements concerning benefits to "new theatre of war" veterans should be formalized in legislation. Also, the question arising from the treatment of Hong Kong veterans and others with strongyloides should be intensified and increased in proficiency with the addition of mandatory tropical disease courses and training.

These are but a few of the main problem areas which must be addressed either through formal legislation or through programs debated and approved by the Veterans Affairs Committee. When the Veterans Affairs Committee met last June I presented a non-political motion calling on the Committee to work together constructively. Solutions could have been suggested by the elected representatives who are paid to work toward solutions in the first place. Had my motion passed, the Committee could have met regularly to receive progress reports from the Minister of Veterans Affairs on the many issues facing Canadian veterans. Unfortunately, the Liberal majority on the Committee voted down my motion, even though many like it have been passed by other committees in the past. This is truly a shame, since the committee will not meet again until the 1983-84 estimates are ready for study.

I was not expressing in my motion a lack of confidence in the Department's ability to solve problems. I was expressing my desire to have the elected representatives, who are supposed to be interested in helping formulate solutions to problems, work toward that goal in a non-partisan way. Unfortunately, the Liberal Members on the Committee did not envisage their role as elected representatives in the same way as I did.

• (2215)

When asked about upcoming legislation the Minister had no answers. When asked if he had even discussed the legislative timetable with the Government House Leader, the answer was no. Veterans do not deserve an irresponsible attitude such as this in light of the many areas of concern that still exist.

Some Hon. Members: Hear, hear!

Mr. Roland de Corneille (Parliamentary Secretary to Minister of Veterans Affairs): Mr. Speaker, I am pleased to reply to the Hon. Member's question. He referred to recommendations made in June of this year by the United Veterans Organizations, that the basic rate of pension be tied permanently to the greater of the composite average income of the five selected categories of public servants, or the Consumer Price Index. The Minister of Veterans Affairs (Mr. Campbell) assured the Veterans Associations and this House that the recommendation is presently under consideration.

In 1972, this Government proposed and Parliament approved that there be an annual automatic adjustment in accordance with Consumer Price Index changes. That this has worked to the great benefit of these pensioners goes without saying.

In addition, Mr. Speaker, as a result of a study presided over by the Chairman of the Canadian Pension Commission, in which there was full and active participation of the veterans organizations, a new basis of establishing the basic rate of pension was arrived at. As a result, the basic rate of pension was substantially increased in 1973.

The formula which was introduced at that time related the pension paid to a 100 per cent disability pensioner, who was unmarried, to the composite average income of five selected categories of unskilled public servants, after income tax is paid at the rate in effect in the Province with the lowest rate. As you know, income tax is not payable on these pensions.

The single 100 per cent pensioner was better off than his composite counterpart in the Public Service until April 1, 1982, when several of the selected categories of public servants had wage adjustments. The basic rate will again be in favour of the 100 per cent unmarried pensioner after January 1, 1983, when the basic rate of pension is increased in accordance with the formula contained in the Pension Act. Eighty per cent of the disability pensioners are married and, therefore, most pensioners at present receive substantially more than the composite public servant who receives nothing extra for being married. Each year, all those in receipt of benefits under the Pension Act are compensated for any increases in the cost of living.

As Hon. Members are aware, the salaries of the selected categories of public servants have already been limited by legislation to increases of 6 per cent and 5 per cent within the next two years. Pensioners, on the other hand, will receive the full benefit of changes in the Consumer Price Index. This should result in a comparatively higher monthly rate. It is obvious that the yearly indexation as presently provided for by the Pension Act is more beneficial than trying to maintain parity with a selected group of public servants.

NEW EMPLOYMENT EXPANSION AND DEVELOPMENT PROGRAM—TIMING OF FUND EXPENDITURES. (B) EXPENDITURES IN QUEBEC

Mr. Cyril Keeper (Winnipeg-St. James): Mr. Speaker, on November 16 of this year I asked the Minister of Employment and Immigration (Mr. Axworthy) a question in this House with regard to the new employment expansion and development Program, the centrepiece of the employment program and the economic statement of the Minister of Finance (Mr. Lalonde). I found the Minister's response at that time totally inadequate. That is why I am rising again tonight to put the question; to make it clear so the Government can understand just what the question was. I would hope for a better response this evening.

The reason I rose to ask the question with regard to the NEED program is that in the Minister of Finance's economic statement he had claimed that this Program would operate over a period of 18 months, and in that period of 18 months it would create some 60,000 jobs.

We already knew that that description of the Program was an exaggeration, because labour analysts have indicated that as a rule of thumb, with $500 million you can create some 25,000 full-time jobs. When the Government says it will create 60,000 jobs for $500 million, obviously it is not talking about fulltime, full-year jobs, but part-time employment.

• (2220)

Our suspicions with regard to the NEED program were confirmed when the Minister held a press conference. In response to specific questions from the press, he had to admit he was talking about jobs that average between 20 and 30 weeks, which make them short-term jobs. Therefore, the program was being oversold.

I rose the other day because we on this side had learned from the provinces that the Minister was meeting with the provincial ministers of employment, indicating to them that this money was going to be spread over three fiscal years rather than over 18 months. I asked the Minister to confirm this. Whether the program lasts for a year and a half, two and a half years or three years is important, as it relates to the number of people who will get jobs and the amount of need this program will fill.

The Minister in a complicated way confirmed that the NEED program will run over three fiscal years and last some two and a half years. Therefore, we are talking about 30 months rather than the 18 months which the Minister of Finance indicated in his economic statement.

The Minister failed to acknowledge or give significance to the fact that the program would last much longer than announced by the Minister of Finance. It is important to acknowledge that if the program runs for 30 rather than 18 months, we will require more than $500 million to accomplish the purposes the Minister said would be accomplished; that is, to provide jobs for people who exhaust their unemployment insurance benefits. The Minister failed to recognize that. Therefore, he has failed in terms of taking greater action to meet the needs of those who run out of unemployment insurance benefits.

In my supplementary question I asked the Minister to acknowledge that under the program some $10 million would be spent in the Province of Quebec which has 23 per cent of its population on welfare or on unemployment insurance. The Minister failed to acknowledge this. He spoke about other figures, diverted attention, but did not deal with the seriousness of the unemployment situation in Quebec and the inadequacy of the Government's employment program as announced by the Minister of Finance.

I am very disappointed with the response of the Minister. I hope the Parliamentary Secretary will deal more adequately tonight with the fact that rather than the program lasting for

18 months, it will in fact go for two and a half years. How does he expect a program that is already stretched to its limits to serve people for two and a half years rather than a year and a half? Does he expect people to believe that it will meet the needs of those who have exhausted their unemployment insurance benefits? The same amount of money that was originally announced for a year and a half will now be spent over two and a half years. Why is there this discrepancy between what was said in the economic statement of the Minister of Finance and what is actually happening?

• (2225)

[*Translation*]

Mr. Rémi Bujold (Parliamentary Secretary to Minister of Employment and Immigration): Mr. Speaker, I shall try to use the few minutes available to me to explain in clear terms the situation concerning job-creation programs. I believe that one must make a very clear distinction between existing job-creation programs under what we call the Community Development Program and the new job-creation program which we have called NEED. We now have in operation a Community Development Program through which unemployed workers can find a job anywhere in the country. These jobs will be created immediately under the existing program until the spring of 1983. This program will create approximately 25,000 jobs throughout the country.

As far as the NEED Program is concerned, one must make a very clear distinction and know what it is all about. The Minister of Finance (Mr. Lalonde) and the Minister of Employment and Immigration (Mr. Axworthy) were indeed right to speak of an 18-month program, and if we think of three fiscal years and use a little arithmetic, we indeed come to a figure of 18 months. Obviously, those are temporary jobs to meet the very difficult situation which now exists in Canada. We shall provide temporary jobs for Canadians who have exhausted their unemployment insurance benefits or who will have completed their last 13 weeks.

We are speaking about $500 million to create 60,000 jobs. Obviously, if we were speaking about creating jobs for a one-year period, we would create fewer jobs, but if we provide employment for 12, 20 or 25 weeks, there will be more jobs. In quoting his figures, the Hon. Member for Winnipeg-St. James (Mr. Keeper) stated that labour experts were predicting the creation of fewer jobs, but let us look at the program announced by the Minister of Finance (Mr. Lalonde) and at the criteria given to us. The figure of 18 months has been mentioned and people are trying to say that the program will extend over two and a half years, but let us look at the figures, Mr. Speaker. We say 18 months and the program will come into effect on January 1, 1983. Therefore, there will be three months during the fiscal year 1982-83, then 12 months in the fiscal year 1983-84 and three months in 1984-85. This gives a total of 18 months for three fiscal years. Whatever way you look at it or add it up, the answer is the same and this money will help create jobs. In Quebec, we shall actually spend $10 million during the first three months, but over the 18-month period, we shall be spending $170 million. I hope this explanation will clarify the situation. What we want to do is to create 60,000 jobs throughout the country during the next 18 months.

[*English*]

Mr. Deputy Speaker: The motion to adjourn the House is now deemed to have been adopted. Accordingly, this House stands adjourned until tomorrow at eleven o'clock a.m.

At 10.28 p.m. the House adjourned, without question put, pursuant to Standing Order.

HOUSE OF COMMONS

Friday, November 19, 1982

The House met at 11 a.m.

• (1105)

MOTIONS UNDER S.O. 43

[*English*]

HUMAN RIGHTS

CONDEMNATION OF TREATMENT OF ANATOLY SHCHARANSKY BY SOVIET AUTHORITIES

Mr. Girve Fretz (Erie): Madam Speaker, I rise under the provisions of Standing Order 43 on a matter which deeply concerns me. In light of the fact that Soviet dissident, Anatoly Shcharansky, is currently being force-fed to end his hunger strike over the legitimate complaint that he is no longer allowed to receive mail or visits from relatives, I move, seconded by the Hon. Member for Cariboo-Chilcotin (Mr. Greenaway):

That this Government condemn the actions of the Soviets in the case of Anatoly Shcharansky, and that it urge that steps be taken to put an immediate end to this flagrant violation of human rights, which is in direct contravention of the Helsinki Accord.

Madam Speaker: Is there unanimous consent for this motion?

Some Hon. Members: Agreed.

Hon. Flora MacDonald (Kingston and the Islands): Madam Speaker, the case raised by my colleague is one of the most tragic violations of human rights the world has seen. Anatoly Shcharansky, a computer scientist, has been imprisoned in the Soviet Union because of his desire to leave that country. He has asked for simple release from the Soviet Union to rejoin his family.

In the light of this motion, and as we have a Canadian delegation in Moscow at the present time, a delegation which is seeking to restore scientific exchanges between Canada and the U.S.S.R., I would make a plea that one of the basic things this delegation can do is to bring the case of Anatoly Shcharansky before the Soviet authorities, that they make these exchanges conditional upon the release of Anatoly Shcharansky before any are carried out. I would extend that plea further to include the Andrei Sakharovs of this world and to the many other scientists, people of international repute, who are being held in prison in the Soviet Union.

Mr. Ian Deans (Hamilton Mountain): Madam Speaker, very briefly, I want to join with the mover and the seconder of the motion in urging Soviet officials and representatives of the Government of Canada to meet to discuss the problem of refusniks in Russia in general and, in particular, the specific problem of Anatoly Shcharansky. I think it is quite clear to everyone that the lack of human rights within the Soviet Union is a matter of grave concern.

In the attempt by the Prime Minister (Mr. Trudeau) to establish a more cordial and better relationship with the Government of Russia, one of the things that ought to be considered is the human rights record of the Soviet Union. Pressure must be brought to bear to bring about the release of people who would like to leave the Soviet Union, and who, under the Soviet Constitution, legally should be able to leave but who are suffering as a result of their attempt to exercise that freedom.

[*Translation*]

Hon. Charles Lapointe (Minister of State (External Relations)): We support this motion because as so many Canadians—I would even say the vast majority of Canadians—we are very concerned about this fundamental negation of the most elementary human rights in the case of Anatoly Shcharansky. Madam Speaker, as you know, the Government of Canada has interceded on behalf of Mr. Shcharansky several times in recent years, including our intervention at the Madrid Conference on European Security and Co-operation. More recently, that is, on October 22, we informed the Embassy of the U.S.S.R. in Canada of our strong opposition to this intolerable negation of human rights in the case of Anatoly Shcharansky. I therefore join my colleague from Kingston and the Islands (Miss MacDonald) and the House Leader for the New Democratic Party (Mr. Deans) in asking that the Soviet Union allow Anatoly Shcharansky to leave and also to receive visits from members of his family.

[*English*]

Mr. David Smith (Parliamentary Secretary to President of the Privy Council): Madam Speaker, I would also like to indicate my support for this motion. Members may be aware that in September the Hon. Member for Kingston and the Islands (Miss MacDonald), and myself, had the opportunity to go to the Soviet Union to speak to a number of Soviet officials in order to impress upon them the importance that Canadians attach to this issue. This is an issue that we do not view in a partisan way; we view it in a non-partisan way. It is an issue of human rights and an issue about which Canadians care.

I think the message we want the Soviet officials to understand is that we look forward to the possibility of an improved climate in East-West relations, but in order to do this, this is

one issue that must be addressed and is one about which we, as parliamentarians, feel very strongly.

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

Some Hon. Members: Agreed.

Motion agreed to.

* * *

• (1110)

POLITICAL PARTIES

PROGRESSIVE CONSERVATIVE PARTY'S POSITION ON PUBLIC SERVICE PENSIONS

Mr. Mark Rose (Mission-Port Moody): Madam Speaker, while this Party stood alone in the humid days of last August in opposition to the restraint Bill, the sanctimonious Tories to my right voted with the Government to impose six and five, knowing full well that it could apply to Public Service benefits as well as Public Service wages. They are now scrambling around, obscenely saying that they oppose this six and five capping of Public Service pensions. I therefore move, seconded by the Hon. Member for Beaches (Mr. Young):

That someone provide a daily road map to those who are confused by all of this about-facing so that we will know when the Tories are on the north, south, east or west side of the fence, or perched on the top like mugwumps.

Madam Speaker: Is there unanimous consent for this motion?

Some Hon. Members: Agreed.

Some Hon. Members: No.

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INDIAN AFFAIRS

FUNDING FOR "THE INDIAN VOICE" NEWSPAPER

Mr. Lorne Greenaway (Cariboo-Chilcotin): Madam Speaker, after 13 years of continuous publication, the widely read and excellent publication, *The Indian Voice* newspaper, is faced with imminent closure because of the withdrawal of funding by the Secretary of State. Because this paper is a project of the Indian Homemakers Association, the Secretary of State and the Indian Affairs and Northern Development officials, who obviously do not bother to read the paper, have taken the position that it only represents the views of native women. This reasoning is absolute rubbish. I therefore move, seconded by the Hon. Member for Wetaskiwin (Mr. Schellenberger):

That the Secretary of State refrain from playing games with a very valuable instrument of communication and continue to fund this newspaper.

Madam Speaker: Is there unanimous consent for this motion?

Some Hon. Members: Agreed.

Some Hon. Members: No.

* * *

EXTERNAL AFFAIRS

EL SALVADOR—SUGGESTED ESTABLISHMENT OF INTERNATIONAL COMMISSION

Mr. Walter McLean (Waterloo): Madam Speaker, a tragic civil war continues in El Salvador, with assassinations, disappearances and murders. Last week, El Salvadoran Church officials reported 4,400 documented cases of victims of this violence in the first ten months of 1982. Bishop Arturo Rivera Y Damas and El Salvadoran Protestant Church leaders have called for a dialogue on how the reign of terror might be ended and urgent attention given to the needs of nearly one million refugees, mostly women and children. Therefore I move, seconded by the Hon. Member for Kingston and the Islands (Miss MacDonald):

That the Government of Canada join with concerned regional Governments, such as Mexico and Venezuela, and international humanitarian institutions, in establishing an international commission to consult with all parties in the conflict. This commission would report to the Secretary General of the United Nations with practical procedures for a dialogue to end the war and measures to address the deep social and economic problems of El Salvador.

Madam Speaker: Is there unanimous consent for this motion?

Some Hon. Members: Agreed.

Some Hon. Members: No.

* * *

ENVIRONMENTAL AFFAIRS

POLLUTION OF GREAT LAKES AND NIAGARA RIVER

Mr. Jim Fulton (Skeena): Madam Speaker, I rise under the provisions of Standing Order 43. In view of the fact that negotiations with the United States over the clean-up of the toxic and radioactive dumps along the Niagara have failed to produce a solution, and in view of the fact that the EPA and the Reagan administration have sided with Hooker to stall effective clean-up provisions, demonstrated by the inadequate procedures ordered for Hyde Park, and even less adequate studies and proposals for the Love Canal, I move, seconded by the Hon. Member for Hillsborough (Mr. McMillan):

That this House send a 100-Member delegation to Washington to meet with Congress and the Senate to make it clear that there must be full use made of the super fund to clean up, not cover up, at Hyde Park, Love Canal, "S" area, 102nd Street, the radioactive dumps and all other dumps leaching into the Niagara System; further, that this House unanimously endorse the hard work done by Canadian and U.S. public interest groups to clean up the Niagara and the Great Lakes at a time when the Government of Canada has proven to be incapable of influencing the Reagan administration to protect public health.

Madam Speaker: Is there unanimous consent for this motion?

Some Hon. Members: Agreed.

Some Hon. Members: No.

* * *

NATIONAL PARKS

PERMIT FOR HOUSING PROJECT AT BANFF

Mr. Gordon Taylor (Bow River): Madam Speaker, I move, seconded by the Hon. Member for Okanagan-Similkameen (Mr. King):

That this House abhors the decision of the Minister of the Environment who, without a public tender and in defiance of the recommendations of his own staff and of the wishes of the vast majority of the people of Banff, has granted a permit to a former Liberal Cabinet Minister and company to build a unit high density complex that will destroy a unique park with its paths, benches and foot bridges over natural streams which were constructed over the last ten years costing thousands of dollars of the taxpayers' money, and that this House urges the Minister and/or the Prime Minister and his cabinet to rescind this decree by the Minister of the Environment as it is completely out of tune with the environment and common sense.

Madam Speaker: Is there unanimous consent for this motion?

Some Hon. Members: Agreed.

Some Hon. Members: No.

• (1115)

ORAL QUESTION PERIOD

[*English*]

THE ECONOMY

MEASURES TO ASSIST PRIVATE SECTOR IN CREATION OF EMPLOYMENT

Hon. Sinclair Stevens (York-Peel): Madam Speaker, my question is directed to the Minister of State for Economic Development, who knows only too well that 539,000 jobs, 289,000 in the manufacturing sector alone, have been lost in this country since August last year. In view of the fact that the Minister has been in office with his new portfolios for almost seven weeks now, would he tell the House what new steps he has taken to ensure that the private sector, once again, will start creating jobs instead of cutting employment which is falling so heavily on all Canadians, but especially on the youth of this land, where we find, nationally, that 20 per cent of the youth are out of work?

Hon. Donald J. Johnston (Minister of State for Economic Development and Minister of State for Science and Technology): Madam Speaker, I do not know where the Hon. Member for York-Peel has been. There have been a series of announcements by the Government on a regular basis. Perhaps one of the most significant, in terms of direct job creation, was the NEED Program announced by the Minister of Employment and Immigration just a short time ago.

I do not think this is the time and place for me to recite at length all the Programs, whether they be in the research and development sector or whether they be in the industrial development sector under the Department of Regional Economic Expansion, concerning the regional efforts which have been made. I will be quite happy to take the time of the House to go through all these matters if the House wishes, and call upon the Ministers of each Department, on this side of the House, to explain in more detail some of the specific initiatives which have been taken, but the whole thrust of economic development under this Government has been to provide job-creation, but job-creation in areas which will be of long term benefit to the economy of the country and not simply direct job-creation which does not make that contribution. That has been the thrust, is the thrust now, and will continue to be the thrust.

INVESTMENT BY PENSION FUNDS

Hon. Sinclair Stevens (York-Peel): Madam Speaker, my supplementary question is also directed to the Minister of State for Economic Development, who must know, notwithstanding the efforts his Government may have made, that the unemployment figure is up by 500,000 today compared to only last year. Would the Minister specifically indicate if he has given any consideration to encouraging or stimulating the pension funds of this country, in the private or public sector, by putting more equity money into business in order to help create some of these jobs that are being lost at the present time? If he has given some consideration to this approach, would he indicate to the House what the response from the pension fund people has been?

Hon. Donald J. Johnston (Minister of State for Economic Development and Minister of State for Science and Technology): Madam Speaker, I think the Hon. Member knows full well that the pension fund investments in this country comprise, of course, one of the greatest sources of capital in equity markets. The Hon. Member may be referring to the fact that the pension funds are limited by legislation with respect to the kind of investments they can make, that is to say, that pension funds are limited to a specific purpose, to provide security for people who are retired from the work force. The pension legislation, whether at the provincial or federal level, tries to balance the security issue of pension investments with that part of the fund which may be used for other purposes, more specifically, funds going to companies in certain sectors which do not have an earnings record, a dividend payment record which would justify, if you like, investment for pension purposes per se, but that matter has been considered for many years.

If the Hon. Member has specific representations to make with respect to whether the present amount designated provincially or federally is inadequate for investments other than those that are stipulated in the legislation in question in each province, and federally, then I suggest that he put those

representations into writing and submit them to the Government, and to the Governments of the Province if he feels that progress could be made on that front. I think it is an area worth considering, but I do think it is very important that that balance be maintained. That balance was established with very specific purposes in mind.

• (1120)

MINISTER'S VIEWS

Hon. Sinclair Stevens (York-Peel): Again I direct a question to the Minister of State for Economic Development, who will recall a "Government and Business" personal perspective that he wrote in March of this year, which was circulated at the Liberal convention. In the perspective, or viewpoint, the Minister stated:

> I do not recall a period when the relationships between Government and business were as poor as they are today.

Would the Minister indicate what steps he has taken to improve those relationships and, specifically, how does he reconcile the $200 million that is being asked for in the form of equity in Canadair, when he stated in the same paper on page 5, referring to Canadair:

> When we do not have sufficient public capital available to satisfy pressing social needs . . . it is painful to see scarce capital deployed in a manufacturing concern best left to private enterprise.

Could the Minister explain why, if in truth those are his views, he is not taking some corrective steps today to correct both problems that he cited?

Hon. Donald J. Johnston (Minister of State for Economic Development and Minister of State for Science and Technology): Madam Speaker, a number of points should be noted. The first one, I suppose, is that the Hon. Member seems to have upgraded his reading.

Some Hon. Members: Hear, hear!

Mr. Johnston: The second is that I am sorry that we missed him at the Liberal Policy Convention.

An Hon. Member: You might have learned something.

Mr. Johnston: Be that as it may, the Hon. Member says, as I stated, that relationships were poor between the private sector and Government. That was written in March and I would say that that particular relationship has improved dramatically through a number of measures, perhaps the most important being the consultative process which was led off by the former Minister of Finance and other Ministers on this side of the House. That has continued. I think the investment climate and the relationships between business and Government have improved dramatically. We have seen how the business sector got on board and supported the six and five program. Every day the list grows of those in this country who have expressed support in a very concrete way for that program.

The importance of controlling inflation has been recognized throughout the business community, and I think we probably are seeing a co-operative thrust, the likes of which we have not seen for many, many years, perhaps since the war.

Some Hon. Members: Hear, hear!

Mr. Clark: What a fraud.

Mr. Johnston: With respect to the investment in Canadair, it falls very much within the criteria which I outlined in that paper. I think the statement was made that some investments are best left to the private sector.

I would just like to close by saying that if the Hon. Member is prepared to produce some investors who are prepared to put $200 million into Canadair—

Madam Speaker: Order!

Mr. Baker (Nepean-Carleton): He still thinks he is at the Liberal convention.

* * *

NATIONAL ENERGY PROGRAM

EFFECT OF TAXES ON ALBERTA PETROCHEMICAL COMPANY

Hon. Don Mazankowski (Vegreville): Madam Speaker, my question, too, is directed to the Minister of State for Economic Development. One of the sectors which could provide the long-term jobs which the Minister is referring to is the petrochemical industry which has been crippled as a result of the heavy, up-front taxes imposed under the National Energy Program. One of those companies is Alberta Gas Chemicals Limited which has stated the Company can survive the world-wide recession and the legislated increases in the price of natural gas, but not both of these plus the federal Government taxes on natural gas. This is a wholly owned Canadian company which employs some 170 people and exports about 85 per cent of its product to the international marketplace. Because of the heavy taxes imposed by the federal Government, the Company has been forced into a position to join with a New Zealand company in a joint venture to develop a new methanol plant in New Zealand. Is the Minister aware of this, and what steps is he taking to avert that transition?

Hon. Jean Chrétien (Minister of Energy, Mines and Resources): Madam Speaker, I suppose this question should have been directed to me. I do not have the particulars of this case. I will look into them and report to the Hon. Member.

TASK FORCE RECOMMENDATION

Hon. Don Mazankowski (Vegreville): My supplementary is directed to the Minister of Energy, Mines and Resources or the Minister of State for Economic Development. In 1978 there was a sector task force on the petrochemical industry. Might I ask the Minister of Energy, Mines and Resources or the Minister of State for Economic Development if that task force recommendation is being studied, and if they will pay heed to the fact that the Government should reduce its take to

allow feedstock to be priced competitively with the U.S. Gulf Coast prices? Is the Minister aware of that recommendation, and what action has he taken to employ that recommendation in the difficulties in which the petrochemical industry now finds itself?

• (1125)

Hon. Jean Chrétien (Minister of Energy, Mines and Resources): Madam Speaker, as my colleague, the Minister of Industry, Trade and Commerce, told the Hon. Member this week, we are having internal discussions at this time. There is a problem in the petrochemical industry in Canada. The feedstock price is part of the problem. Those in the East with oil feedstock pay about 80 per cent of the world market price for their oil. Of course, the price is going up because there has been no increase in the international price—the Canadian price will increase next year and, therefore, there will be more of a squeeze at that time. We are looking into the problem. We hope to find a solution acceptable to the industry. At the same time we have to compete in the world market, and there is a squeeze in the petrochemical world market at this time. That is a very important factor.

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PUBLIC SERVICE

LEGISLATION TO CAP PENSION INDEXING—REQUEST FOR WITHDRAWAL

Hon. Edward Broadbent (Oshawa): Madam Speaker, my question is for the Government House Leader. We learned yesterday that four Liberal backbenchers and one member of the Conservative Party, all of whom supported the six and five legislation, have now indicated that they intend to vote against Bill C-133. Considering that this Bill is totally unfair and denies pension benefits to thousands who have already paid for them, will the Government now come to its senses and withdraw this Bill?

Hon. Yvon Pinard (President of the Privy Council): Madam Speaker, yesterday the Right Hon. Prime Minister had a chance to explain to this House that one must look at the spirit of the legislation. Obviously it is not well understood by the New Democratic Party. With regard to the four or five Members that the Hon. Member is talking about, I am not worried at this time. Taking into consideration the answer given yesterday by the NDP House Leader, it appears that the NDP have so many speakers on this Bill that it is unlikely the vote will be taken tomorrow.

Mr. Broadbent: If not tomorrow, Madam Speaker, it is still going to come, I say to the House Leader.

REQUEST THAT DECISION ON LEGISLATION BE TREATED AS VOTE OF CONFIDENCE

Hon. Edward Broadbent (Oshawa): I will switch to the Deputy Prime Minister. Considering that we not only have on record the names of four Liberal backbenchers, but there is reputedly at least a dozen who have screwed up their courage and indicated they are going to oppose this measure, will the Deputy Prime Minister agree that this Bill involving finances, connected directly to the Government's six and five program, is in fact a matter of confidence and, if the Government loses this Bill, it will be forced to resign?

Hon. Allan J. MacEachen (Deputy Prime Minister and Secretary of State for External Affairs): Madam Speaker, the Hon. Member knows from experience which we both shared that a Government never indicates exactly its attitude to a Bill until the moment arrives.

* * *

PENSIONS

REQUEST THAT GOVERNMENT WITHDRAW BILL C-131

Hon. Edward Broadbent (Oshawa): Madam Speaker, the master of systematic ambiguity strikes again.

Some Hon. Members: Oh, oh!

Mr. Broadbent: Now that the Deputy Prime Minister has cast fog over that issue, will he deal with another pension matter, this one affecting every pensioner in Canada, namely, Bill C-131? Considering this Bill is going to rob virtually every pensioner in the country, will the Government come to its senses on this Bill and tell the people of Canada, in particular the pensioners, that they will not be in the front line of the battle to implement six and five? Will the Government withdraw that Bill?

Hon. Allan J. MacEachen (Deputy Prime Minister and Secretary of State for External Affairs): Madam Speaker, apart from thanking the Hon. Member for his flattery, or acknowledging his flattery, I wanted to remind him that, on the substance of the question, the purpose of the six and five program is to reduce inflation to 6 per cent. There have already been signs that that program is succeeding. If we do, as I expect, make a substantial decrease in the inflationary rate next year, to that extent pensioners will be protected. If we achieve a 6 per cent inflation rate, the pensioners in all categories will be totally protected by the 6 per cent provided for in the legislation. If the Hon. Member got behind the six and five program, that would be the best way to protect the pensioners about whom he is speaking.

• (1130)

POSITION OF LIBERAL PARTY MEMBERS

Hon. Flora MacDonald (Kingston and the Islands): Madam Speaker, my supplementary is directed to the Minister of National Health and Welfare. It concerns the revolt in the Liberal ranks regarding the retrograde measure which the Government proposes to take in limiting the indexing of pensions for superannuated civil servants. Have these same

Liberal stalwarts come forward to condemn an equally retrograde measure, that is, the proposal she is putting before the House to limit the indexing on senior citizens of Canada, some of whom have incomes of between only $9,000 to $10,000?

[*Translation*]

Hon. Monique Bégin (Minister of National Health and Welfare): Madam Speaker, when the Hon. Member refers to people who are earning $9,000 or $10,000, that income is in addition to their Old Age Security pension, I want to be quite clear on that. Yesterday, the figures given by the Hon. Member in her speech were not always very accurate, I am sorry to say. I repeat that in Bill C-131, we are in effect asking Canadians who do not need the supplement to give up part of the indexing and agree to 6 per cent instead of 10 per cent. In fact, all Canadians, are being asked to accept a reduction in income for the purpose of bringing down inflation, which itself would be far more damaging in the long run.

* * *

[*English*]

MACDONALD ROYAL COMMISSION

POSITION OF CHAIRMAN

Hon. Ray Hnatyshyn (Saskatoon West): Madam Speaker, my question, in the absence of the Prime Minister, is directed to the Deputy Prime Minister and it has to do with the announcement of the appointment by the Prime Minister of the Royal Commission on the Economic Union and Development Prospects for Canada, chaired by the Hon. Donald Stovel Macdonald. I would like to ask the Deputy Prime Minister, having discussed this matter with the Prime Minister again, if he is in a position to report to the House on the Government's attitude with respect to the propriety of Mr. Macdonald heading this far-reaching Commission, having regard to his aspirations to leadership of the Liberal Party, where he will be attempting to seek support amongst Liberal Members of Parliament and Liberal supporters across the country, and particularly where Mr. Macdonald, having been a Minister of Finance, is the author of certain initiatives and present-day economic circumstances which he should be able to criticize independently?

Hon. Allan J. MacEachen (Deputy Prime Minister and Secretary of State for External Affairs): Madam Speaker, the Hon. Member knows more about Mr. Macdonald's intentions than I do. To my knowledge, he has absolutely no intention, and has declared no intention, to seek the leadership of the Liberal Party. I would ask the Hon. Member to concentrate on his own Party and forget about ours, because we will handle that effectively on our own.

Mr. Hnatyshyn: Madam Speaker, I know the Deputy Prime Minister at one time had leadership ambitions of his own, which are no longer present. I know that for a fact, because Jim Coutts told me so.

Some Hon. Members: Oh, oh!

CHAIRMAN'S DIRECTORSHIPS

Hon. Ray Hnatyshyn (Saskatoon West): Madam Speaker, my supplementary is directed to the Minister of State for Economic Development, who is a super minister in this group with respect to the economic union and future of our country. Mr. Macdonald will be looking at such things as the banking system in our country, the forestry situation, the chemical industry, the insurance and aerospace industries, about which the Minister is very concerned. Can the Minister tell us whether or not he has now been able to prevail upon the Prime Minister to ask Mr. Macdonald to resign from his directorships in a number of multinational corporations, including Du Pont Canada Inc., Boise Cascade Canada Ltd., and Manufacturers Life Insurance Company? The commitment was made by the Minister of Finance the other day that this matter would be taken up. Has the Minister of State for Economic Development now asked Mr. Macdonald to resign these directorships?

Hon. Donald J. Johnston (Minister of State for Economic Development and Minister of State for Science and Technology): Madam Speaker, as the Hon. Member suggests, he asked the question of the Minister of Finance the other day, and now he is asking me whether the Minister of Finance has talked to the Prime Minister, and that I do not know.

Mr. Hnatyshyn: Has he done anything about it? You are in charge.

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VETERANS AFFAIRS

STUDY OF INCOME LEVEL APPLICABLE TO WAR VETERANS ALLOWANCE

Mr. Mel Gass (Malpeque): Madam Speaker, my question is directed to the Minister of Veterans Affairs. On July 15 I asked the Minister if there was a possibility of raising the casual earning exemptions for recipients of war veterans allowances, presently set at $3,100 for married veterans and $2,100 for single veterans. In his reply the Minister stated that indeed a study was being conducted in this regard. Could the Minister now inform this House as to the present status of that study?

Hon. W. Bennett Campbell (Minister of Veterans Affairs): Madam Speaker, I thank the Hon. Member for his question. The question of casual earning levels was last reviewed and adjusted in July 1980. In reply to the Hon. Member's earlier question, I indicated to him that the matter was under study. I have asked the Chairman of the War Veterans Allowance Board to review the total area of casual earnings and to bring forward a report. I anticipate receiving that report very shortly, and I can assure all Hon. Members that when the report is received it will be responded to very quickly.

REQUEST THAT ADJUSTMENTS BE MADE RETROACTIVE

Mr. Mel Gass (Malpeque): Madam Speaker, since it looks as though 1982 will have come and gone without any solution to this problem, I would like to ask the Minister for some assurance that, if legislation is brought forth after 1982 has gone by, it will refer back and include 1982.

Hon. W. Bennett Campbell (Minister of Veterans Affairs): Madam Speaker, I do not want to prejudge the recommendations of the War Veterans Allowance Board, but I would just enlighten the Hon. Member to the fact that legislative changes are not required. We can make the adjustments as recommended by the War Veterans Allowance Board, by regulation. I would also draw to the Hon. Member's attention that, in the interim, war veterans allowance benefits continue to be fully indexed and are adjusted on a quarterly basis, responding to veterans' growing costs, as is the case with all other Canadians.

* * *

ENERGY

FUNDY TIDAL POWER PROJECT

Mr. Maurice Harquail (Restigouche): Madam Speaker, my question is for the Minister of Energy. While we know of the important programs which have been succeeding in conservation, and the other major exploration projects in the Atlantic area, could the Minister inform the house as to the status of, and position of the Government with respect to that important proposal regarding the harnessing of the tides, the Fundy tidal power project?

Hon. Jean Chrétien (Minister of Energy, Mines and Resources): Madam Speaker, as the House knows, there is an experimental project which has been put in place in the Annapolis Valley. I visited that site, even when I was not the Minister of Energy. Now it is in operation, and from this experimental project we will know better about both the physical and economic possibilities of using that source of power. We are having some discussion at this time regarding these matters with the Government of Nova Scotia, and we are making progress, but there is no final decision to be made at this time. However, there is a possibility that it will be studied further.

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LABOUR CONDITIONS

REQUEST THAT MINISTER INTERVENE TO RESOLVE NORDAIR DISPUTE

Mr. Ian Deans (Hamilton Mountain): Madam Speaker, my question is for the Minister of Labour. The Minister is aware, I am sure, that it is now apparent to everyone who is concerned that Nordair has no interest in resolving its dispute with its employees. Rather than sit down and attempt to find a solution, officials even went as far as to ask the Labour Board to decertify the employees union in order that a union which they themselves were attempting to set up, might take over. That was refused. I ask the Minister of Labour, given the length of time involved, given that the company does not appear to want to find a solution voluntarily, will the Minister call both parties to Ottawa? Will he involve himself personally? Will he sit down with them and attempt to find a way to resolve this longstanding dispute?

Hon. Chas. L. Caccia (Minister of Labour): Madam Speaker, the synthetic rage expressed by the Hon. Member is not matched by the realities of the world outside. I hope the Hon. Member knows that mediator Waller met with the parties on November 15 and they were unable to come to any settlement. The mediation services are available at any time as soon as the parties indicate they are willing to negotiate in a serious manner.

Mr. Deans: Madam Speaker, I put to the Minister there is no synthetic rage. I was simply stating the facts as they are available to anyone. Perhaps the Minister could take a moment and become aware of what is going on in the labour relations field.

• (1140)

REQUEST THAT MINISTER CONVENE MEETING

Mr. Ian Deans (Hamilton Mountain): Madam Speaker, my question had nothing to do with appointing a mediator. I am asking the Minister to make himself aware, for the first time in his life, of the circumstances surrounding the operations of the company and its attempts to eliminate the union as the bargaining agent for the employees, and to become personally involved and ask each of the parties to come to Ottawa to sit down with the Minister and discuss ways and means of resolving this outstanding dispute.

Hon. Chas. L. Caccia (Minister of Labour): Madam Speaker, if I were to believe that my personal involvement would resolve the question, I would have already done so. However, this is a matter which cannot be resolved by political intervention as easily as the Hon. Member may seem to think.

Mr. Deans: Have you tried?

Mr. Caccia: I repeat that, if the parties are willing to negotiate seriously, we have been, we are, and we will be available to mediate at any time.

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CRIMINAL CODE

MONETARY PROFITS EARNED BY MURDERERS OF QUEBEC MINISTER, PIERRE LAPORTE

Mr. Pat Nowlan (Annapolis Valley-Hants): Madam Speaker, I would like to ask the Minister of Justice what he intends to do about the repugnant spectacle of the so-called "sincere"

killers of Pierre Laporte who will be making a profit on their murder?

Hon. Mark MacGuigan (Minister of Justice): Madam Speaker, as the Hon. Member may know, this whole question of proceeds, in that sense, from writing about crime has been referred to a committee for a report to us. It is not a question with an easy solution because it involves the possibility of interference with the rights of free speech—

Mr. Clark: Laporte's rights have been interfered with.

Mr. MacGuigan: —and it is also a matter, from the viewpoint of the system of justice and sentencing, which I have asked to have studied with respect to the criminal law review.

REQUEST FOR AMENDMENT TO PREVENT PROFITS ACCRUING TO MURDERERS

Mr. Pat Nowlan (Annapolis Valley-Hants): Madam Speaker, certainly the Minister of Justice has to be concerned with civil rights, but there is also a collective sense of decency in a community—

Some Hon. Members: Hear, hear!

Mr. Nowlan: —which often takes primacy and priority over individual civil rights. On that basis, as in the situation of the macabre Olson murders several months ago, would the Minister, out of a sense of collective decency, talk to the House leaders and see if, during this weekend, there could be an amendment to the Criminal Code brought in with the cooperation of all parts of this House so that no Canadian can make a profit from the murder of anyone, let alone of a man of the character of Pierre Laporte?

Some Hon. Members: Hear, hear!

Hon. Mark MacGuigan (Minister of Justice): Madam Speaker, it would be interesting if, instead of emoting about the problem, as we can all do because we are all concerned about such events, the Hon. Member had a suggestion to make as to what kind of amendments could be proposed.

Miss MacDonald: He just did.

Mr. Lawrence: Listen to the question.

Mr. MacGuigan: If he made an amendment, I am not aware of it, or in what form he has made it.

In any event, Madam Speaker, this is a subject which is very much under review because it is one that very much concerns us.

CANADIAN TRANSPORT COMMISSION

SEVERITY OF PENALTY IMPOSED ON AIR B.C.

Mr. Donald W. Munro (Esquimalt-Saanich): Madam Speaker, I would draw the attention of the Minister of Transport to a letter from the Greater Victoria Chamber of Commerce which I am sure he has received by now, dated November 8, outlining a Draconian penalty against Air B.C., consisting of the cutting of service between Victoria and Vancouver and other points in the Province, because of an April Fool's prank of offering cut-rate fares between Victoria and Vancouver on April Fool's Day. It is the travelling public—

Mr. Rossi: Question.

Mr. Munro (Esquimalt-Saanich): —which is being asked to suffer.

Will the Minister intervene with the Canadian Transport Commission—I am not even sure the CTC has the right to penalize air traffic in this way—to make sure that this Draconian measure is withdrawn?

Hon. Jean-Luc Pepin (Minister of Transport): Madam Speaker, for those who do not know what the joke was, it might be a good idea to say what it was. This airline decided, for April Fool's Day, to carry people between the two locations indicated at a ridiculous price of 99 cents, or something of this kind.

Mr. Munro (Esquimalt-Saanich): Well, why not?

Mr. Pepin: Well, there are rules to be followed in these matters.

Mr. Munro (Esquimalt-Saanich): For one day?

Mr. Pepin: One of the rules is against predatory prices, for example.

Be that as it may, I have been in touch with the CTC and asked them to review this situation, and I will provide an answer as soon as I can.

COMMISSION'S POWERS

Mr. Donald W. Munro (Esquimalt-Saanich): Madam Speaker, can the Minister provide us with the actual statutory or regulatory authorization which the CTC might have, to impose Draconian penalties like this against any airline?

Hon. Jean-Luc Pepin (Minister of Transport): Madam Speaker, I am not insensitive to the argument brought up by my hon. friend. Indeed, in this matter it is the travelling public which suffers from the eccentricities of an airline.

Mr. Fraser: The whole thing is so stupid, why don't you fix it up?

Mr. Pepin: Well, who was stupid in the first place is the question, too,—is a relevant question to ask.

Mr. Munro (Esquimalt-Saanich): On a point of order, that is not a stupid question.

Madam Speaker: There is no such thing as a point of order during question period.

Mr. Pepin: I said, in terms of stupidity, the question could be raised as to who was stupid in the first place, the company that offered this rate as an April Fool's Day bargain, or the CTC which made the decision to punish the company for having done that. I suggest that the CTC was following the rules.

Anyway, I say again that I brought the point to the attention of the CTC and I will be in touch with them as soon as I can and report to the House.

ROLE OF COMMISSION VIS-À-VIS AIR B.C. AND VIA RAIL SERVICE ABANDONMENT

Right Hon. Joe Clark (Leader of the Opposition): Madam Speaker, will the Minister of Transport explain to the House why the CTC has the authority to act against Air B.C. but does not have the authority to conduct public hearings on the abandonment of 20 per cent of the VIA Rail service in the country?

Some Hon. Members: Hear, hear!

Hon. Jean-Luc Pepin (Minister of Transport): Madam Speaker, that is a very easy answer to give. The CTC had explored and investigated ad nauseam the question of railway transportation in Canada.

Mr. Nowlan: What was their decision?

Mr. Pepin: All the routes I cut last year about this time had been investigated by the CTC on a one-by-one basis. I wish my hon. friend had a better memory because I explained that profusely at the time. I have said that the investigation by the CTC of each of these railway routes, single line, would not have given up an over-all policy. I suggested that at the time I invoked Section 64 of the National Transportation Act which gives the Minister the power to do that, to take an over-all approach. That is what is meant by the law and that is what I did.

Mr. Clark: Madam Speaker, the Minister well knows that the CTC's hearings recommended a continuation of the lines which the Minister, acting in ignorance of the CTC and the public's right to public hearings, unilaterally cut out. He knows he turned his back on democracy, just as he turned his back on the Pepin-Robarts Commission.

Some Hon. Members: Hear, hear!

Some Hon. Members: Oh, oh!

ORIGIN OF COMMISSION'S INVOLVEMENT IN AIRLINE CASE

Right Hon. Joe Clark (Leader of the Opposition): Madam Speaker, concerning Air B.C., did the CTC receive a complaint from the public, and will the Government table in this House any complaint received from the public and any other information which reveals to this Parliament how the CTC became seized of this issue?

Hon. Jean-Luc Pepin (Minister of Transport): Madam Speaker, I do not know how the CTC became aware or was seized of the Air B.C. case, the April Fool's special. I do not know, but I will find out.

On the other matter, I want to re-emphasize, in trying to reach my hon. friend through a certain wall which seems to be between the two of us at this time, that the CTC can make decisions on single routes, Moncton to Edmundston, or Saskatoon to Regina. They can do that. But that does not give us an over-all plan. The way to get an over-all plan is to take an over-all view, and Section 64 of the National Transportation Act gives the Minister the power to act, even against the decisions of the CTC in implementing conclusions. That is what I have tried to do, and I suggest that many people who might have regretted the cuts I brought about a year or so ago now realize that they were necessary, particularly in light of VIA's growing deficit.

* * *

• (1150)

VIA RAIL

FEDERAL COURT DECISION ON MINISTER'S ACTION

Right Hon. Joe Clark (Leader of the Opposition): Madam Speaker, the Minister of Transport will know that this is the last day for the Department of Transport to decide whether it will appeal the decision of the Federal Court of Canada, giving Transport 2000 and the City of Melville, Saskatchewan, joined I believe by Jasper, Alberta, the legal right to question the legality of the Minister's unilateral action in wiping out VIA Rail service. Is the Minister going to appeal?

Hon. Jean-Luc Pepin (Minister of Transport): Madam Speaker, a number of cases have been brought to court against the decision which I made approximately a year and a half ago. In all cases of which I am aware, those who went to court lost. Therefore I feel that the right of the Government and the Minister of Transport to use Section 64 of the National Transportation Act has been reconfirmed four or five times; I do not think there is any doubt about it.

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PETRO-CANADA

OPERATION OF CASING YARD IN MULGRAVE, N.S.

Mr. Ian Waddell (Vancouver-Kingsway): Madam Speaker, my question is directed to the Minister of Labour. I have

before me a copy of a letter written by J. B. MacPhail, Drilling Superintendent of Petro-Canada on the East Coast, to Eastern Offshore Services Ltd., a servicing company. I want to quote one line of it which reads:

> We, Petro-Canada, want to adopt the same policy as two other major oil companies that are presently operating in the Halifax area . . . This policy is such that it enables Petro-Canada to operate their casing yard as a non-union yard.

Has the Minister discussed with longshoremen the proposed move of the casing yard by Petro-Canada from Mulgrave, Nova Scotia, to Auld Cove, Nova Scotia? Can he report that he will not allow this employer—and it happens to be Petro-Canada—to close its operations to avoid a collective agreement?

Hon. Chas. L. Caccia (Minister of Labour): Madam Speaker, I am aware of the situation which emerged in the last few days. Labour Canada is investigating this matter, and I will be able to report to the Hon. Member very shortly.

Mr. Waddell: I look forward to that report.

LEASING OF OIL RIG

Mr. Ian Waddell (Vancouver-Kingsway): Madam Speaker, if the Minister of Energy, Mines and Resources would return to his seat, I would direct my supplementary question to him. The Minister always says that he is a supporter of the little guy. I wonder whether he is aware of a letter from some possible little guys, that is, some of the shipbuilding workers on the East Coast, in Saint John, New Brunswick, who have complained that Petro-Canada, instead of building an oil rig there, is leasing one.

In view of my previous question to the Minister of Labour, does the Minister really believe that Petro-Canada is ours and therefore has to help the workers of Canada, and not engage in anti-union activities but support Canadian shipbuilding? Is the Minister now in a position to tell the House and the Industrial Union of Marine and Shipbuilding Workers of Canada of Saint John, New Brunswick, that indeed Petro-Canada will build a rig there and provide jobs for Canadian workers?

Hon. Jean Chrétien (Minister of Energy, Mines and Resources): Madam Speaker, I am aware of the problem. Of course the situation in the rig business is not the same as it was before. Some years ago there were prospects that there would be a large need for the construction of new rigs, but at this present time there is a surplus of rigs in world markets. Any corporation has to make a choice based on the best economic decision, and if there are rigs available which are much cheaper than new ones, it is a common-sense decision in business to go the least expensive way possible. This is exactly what Petro-Canada has done.

NATIONAL SECURITY

INQUIRY RESPECTING FORMER ROYAL CANADIAN MOUNTED POLICE CORPORAL

Hon. Allan Lawrence (Durham-Northumberland): Madam Speaker, my question is directed to the Minister of Justice. "Long Knife", the code name for the RCMP security service corporal who allegedly received $3,500 from the Soviet KGB for betraying a double agent in Montreal, has now been identified in the *Winnipeg Free Press* as an ex-RCMP corporal by the name of James Morrison. Well over a week ago, even though the Government has been aware of these facts for five years, the Solicitor General referred the question of whether or not there would be a prosecution to the Minister of Justice. Surely the Minister of Justice has made up his mind. Will there be a prosecution, will there not be a prosecution, and, if he has not made up his mind, why not? When will we hear whether or not there will be a prosecution?

Hon. Mark MacGuigan (Minister of Justice): Madam Speaker, since receiving the request from the Solicitor General, I have directed that an inquiry be made. I do not know when the results will come to me for a decision, but I can assure the Hon. Member that when the recommendation comes forward I will act on it very quickly.

REQUEST THAT MINISTER MAKE STATEMENT

Hon. Allan Lawrence (Durham-Northumberland): Madam Speaker, in this and other allied cases, the impression is left with a number of us that simply because a matter is referred to the Minister of Justice or to the Department of Justice somehow or other we should all shut up and be quiet about it. This is a matter which very directly concerns many people in the country, and it is a matter on which there should have been a governmental statement regardless of whether or not the Minister has made up his mind. Surely he can put some oil underneath his departmental advisers to come up with a decision, now that they have been aware of the matter for some time, and surely the House deserves to have a full statement on this and other allied matters where there have been no prosecutions of Canadian traitors. Will the Minister make a statement as soon as possible, regardless of whether or not he has decided on a prosecution?

Hon. Mark MacGuigan (Minister of Justice): Madam Speaker, the hon. gentleman's position in the House leaves him the freedom to be irresponsible, just as my job requires me to be responsible.

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AIRPORTS

PLANS FOR DEVELOPMENT OF CHARLOTTETOWN AIRPORT, P.E.I.

Mr. Tom McMillan (Hillsborough): Madam Speaker, my question is directed to the Minister of Transport. Since the 1940s the antiquated Charlottetown airport has been patched

and filled and extended to the point where it is now a disgrace, not only to Prince Edward Island but also to the Minister's Department and indeed to the entire country. Every year since 1977 the federal Government has made glorious announcements about design plans and tenders for a new airport terminal building at Charlottetown and for a new east-west runway. Each time Islanders have been sadly disappointed. Will the Minister tell the House what are the most current plans for the airport, and will he assure the House that those plans will not be set back yet again?

Hon. Jean-Luc Pepin (Minister of Transport): Madam Speaker, I am almost as unhappy about what happened at Charlottetown before I became the Minister and since, as is my hon. friend. The design works on the air terminal are some six or seven months late now. If everything goes well—and I hope it will—tenders will be called in the fall of 1983. That is the present situation with respect to the air terminal.

In case my hon. friends are interested in knowing why this has taken place, I might say that one of the rules of the implementation of the democratic process in the Department of Transport is that, before going on with the construction of air terminal, we ask the carriers if they would look at and agree to the costs which will be incurred by them as renters of the terminal. It is quite easy to imagine that those costs are always too high in the carrier's view. Thus we are lead to prolonged negotiation and delays. This was one of the reasons for delays at the Charlottetown airport. Finally, conclusions have been reached in discussions on rentals with the carriers, and this is why we can move now. But we are six or seven months behind mostly because of procrastinated negotiations.

Mr. McMillan: The plans for the new Charlottetown airport are not six or seven months behind; they are seven years behind.

CONTROL TOWER OPERATIONS

Mr. Tom McMillan (Hillsborough): Madam Speaker, my supplementary question is directed to the Minister of Transport. There has been a lot of talk of late about proposals to eliminate or decommission control towers at various airports across the country, including Charlottetown's. In view of the fact that Prince Edward Island has distinct safety requirements because of terrain, climate, weather, and so much else, will the Minister now put to an end any suggestion that air traffic over P.E.I. will be orchestrated by some instruments in a remote tower in some other part of the country?

Hon. Jean-Luc Pepin (Minister of Transport): Madam Speaker, let us isolate these problems. First in regard to the construction of the control tower itself, the design work on it is going ahead. As a matter of fact I understand that it has been completed to the 60 per cent level.

• (1200)

On the subject of the reduction of air controls at different Canadian airports, I had a question recently on that subject. In answer I said that indeed we are looking at ways in which money can be saved in this particular area, and I suggest that Canadians would approve of that. If some work can be done in a certain way less expensive than another, we Ministers have the responsibility to try to reach that objective. However, I want to guarantee to my hon. friend and to the population at large that air safety will not be compromised. If there is a reduction of working hours for controllers at airports, it will be because safety can be ensured otherwise.

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[*Translation*]

EMPLOYMENT

INQUIRY RESPECTING USE OF $170 MILLION GRANTED TO QUEBEC

Mr. René Gingras (Abitibi): Madam Speaker, my question is directed to the Minister of Employment and Immigration. In an interview with one of the Quebec newspapers, the Parti Québécois minister, Pierre Marois, said that he had discovered that the New Employment Expansion and Development Program announced last week would be spread over a period of twenty-seven months instead of eighteen. Perhaps the Minister could give the House some clarification in connection with the $170 million that are to be allocated to job creation in Quebec.

Mr. Rémi Bujold (Parliamentary Secretary to Minister of Employment and Immigration): Madam Speaker, I would like to take this opportunity to set the record straight on this employment program, which was announced recently by the Minister of Finance, and by the same token I would like to inform the Member for Winnipeg-St. James that he too may have been mistaken about this program. The Minister of Finance announced the program would last eighteen months, and now people are trying to prove the program will in fact run for twenty-seven months because it covers three fiscal years. Now, the program is to start on January 1 of next year, and if we count the number of months in this fiscal year, next year and the three months of fiscal year 1984-85, it all adds up to eighteen months, Madam Speaker. I should also hope that the Quebec Minister for Income Security will shortly inform us what his intentions are as to participating in the program, and that he will do what he told the press about a week ago, namely, concentrate on employment issues in Canada instead of talking about independence.

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[*English*]

PETITIONS

TABLING OF REPORTS OF CLERK OF PETITIONS

Madam Speaker: I have the honour to inform the House that the Clerk of the House has laid upon the Table reports of

the Clerk of Petitions stating that he has examined the petitions presented by Hon. Members on Thursday, November 18, 1982, and finds that the petitions meet the requirements of the Standing Orders as to form.

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PRIVILEGE

MR. MUNRO (ESQUIMALT-SAANICH)—RESPONSE OF MR. PEPIN DURING QUESTION PERIOD

Mr. Donald W. Munro (Esquimalt-Saanich): On a question of privilege, Madam Speaker, if I heard correctly, the Minister of Transport (Mr. Pepin) decided to categorize my question as stupid.

Mr. Pepin: I did not.

Mr. Munro (Esquimalt-Saanich): I would like to check the wording in *Hansard* because I really do not think it is the role of Ministers to decide—

Madam Speaker: Order, please. I am sure the Hon. Member also has opinions on other statements that are made in the House. It is quite customary to express opinions on statements made by other members. If the Hon. Member wants to check *Hansard*, he may do that; but I just want to remind him that he did not have a question of privilege, but rather a point of order.

ROUTINE PROCEEDINGS

[*English*]

PETITIONS

MR. KING—IMPOSITION OF METRIC SYSTEM

Mr. Fred King (Okanagan-Similkameen): Madam Speaker, it is my duty and privilege to present a petition to this House on behalf of 3,140 citizens of Okanagan-Similkameen, British Columbia. An attached letter over the signature of Lelannd Haver of Westbank, B.C., states in part:

We the members of "Metric Won't Do" wish to bring to your attention a matter of paramount importance at this time, that being the whole question of metrication—

The nature of the petition is to pray and beseech this House to re-evaluate the Government's decision to implement metric and stop the onslaught of worthless and excessive expenditures for a measurement that is less than perfect, with due respect for truth and freedom of choice.

The petitioners hope, Madam Speaker, that you will find their petition in order and that through their efforts, with the co-operation of the Members of this House, the citizens of Canada may be spared the further imposition of forced metric and the forced abandonment of Imperial measure, which they say was established from practical and spiritual origins.

MR. LEWYCKY—SCLATER, MAN.—CALL FOR RESTORATION OF POSTAL FACILITIES

Mr. Laverne Lewycky (Dauphin): Madam Speaker, as the Member of Parliament for Dauphin, Manitoba, it is my duty to present before this House a petition representing residents of Sclater, Manitoba and its surrounding community.

The postal services of Sclater were, and remain, withdrawn following the destruction by fire of the postal facilities there. Given the fact that the former post office was located in a general store and, as such, constituted an important focal point of the community, and that residents must now travel in excess of 50 kilometres in order to obtain their mail, the petitioners therefore request that this House ask the Minister responsible for Canada Post Corporation to instruct the President and Chief Executive Officer to restore in full the postal facilities and services formerly enjoyed by the community of Sclater, Manitoba.

MR. REID (ST. CATHARINES)—TESTING OF CRUISE MISSILE ON CANADIAN SOIL

Mr. Joe Reid (St. Catharines): Madam Speaker, I am privileged, as the Member of Parliament for St. Catharines, to present a petition on behalf of 180 students at Brock University. These students wish to present a petition to affirm and express their commitment to peace and disarmament, and express their opposition to the continuing nuclear arms build-up, and more particularly the role of the Government of Canada in the testing of the Cruise missile. These petitioners humbly pray that Canada will terminate its agreement to test the Cruise missile on Canadian soil.

* * *

[*Translation*]

QUESTIONS ON THE ORDER PAPER

(Questions answered orally are indicated by an asterisk.)

Mr. David Smith (Parliamentary Secretary to President of the Privy Council): Madam Speaker, the following questions will be answered today: Nos. 4,458 and 4,523.

[*Text*]

FUEL CONSUMED BY FARMERS

Question No. 4,458—**Mr. Mazankowski:**

1. For (a) 1980 (b) 1981, what were the total amounts and average volumes per farm of (i) gasoline (ii) diesel fuel (iii) oil (iv) natural gas used by agricultural producers in Canada?

2. What were the average prices to producers of those fuels and how much of the prices comprised federal excise taxes?

Mr. David Smith (Parliamentary Secretary to President of the Privy Council): I am informed by Statistics Canada and the Department of National Revenue as follows:

1. At present there is no comprehensive source of information on amounts of average volumes per farm of gasoline,

diesel fuel, oil or natural gas used by agricultural producers in Canada. In Provinces that have farm gasoline tax rebate programs or marked gasoline or diesel fuel (market for off-road use such as farming, mining, logging, fishing, emergency generators) some rough estimates have been made of farm consumption. These estimates are only available for a few provinces and the information is not consistent among Provinces.

The most reliable indicator of gasoline and diesel fuel use on farms in the fuel, oil and lubricant expenditure estimate made by the Agriculture Statistics Division of Statistics Canada which in 1980 was estimated at $721.6 million and in 1981 at $954.5 million. For stove and furnace oil, natural gas and propane used for heating and crop drying the best indicator is the same Division's estimate of heating fuel expenditure which were estimated at $155.7 million in 1980 and $221.4 million in 1981.

Though there is a lack of data at the moment, Statistics Canada's Farm Energy Use Survey conducted in July, 1982 will provide estimates of farm gasoline, diesel fuel, oil and natural gas quantities used by Canadian agricultural producers in 1981. The survey will also provide a basis for the monitoring of consumption during the next few years. The results of the July survey will be available in early 1983.

See also question No. 4,112 answered July 16, 1982.

2. Gasoline. This fuel is subject to federal sales tax of 9 per cent on the manufacturer's sale price if domestically produced or on the duty paid value if imported, under section 27(1) of the Excise Tax Act. In addition to the sales tax, gasoline is also subject to an excise tax of 1.5 cents per litre under Section 12 of Schedule I of the Act.

Diesel Fuel. Diesel fuel is subject to federal sales tax of 9 per cent on the manufacturer's sale price if domestically produced or on the duty paid value if imported. However, diesel fuels are exempt from sales tax if used for lighting or heating purposes or in the generation of electricity, except where such electricity is used primarily in the operation of a vehicle.

Oils other than Diesel Fuel Oil. These oils are subject to the 9 per cent federal sales tax only.

Natural Gas. Natural gas and gas liquids are taxed under Sections 25.13 and 25.14 of the Excise Tax Act at specific rates. A schedule of these rates of tax follows:

Schedule of Rates of Tax

Product	Feb. 1/82
Marketable Pipeline Gas (per gigajoule)	
Rate of tax	$ 0.63
Canadian ownership Increase*	0.14*
Total	$ 0.77
Ethane (per cubic meter)	
Rate of tax	$11.65
Canadian ownership Increase*	2.60*
Total	$14.25
Propane (per cubic meter)	
Rate of tax	$16.00
Canadian ownership Increase*	3.55*
Total	$19.55
Butanes (per cubic meter)	
Rate of tax	$17.85
Canadian ownership Increase*	3.95*
Total	$21.80

Mixtures of natural gas liquids. Rate of tax and Canadian ownership increase vary according to the proportion of ethane, propane and butanes contained in the mixture.

* Canadian ownership increase. Changes in the amount may be prescribed by Governor in Council.

N.B. Since February 1, 1982, changes in the amount of the natural gas and gas liquids tax may be prescribed by Governor in Council.

PAMPHLET OUTLINING CHARTER OF RIGHTS AND FREEDOMS

Question No. 4,523—**Mr. Beatty:**

1. What is the cost to the Government for the production of the information package recently distributed by the Canadian Unity Information Office, which included a pamphlet outlining the Charter of Rights and Freedoms, a poster of the Charter and a 1982-83 calendar?

2. How many copies of each item are being printed?

3. What is the cost of (a) producing (b) distributing the information package?

4. Will there be any charge to students or schools receiving the package and, if so, what will the selling price be?

Hon. Mark MacGuigan (Minister of Justice):

1. Production costs:	Pamphlet	$ 5,000
	Poster	$ 26,600
	Calendar	$122,000
	Total	$153,600
2. Number of Copies:	Pamphlet	100,000
	Poster	100,000
	Calendar	350,000

3. (a) Cost of producing, as stated above (1). (b) Cost of distributing the package: $10,000. CUIO does not know how many requests, for how many copies and where they will be shipped across Canada. Therefore, the mailing cost is not available at the moment.

4. No.

[*Translation*]

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

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

Some Hon. Members: Agreed.

GOVERNMENT ORDERS

[*English*]

MISCELLANEOUS STATUTE REPEAL ACT

MEASURE TO ESTABLISH

Hon. Herb Gray (President of Treasury Board) moved that Bill C-119, An Act to repeal certain Statutes that have ceased to be in force or have become unnecessary, be read the second time and referred to the Standing Committee on Miscellaneous Estimates.

He said: Mr. Speaker, I am very happy to have the opportunity to move second reading of Bill C-119, the miscellaneous statutes repeal Bill. This Bill, together with Bill C-118, the records retention amendment Bill, which was enacted earlier this session, forms an important legislative component of the Government's current regulatory reform program.

[*Translation*]

This program was launched by the Federal Government in the fall of 1980, in response to rising concern in the private sector and among consumers about the potential effects of unnecessary or obsolete regualtions on Canadians. Hon. Members may recall that in the fall of 1979, at the First Ministers' Conference on the Economy, these problems were discussed at length, and it was agreed that the Economic Council of Canada would be asked to give careful scrutiny to the regulatory process in Canada. The Council made a thorough study of the subject and submitted a preliminary report in November 1979, followed by its final report in July 1981. In the meantime, Members of the Senate and the House of Commons also made a careful study of these issues. Hon. Members are aware of the excellent work done by the Standing Joint Committee on Regulatory and Other Statutory Instruments. In July 1980, the Committee presented a major report on various aspects of the regulatory process and of parliamentary reform. A special committee of the House had been established to study regulatory reform, and it too submitted a report, in December of the same year.

• (1210)

[*English*]

The Government's regulatory reform program, of which this Bill is a component, is directly responsive not only to the concerns expressed but also to the recommendations for reform that have been made by all the various groups and participants from both Parliament and private sector. The program reflects a growing awareness that there can be unintended negative effects on the efficiency of Government and industry resulting from the way regulations are implemented and administered. Therefore, the Government must make every effort to ensure both that the objectives of Government regulations are met as efficiently as possible and that unnecessary costs or other negative effects associated with regulations are reduced to a minimum.

[*Translation*]

The Government will then assess the progress that has been made and consider proposals with a view to taking further measures in the future. In establishing its regulatory reform program, the Government had two major objectives in mind: to improve public administration by reforming the federal regulatory process and to remove undue regulatory pressures on the Canadian economy.

The Right Hon. Prime Minister (Mr. Trudeau) entrusted co-ordination of the program to the President of the Treasury Board.

[*English*]

I want to recognize the very good work of my distinguished predecessor, the Minister of State for Economic Development (Mr. Johnston), in this very key area of regulatory reform. Our approach to reform is essentially one of improving the management of the federal regulatory process. We will strive to manage the regulatory process in such a way that the proposed regulation is scrutinized to ensure that it is effective. Existing regulations will be reviewed and assessed to ensure that it still meets their goals at acceptable cost.

We believe that the existing regulatory activities of Government, particularly in the area of economic regulations, should be reassessed to ensure that they are consistent with the Government's economic and social policy objectives. We believe that the continuing flow of new regulatory proposals should be subject to an analysis of the potential impacts.

Before being asked to make decisions, Ministers must be provided with better information on the cost and benefits of regulatory proposals, on alternatives to regulatory intervention, on the effects that the proposals might have on the distribution of wealth and income. We believe that there is room for further improvement in the federal regulatory process and its administration. This process and administration should ensure more effective consultation with the private sector during the various steps and stages of regulatory decision-making, as well as an improvement where necessary of the accountability of federal regulators.

Our continuing regulatory reform program encompasses a variety of projects, each aimed at furthering the underlying objectives established by the Government. The Bill before us is the product of one of these projects which called on federal regulatory departments to review their statutes and regulations and to weed out obsolete, unnecessary or duplicative provisions.

[*Translation*]

The Miscellaneous Statute Repeal Act would provide for repeal of the 124 acts which have been found to be obsolete to date. Many of these acts have not been enforced for some time, and most are not concerned with regulation. This bill is basically a housekeeping measure, and its main concern is with the primary objective of the regulatory reform program, which is to improve public administration. In fact, it is the initial result, when we speak of repeal legislation, of a very wide-ranging study carried out by federal ministers with a view to ridding our legislation of all unnecessary elements and updating it as much as possible.

[*English*]

To sum up, this miscellaneous statute reform Bill is an integral part of the Government's over-all regulatory reform program and represents an important first step in tackling the job of legislative housekeeping. I believe it represents an important measure, among several, that we are pursuing to improve public administration and over-all management of federal regulations. I believe that the introduction of the bill and the cosideration now being given to it by Parliament should give an important message to both the public and private sectors. Members of Parliament through the Special Committee on Regulatory Reform and through the Standing Joint Committee on Regulations and other Statutory Instruments have stressed the need for a concerted effort toward regulatory reform. This Government is in agreement that reform is needed. We are committed to take action through our regulatory reform program.

We cannot do everything at one time. Some of our objectives may be difficult to achieve. However, no one should make the mistake that our commitment is in doubt because we may not be tackling a particular problem at a particular point in time or because it is taking some time to see change. We do have a strong commitment to regulatory reform. Our commitment should be judged on the basis of whether we deliver the reforms that are identified as targets in our work program. We promise to weed out obsolete, unnecessary and unenforceable federal statutes. We are delivering on that promise by presenting this Bill before Parliament.

I want to repeat that it represents some very important work done by my distinguished predecessor as President of the Treasury Board, who is now Minister of State for Economic Development.

In its recent submission to the Special Committee on Standing Orders and Procedure, the Canadian Bar Association commented that Parliament had not done well in handling certain types of legislation. They commented on our inability to deal effectively and quickly with routine bills that did not involve contentious policy issues and that should not give rise to partisan differences.

I hope that Members of the House will all agree that this Bill before us now should be viewed as such an item and that collectively we will be able to give it prompt attention. For our part, the Government will be providing to Members who examine the Bill in Committee stage a copy of a discussion paper which sets out a brief justification for proceeding with the repeal of each of the 124 statutes listed.

Therefore, I ask Hon. Members of all Parties to support this Bill, and consistent with Parliament's responsibility to carefully scrutinize legislation, to enact the Bill as expeditiously as possible. By doing so, Parliament will be reaffirming its interests in, and commitment to, regulatory reform. It is a message that I think Parliament should send to the Canadian public.

Hon. Walter Baker (Nepean-Carleton): Mr. Speaker, I would like the House to note that this is the first piece of legislation which has been introduced by the Hon. Minister in his renewed capacity as President of the Treasury Board (Mr. Gray). Therefore, it is the first opportunity that I have had, at least in this function, to express my good wishes to him in the fulfillment of the responsibility of his portfolio. I also note that the Hon. Member for Kitchener (Mr. Lang), who was in the House and will be back shortly, is the new Parliamentary Secretary to the President of the Treasury Board.

• (1220)

This means that with respect to the business of regulatory reform, the repeal of miscellaneous statutes, and items such as Bill C-133 with respect to the Supplementary Retirement Benefits Act, we have two completely new and uncluttered minds to direct to these problems. I know that this will be of some importance to you, Mr. Speaker, and to other Hon. Members in the House of Commons as we consider these problems. I sincerely say to the Minister, through Your Honour, that I wish him well. The process is a good one and we should consider the statutes from time to time.

The full process of regulatory reform is important to the country. I think Hon. Members would be interested in knowing that there are 11 statutes from the Department of Agriculture, one from the Department of Consumer and Corporate Affairs, five from the Department of Energy, Mines and Resources, three from the Department of the Environment, 11 from the Department of Finance, four from the Department of Indian Affairs and Northern Development, three from the Department of Industry, Trade and Commerce, two from the Department of Insurance, 11 from the Department of Labour, two from the Department of National Health and Welfare, three from the Department of National Revenue, three from the Department of Public Works, four from the Department of the Secretary of State, one from the Department of Supply and Services, 59 from the Department of Transport and one from the Department of Veterans Affairs.

The list of bills is there. Therefore, I am pleased to hear the hon. gentleman say that he will supply the members of the Committee with a discussion paper and it will be a large one, I imagine, with respect to all those Bills, and it will be of immense help to the Committee.

From the point of view of the Official Opposition, I want to say to the Minister that it is our intention to expedite this matter. Certainly, we must do other things to reform the

regulatory system. We must take a critical look at the institution of the Comptroller General to see where it can be strengthened. The late Robert Andras was the President of the Treasury Board who finally brought the Bill involving the Comptroller General before the House of Commons. You will recall, Mr. Speaker, that the distinguished gentleman consulted and presented that Bill so well the matter went through very quickly. He was moved to take decision to Cabinet which ultimately approved it as a result of the work of the Hon. Member for Vegreville (Mr. Mazankowski), who pressed hard in the House of Commons for the Comptroller General.

We must consider whether or not that system is appropriate and whether it can be strengthened. Indeed, I must say to you, Mr. Speaker, and to the President of the Treasury Board that one of the witnesses before the Special Committee on Standing Orders and Procedure, the parliamentary reform committee is going to be the Comptroller General of Canada. We will also be calling witnesses from the Treasury Board, which we think is important as we enter into the new part of the work of the Committee with respect to accountability, closing the loop spoken of by Mr. Lambert in his report and, so eloquently, by the Hon. Member for Capilano (Mr. Huntington) and the Minister's colleague, the Hon. Member for Rosemont (Mr. Lachance), who have filed a very interesting report which I commend to the Minister.

We ought not to lose sight of two other legislative aspects in reforming the system—because that is what we are talking about, reforming the system. One is the process of sunset legislation whereby, with respect to each agency of Government, there is a provision that every five or perhaps seven years is a review by Parliament to see whether or not the circumstances causing the creation of an agency still exist or whether they have changed. If an agency's circumstances should change, there is a determination whether its programs are relevant or whether the Canadian public is getting the best for its tax dollar with respect to the services of Government. I must remind the Minister that an important part of the changes in machinery, for which I understand he is responsible, involves the entire question of the accountability and control by Parliament of Crown corporations, which are proliferating. One could make a very partisan speech about the proliferation which has occurred over the years. I do not intend to do that this Friday afternoon, but it is a fact, concerning which there has been a promise of action by the Government. The Government of the Right Hon. Leader of the Opposition (Mr. Clark) did bring forward a piece of legislation which was all-encompassing. There is presently a piece of legislation brought forward by the Government which does not go nearly as far and is not nearly as comprehensive; but that is something which has been done to bring this administration under control.

The Minister devoted a great part of his speech to the question of regulatory reform which has been given lip service in Parliament and devotion by certain Members of Parliament. Unfortunately, it has not been a priority of the Government, which is far behind concerning the necessary regulatory reform in the country. It is necessary if we are to make Government relevant, if we are to manage with less in a time of restraint, if we are to make the process understandable to the business sector and have the business sector appropriately relate to Government. There is a wide gulf of misunderstanding between the private sector and the public sector. I believe reforms in that area can bridge that gulf, because if this country is to prosper, all its elements must come together. The federal Government, the Provinces, the private and public sectors, the private sector including managers, owners, small business and labour, must all come together and the regulatory reform process is of vital concern. It has been addressed by the Standing Joint Committee on Regulations and other Statutory Instruments, which is co-chaired by a Liberal Senator and a Progressive Conservative Member of Parliament.

I have in my hand the Order Paper, and I am not sure of the number, but I believe there are at least six or eight reports, maybe more, involving regulatory reform which have not been addressed by this Parliament or the Government. I want to tell the Minister that the Special Committee on Standing Orders and Procedure is concerned about it, and the Standing Joint Committee on Regulations and other Statutory Instruments has indicated to the Special Committee that it wants to come forward to discuss the matter, to link the regulatory reform process with parliamentary reform, because that is indeed what it involves. This institution must have the tools to make the accountability process work. I commend the report to the Minister's attention.

There is another important aspect. I am now referring to the very successful Special Committee on Regulatory Reform which was chaired by the Hon. Member for Willowdale (Mr. Peterson) and co-chaired by the distinguished Hon. Member for Laurier (Mr. Berger) and the Hon. Member for North Vancouver-Burnaby (Mr. Cook). The Committee produced a benchmark report. Because we are not opposing the Bill, we must be assured today or on other occasions that the report on regulatory reform does not gather dust, but rather gathers interest, and that the labour of the members of that Special Committee, the Hon. Member for the Battlefords-Meadow Lake (Mr. Anguish), the Hon. Member for Halifax West (Mr. Crosby), the Hon. Member for Laprairie (Mr. Deniger) and the Hon. Member for Cape Breton-The Sydneys (Mr. MacLellan), was not in vain. It is one thing for Members of Parliament to work on these matters, but what is more important is that there be a discernible response from the Government to such reports, which is what the process of parliamentary reform is all about. That is why there is a provision in the third report of the Special Committee on Standing Orders and Procedure, the parliamentary reform committee, that the Government respond in a comprehensive way, not in a piecemeal way. The Committee can request that. I think it is extremely important that that be done. I do not want to see this work lie fallow, because a lot of hard work by these Members whose names I have mentioned and other Members of the House of Commons and the Senate will go by the board if it is allowed to slip.

• (1230)

What about some of their recommendations? I am not going to read them all. I suspected that the Minister might make the speech that he did and I have the recommendations in broad terms. There are some 29 of them which I commend to the Minister. There has not been a statement in the House with respect to these regulations since that report has been filed.

I am going to highlight some of them. They say this is part of a reform process. They recommend that Departments and agencies pre-publish regulations whenever that is appropriate. Why? Because those regulations affect the public; they affect business; they affect labour; they affect fishermen; they affect primary producers of all kinds; they affect small and large businesses. They have an impact. How many times has that Committee on Statutory Instruments heard from what I call the aggrieved public as a result of the imposition of regulations? These were not passed in bad faith, I have to say, but with bad judgment, I must say, on some occasions.

It would be better if there was a notification and comment process where, if regulations were to be dealt with, they would be prepared, filed and available at the time of second reading, if that were possible. Before a Bill in this House receives third reading, those regulations would be open to the public which is concerned.

There is a suggestion by the Joint Committee on Statutory Instruments that perhaps when a statute is sent to Committee to study the merits of a proposal, the regulatory power contained in that statute should be referred to the Joint Committee on Statutory Instruments. At that time the extent of the regulatory power, the question as to whether the Government really needs that power to carry out the intention of the statute, could be dealt with.

I am alarmed about the developing process of producing skeletal legislation and leaving so much of it to regulation. That explains partly why in the United Kingdom there were 800 regulations in one particular period of time, and in Canada there were 3,500 regulations in the same period of time. That is a change of policy I commend to the hon. gentleman.

The Committee also said that there should be an impact assessment of these regulations. How will those regulations impact on the sectors that they are meant to govern, because they are legislative in nature?

There was the recommendation by the Committee that each Department and agency review immediately its regulatory statutes and regulations to identify unnecessary and outdated regulatory statutes and regulations. They should set a schedule so that we and the public will know that the process is going on, a process that would lead to more detailed review and further action.

There was also the recommendation that Departments and agencies ensure that all their regulatory activities are evaluated periodically under the program evaluation system administered by the office of the Comptroller General. The Special Committee on Standing Orders and Procedure has recommended that the annual reports of Departments and agencies be referred automatically to that Committee. I think that is again a benchmark recognition that will do so much for private Members of the House of Commons and for the process of Parliament to hold Government accountable. The Committee dealt with that. They say that in those annual reports of Departments and agencies that would come to Committees automatically, there should be a summary of the progress each year that has been made in regulatory reform, including the reduction of paper burden, initiation of better service to the public and expansion of the notice and consultation procedures. There should be a summary for the Committees of this House of Commons each year of major regulatory initiatives undertaken in the past year; an identification of major regulatory initiatives contemplated and of program evaluations contemplated in the past year; and a schedule of future program evaluations.

A number of sound recommendations from the Special Committee on Regulatory Reform impact quite heavily on the work of the Committee of Standing Orders and Procedures. I am not surprised because there is a general feeling in the community that Parliament and our processes here by which we hold Government accountable are in a state of disrepair, and that the time has come for some significant changes.

There is an interesting recommendation which I want to bring specifically to the attention of the Minister, if I may do so. That was recommendation No. 12. It says that there should be certain procedural requirements for appeals to the Cabinet from the decisions of regulatory agencies. I recommend that the Minister consider that very carefully with his colleagues. The ones that come to mind are the appeals that come from the CRTC with respect to Bell Canada rates. There is a great deal of concern and worry about Bell Canada rates both from the point of view of the consumer and Bell Canada. I have always been concerned that there is not full disclosure to the sides involved of the cases of each other.

I recommend that this Government study the processes that are in place in the Government of Ontario. When I was practising at the Bar and I was appealing decisions of regulatory agencies, such as the Ontario Municipal Board or the Ontario Highway Transport Board, I as an appellant had to disclose my case on appeal to the other side. The issues were there, clearly defined, and there was at least some certainty that all of the issues would be before the Cabinet. The Cabinet would be judged, and they are ultimately accountable—on the basis of how they dealt with those issues. Under the present system nobody knows what the cases are. We can guess, but nobody really does know.

It is interesting, too, that preceding the reference which appointed 20 Members of this House of Commons to the Special Committee on Standing Orders and Procedure, which I call parliamentary reform, the Committee on Regulatory Reform had acted as an advance guard with respect to the necessity of changing the system in the House. They talked in their report about parliamentary reforms, that the House of Commons be authorized to perform certain functions on their

own initiative without reference from the House of Commons, by the way, which is the gist of the Committee processes in the report that is now standing on the Order Paper, having been tabled by my hon. friend from Pontiac-Gatineau-Labelle (Mr. Lefebvre), who is the chairman of the Parliamentary Reform Committee. It calls for monitoring of the process; a review of the subject matter of new, subordinate legislation; a review of specifically regulatory activities of each federal Department on its own. It goes on and on. It is an important Bill. It is housekeeping, but a very important part of housekeeping, a very important change in the process.

As the Minister is beginning his sojourn in office, I pray that he will not let grass grow under his feet with respect to regulatory reform. I pray he will not do that because subordinate legislation, Orders in Council, regulations, is a growth industry in Canada. It will be commitment by the Government that will take the lead, supported by an equally strong commitment from all political parties in this House of Commons, that can improve the process of considering that aspect of the accountability of Government.

• (1240)

I dare say that if the Minister or his successor is successful, whether that successor for the purpose of this debate comes from this side or that side of the House—and I think it will be from this side—it will tend to do a great deal to bridge the gap of misunderstanding that now exists between the public sector, the Public Service and the broad Canadian public. I think that effort is worthwhile and that is the spirit with which we approach this Bill.

Mr. Ian Deans (Hamilton Mountain): Mr. Speaker, I will be extremely brief. We welcome the move by the Government to eliminate from the statute books legislation which is no longer applicable. The majority of Canadians find it difficult enough to deal with the laws that still apply without having to make their way through laws which are not applicable.

I want to suggest to the Minister a simple process that would make it much easier for all of us to do our work. In the future when we are faced with Bills such as this to repeal certain statutes—and I certainly hope we will be—I suggest as a matter of reform that the Bill read exactly the same in French as in English. That is one of the difficulties with this Bill; I am sure the Minister is aware of it. Although the French Bill and the English Bill are the same, they appear in a different order.

Anyone trying to make sure that what was repealed in English was indeed repealed in French must do far more work than is absolutely necessary. The example I would give is quite clear. The section dealing with the Ministry of Veterans Affairs appears as the second paragraph of the French text and is No. 3. The same section in English appears in the final part of the English text and is No. 124.

We should try to simplify things. That means eliminating obsolete statutes and wiping from the books obsolete regulations. It also means making it possible for people concerned and interested to be able to do so as easily and readily as possible. I do not pretend for a moment that it is a major concern. Neither do I expect the Minister to respond other than to note it for ease of handling.

In the process of determining the obsolete legislation in the future, in order to ease the process and to answer those who are concerned about such matters, in addition to the Bill there could be an explanation given at the time the Bill is tabled for first reading, listing the various statutes and the reason why, whether they have been superseded, outlived their usefulness or have in one way or another become redundant.

If that explanation could be provided by the Ministries involved, there would be no question in anyone's mind as to the appropriateness of the action being taken either by the Minister in charge or the House of Commons. I would hate to agree to repeal and Act only to discover down the road some obscure reason why we ought not to have done so. I do not suggest that every piece of legislation that appears here need take a great deal of time and discussion as to whether it is still useful. It would ease the process for lawyers when Bills are repealed to know the substantive reason. That kind of information should be readily available at the time of first reading of a Bill. It would be available to them and other jurisdictions for their quick perusal and comment.

I hope this is the first in a long series of similar kinds of legislation. I hope we cull out legislation that no longer need be on the books. I am confident that we carry laws that years ago ought to have been done away with.

It may well be that we require, as the Hon. Member for Nepean-Carleton (Mr. Baker) quite correctly said, to devote some time looking at the recommendations contained in the Committee's report to see whether there is some ongoing work that could be done which would enable the House of Commons to reduce the number of laws presently in force in this country that no longer have evident applicability.

Beyond that, I would be delighted to pass this bill and get on to dealing with other matters that have much more significance and importance.

Mr. Jim Peterson (Parliamentary Secretary to Minister of State for Economic Development and Minister of State for Science and Technology): Mr. Speaker, I am delighted to rise in the House today to speak on what is really the first step in our Government's long-term commitment to the process of regulatory reform. The step we are taking today is significant not because it is repealing a number of obsolete statutes which are on the books, but because it is the first step in what many of us feel has been too slow a process in bringing about the necessary regulatory reforms in order that we can efficiently operate as a Government, as a House and as a Parliament. Even more important, we can reduce the burden of regulation on the private sector.

I am particularly grateful to the Hon. Member for Nepean-Carleton (Mr. Baker) for his very generous comments about the work of the Committee on Regulatory Reform. He is a Member of this House who for many years, in a very non-

partisan way, has sought to change the procedures by which we work so that we can all do a more effective job for the electorate.

If I could just go back to some of the fundamentals, many Members from all sides of the House have requested, in terms of our reporting on regulatory reform, that two basic objectives be pursued. One is to increase the opportunity for the private sector to participate in the decision-making process before regulations are brought forward by the Government. This requires notice of what the Government's regulatory intentions might be. The second is to give the private sector the opportunity to comment, consult, be heard and come up with alternative suggestions to achieve the most cost-effective way of accomplishing the necessary public goals that are necessary.

In terms of this major part of our recommendations, and we have many specifics dealing with it, I believe we have made some progress, but not sufficient. A number of Departments and agencies have already implemented this process of notice and consultation on a very effective basis. Based on our recommendations and based, I believe, just on good amendment practices, others have started to implement these types of notice and consultation procedures.

• (1250)

I would like to make special reference here to the Minister of Consumer and Corporate Affairs (Mr. Ouellet), and particularly to the Minister of the Environment (Mr. Roberts), who has published a book on new consultative procedures in dealing with the Department of the Environment. He has also introduced funding for people who want to come to Ottawa to make their views known on particular regulatory measures. I would like to see every Department and agency adopt that type of outward-looking process, and I commend the Minister of the Environment on taking the initiative.

I also commend the Minister of Consumer and Corporate Affairs for the efforts he has made regarding the increase in funding which is going to public interest groups. Too often, as Hon. Members are aware, it is only the very well heeled, the very rich, who have the staff and the funds available to keep track of what is happening in provincial capitals and our National Capital. They can afford to send the experts, either hired or on staff, to Ottawa to make their views known and to work with our officials in a co-operative effort.

The regulatory process and the making of regulations is adversarial, at least in nature. Sometimes there are winners and sometimes there are losers. On one side it could be business. On the other side it could be consumers. We are concerned about worker health and safety, which costs money. We are concerned about rate increases which are going to have impact upon people who use our telephones, our railways, or whatever.

People who are not well organized and might not have the funds to come forward and make their views known must have that opportunity. We must aid the various methods which we have outlined to provide the public interest groups throughout our society, concerned citizens, people who do have the interest and knowledge, who do have a very important impact to make, the means of participating in this very important process of consultation. We look forward in the days ahead to seeing these notice and consultation procedures expanded to every Department and agency which have not already adopted them.

The second major thrust of our report was that you cannot have effective regulation-making process, one which involves notice and consultation, unless you also have a certain degree of accountability. We looked at the question of accountability and felt that this House, under its present procedures, would be helpless, that it would be hopeless to attempt to take on added responsibilities. We heard testimony to the effect that some Departments have been waiting for four years to make even simple changes to our legislation. Because we are bogged down and have not yet come to grips with how we can expedite the work of this House, we felt the proper way to proceed would be to look at the Committee system of Parliament to see if the expertise on those Committees could be utilized in a constructive way to help in the regulation-making process. We therefore suggested that for a brief period of time a Special Committee would oversee the implementation of regulatory reform in Canada at the federal level. Then, on an ongoing basis, the existing Standing Committees would have the responsibility of ensuring that Departments and agencies were introducing the regulatory reforms, and in certain cases they would even have the opportunity to look into the substance of regulations which have come forward.

I am sorry to say that to date we have not yet seen that type of role evolve in our Committees. But I am heartened, Mr. Speaker, by the fact that the report of the Committee looking into parliamentary reform, which was published some two weeks ago, goes a long way in dealing with this particular issue. We have waited a long time, but it is a good report because it gives added power to the Committees. It has adopted many of the recommendations which were set forth in Chapter 6 and every one of the most important ones. The Committees will be smaller, will have limited substitution, and will have the ability to develop the expertise to look at all aspects of the regulations. These Committees will have people on them who are committed to dealing with the matter. They will have the tools as well as the research people, and they will have the ability to travel.

The question we still have to examine is whether the automatic reference of an annual report of Departments and agencies is going to be adequate to allow the subject matter with which we are concerned to be discussed on what I believe will be a very non-partisan and highly constructive basis. I think the example with respect to the working of these Committees in the future is set by the task forces. They were small, and although they included Members from all sides of this House, there was very seldom disagreement. They worked in a very non-partisan way. I speak for many people who are backbenchers on this side of the House when I say they feel their great talents and expertise can be far better utilized in the Committee system if they have these reforms. Their input would be constructive and meaningful.

We look forward very much to the implementation of this plan. I hope for the support of all sides of this House for a new process by which the Committee system becomes a very integral part. In fact the front arm of the legislative branch, dealing with representations of private sector groups, not only from business but from labour, consumers' interests groups, people concerned with the environment and with worker health and safety.

I applaud the President of the Treasury Board (Mr. Gray) who has brought forward this measure today. He has under his jurisdiction the responsibility of the office of the co-ordinator of regulatory reform, continuing along the steps which have been commenced. It is very frustrating, Mr. Speaker, perhaps because I am a relatively new Member of this House of Commons, to see the slowness with which the tortoise of change moves along the road. I would be better reconciled to its slowness, Mr. Speaker, if in the future I could be assured that its course will be steadfast—that the path taken by the President of the Treasury Board, which is supported enthusiastically by my Minister, the Hon. Minister of State for Economic Development (Mr. Johnston), will be supported and encouraged by all Members on both sides of this House.

Mr. Harvie Andre (Calgary Centre): Mr. Speaker, except for the parts where he was praising the Ministry, I agreed with the comments of the Hon. Member opposite regarding the need for change. I, indeed, enthusiastically support any Bill that repeals existing laws. In fact, if he would like to add a whole bunch more, I would enthusiastically support that. If you look at the two extremes of repealing none and repealing all the laws, you would err less if you repealed them all.

On the question of regulatory reform, which certainly is supported, I have a question. Just how seriously is the Government committed to this process? Four or five years ago, Mr. Speaker, I saw an estimate of the cost of regulation in Canada. It was estimated at that time that the cost of regulation to the Canadian economy was something like $15 billion per year, and it was a terrible burden then on the Canadian economy. Since that time it has certainly not gone down. If no new regulations or interventions have been added, it would amount to about $25 billion in today's dollars, which is terribly costly.

I see you are getting ready to stand, Mr. Speaker. I have two or three minutes left and I will pick up my remarks at two o'clock.

[*Translation*]

Mr. Deputy Speaker: Order please. It being one o'clock, I do now leave the chair until two o'clock this afternoon.

At 1 p.m. the House took recess.

[*English*]

AFTER RECESS

The House resumed at 2 p.m.

Mr. Deputy Speaker: Order. When the House rose at one o'clock, the Hon. Member for Calgary Centre (Mr. Andre) had the floor.

Mr. Andre: Mr. Speaker, just before one o'clock I indicated that both I and my party did not disagree—in fact we enthusiastically agree—with the idea that obsolete, unused, archaic and useless statutes on the law books of Canada should be repealed. Nobody can disagree with that. But in listening to the President of the Treasury Board (Mr. Gray) describing this Government's motivation for introducing this Bill, I had to question his contention that somehow introduction of this Bill represents a significant or sincere move in the area of deregulation which is supposedly a policy of this Government.

As I indicated, Mr. Speaker, some years ago an independent consulting group, I think it was called the resource group, did a study of regulation in Canada and concluded that Government regulation cost the Canadian economy $15 billion a year. Now, just taking into account inflation and neglecting the fact that we have had scads of regulation since then, the cost today would be $25 billion spent on regulation. Almost every economist, Mr. Speaker, who has looked at the Canadian economy—indeed, the Government itself—has concluded that one of the severe problems this country faces is lack of productivity. We are simply not as productive as the Japanese or the Americans. Indeed, according to the Organization for Economic Co-operation and Development we are twenty-third on a list of 23 countries when it comes to productivity.

Now, what does that mean? Does it mean that Canadian workers do not work as hard as workers in other countries? Certainly not. What it means is that we do a heck of a lot of things in this country which produce nothing. One of those things is dealing with Government regulations. Three years ago I was in Japan, Mr. Speaker. It was a real eye opener for me. It is an amazing country; a pile of rock, they cannot feed themselves, they have virtually no arable land, no natural resources, but they have tremendous growth and prosperity. Their productivity performance is incredible.

I asked the Canadian Ambassador, who had been there for a number of years, what the Japanese have that we do not have. How are they able to do this? Well, he said, for one thing they have only 10,000 lawyers in the whole country. He said that only half in jest. The fact is that in this country the two growth industries or professions are law and accounting, because we do nothing in this place but make work for those professions.

In a similar vein, I was reading a story in *The Atlantic* Review about the deindustrialization of the American economy. The author of the article asked someone what had happened, when did the United States start losing competition to the Japanese. The man drew two lines on a graph, one going from the lower left to the upper right representing the number of graduate lawyers each year; the other one went from the upper left to the lower right representing the number of electrical engineers graduating each year. The two lines crossed in 1970, which is precisely the time at which the Japanese started outperforming the Americans very significantly. That, Mr. Speaker, is the problem in the United States.

The problem here is twice that. It amazes me how we sit around and think about productivity and what we are going to do about it. We gnash our teeth and wring our hands over our inability to compete, and our answer is to hire a lawyer to head a Royal Commission and make more work for lawyers. Our answer to every problem is to create more paper work and burden the country with more regulation.

The difficulty I have, in its most fundamental sense, and the most severe criticism that I can make of the Government opposite, is the frequency with which its actions are contrary to its policy statements. In this area of regulatory reform there is no better example. The Minister said proudly that in the Treasury Board there was the regulatory reform commission which had been working for a number of years. What did it produce? It produced this list of laws which should be abolished or repealed, laws such as the White Phosphorous Matches Act. I know there are dozens of lawyers out there looking at this Act daily to be guided in their actions! Then there is The Business Profits War Tax Act, 1916. Thank goodness we do not have to worry about that any more! Thank goodness that burden of regulation is being lifted from the Canadian economy, because it will give such a spurt! When we look down the list we see they are all like that. Sure, they should be abolished, but to claim that it is deregulation is to stretch the truth beyond reason.

• (1410)

In the last four or five years the stated policy of the Liberal Party has been deregulation. We had the introduction of the National Energy Program which, among other things, created three new Government agencies—one dealing with COR, one dealing with PIP, and one dealing with offshore Canadian oil and gas land administration.

Incidentally, I could have mentioned the Canadian Benefits Committee, that joint interdepartmental Committee, and others, but I should like to deal with these three. So far the agency dealing with PIP has 100 employees and the COR Agency has 400 employees. The regulations put out by these three organizations measure in inches, not in centimeters. There is a pile of regulations which has been put out by these three newly-created agencies. The cost to the private sector created by these brand-new agencies of Government is in the tens of millions, in the form of new lawyers, accountants and paper shufflers of various sorts hired to deal with them.

Historically in oil companies—and I am talking about the upstream end of the business where they are drilling for oil and gas—for every three geologists they needed one paper shuffler. The geologists are the people who go out and look for oil and tell the companies where to drill. As a result of the Government's actions, that ratio is reversed. For every geologist, companies now need three paper shufflers to handle the regulations, application forms, etc. This is a totally non-productive, bureaucratic, regulatory burden.

This is also one of the reasons Canada is twenty-third on a list of 23 countries when it comes to productivity. It is offensive to decency and common sense to listen to the President of the Treasury Board say that the Government is committed to deregulation, that it is working on it, and that this is an example of the fine work which is being done. Yet on the other side of the coin we have the creation of bureaucratic red tape and monstrous regulatory burden by another Department of Government, the Department of Energy, Mines and Resources. The fact is that the left hand does not know what the other left hand is doing. It is hypocrisy at best. One wonders what it will require to force the executive and the bureaucrats to follow the policy statements of the Government. Why is there such a divergence between promise and performance? Why are there always statements of policies here and actions there?

The closest literary reference to that kind of behaviour which I could find was in George Orwell's "1984", the double-speak or the mispeak activities of government as a way of controlling the masses, to ensure that everyone pays due respect to and has fear of the government. This is exactly what we have here. They are for deregulation, but on the other hand they create three new agencies with six inches of regulation for people who want to be in business in Canada. If this continues, instead of being in twenty-third place we will be the fortieth out of 40 countries; we will continue to deteriorate and be unable to compete with Japan, the United States and European countries. Also we will continue to see a drop in the standard of living and high unemployment. In other words, we will continue in the economic mess and doldrums in which we have been for far too long.

Instead of appointing Royal Commissions, new advisory committees or hiring new advisers, the Government should fire the 3,500-odd policy analysts in the Public Service who spend their time looking for problems and solutions to them. The Government should do what is promised, namely, cut back on excessive regulatory burdens. If the Government did what it promised, it would give the economy a boost and give the 1.5 million unemployed people some real hope for the first time in many years.

We have no objections to the Bill except to the extent that it is probably not long enough in terms of the list of laws which should be repealed. There are many other laws which should be added to the list. Perhaps we will have some worth-while suggestions for the Minister in Committee. If the bureaucrats will allow him to listen to suggestions from mere elected people, perhaps there will be some further improvement.

Hon. Don Mazankowski (Vegreville): Mr. Speaker, first I should like to echo the sentiments expressed by the Hon. Member for Nepean-Carleton (Mr. Baker) and the Hon. Member for Calgary Centre (Mr. Andre), but also I should like to indicate that I am entering this debate in a rather disappointed fashion. While the redundant legislation which is being repealed is certainly a step in the right direction, the Minister described at length the progress made in the area of regulatory reform. Certainly the track record of the Government is disappointing, to say the least and to be charitable.

In these times of economic difficulty we should get serious about regulatory reform. It is quite clear that regulatory

reform has not been a priority of the Government. It is time for action, rather than further talk and examination. It probably goes beyond the stage of simply requesting regulatory reform. We are looking for regulatory house cleaning. This will clearly require joint action by the two levels of Government, and perhaps even the municipalities which are involved as well.

In these times it is necessary to exercise restraint, to reduce business and Government overhead, to enhance producitvity, to be more innovative, more creative and more competitive. These are all crucial elements on the road to recovery. I firmly believe that excessive regulation which exists in the country at all levels has stymied the creative and innovative spirit of Canadians. It has caused our products to be too expensive in terms of penetrating international markets. It has resulted in Canada having a system of Government and control that is far too expensive commensurate with our level of economic growth and wealth in this country.

• (1420)

It seems to me that if we are going to improve our over-all economic performance, we have to grapple with this issue on an emergency basis. We all know that in this country industry has been forced to scale down its operation. Roy Phillips, President of the CMA, has said:

—while Canada's manufacturing sector, which employs about 20 per cent of the work force, has lost about 255,000 jobs in the last year, bureaucracies have grown. While Manufacturing jobs fell to under 2 million—with similar losses in associated sectors which supply manufacturing—the three levels of government hired another 25,000 more people—

Those salaries are really part and parcel of the overhead burden in our country.

My colleague, the Hon. Member for Nepean-Carleton made reference to the recommendations of the Special Committee on Regulatory Reform. There are some 29 of them in total. These are very good recommendations and they represent a lot of hard work, commitment and dedication by Members of this House. But really nothing has happened. The document containing the recommendations sits there and basically gathers dust.

The Economic Council of Canada, that permanent Royal Commission, did an extensive examination of the regulatory process in this country. It produced a document entitled "Reforming Regulation in 1981". That report advanced some 66 specific recommendations. I happen to be interested in it because it deals at length with the regulatory burden in transportation. Twenty-five of those recommendations had to do with the transportation sector. In a general way, this Economic Council of Canada report concluded that Canadians are overregulated. This overregulation results in inefficiency, waste and higher prices. The report further recommended that the economy be stripped of wasteful, damaging regulations and that incentives, rather than punishment, be used to respond to social concerns. Unfortunately, I know of no recommendation advanced in this particular document that has been put into effect. The report merely gathers dust.

When we have an announcement, as we did this past week, of a Royal Commission on the economy, I really wonder what it does to undercut and undermine the status of the Economic Council of Canada, which is an ongoing Royal Commission charged with the responsibility of providing economic advice to the Government and, indeed, to Parliament.

Here we have an institution that is funded by the taxpayers of Canada. It is independent. It does excellent work, but nobody pays any attention to it. My colleague, the Hon. Member for Calgary Centre, talked about the costs of the regulatory burden in Canada. He mentioned a figure in the order of $20 billion to $25 billion. We know that it runs to the billions of dollars, but it is rather difficult to identify with any degree of accuracy. But on the basis of learned assumptions it would seem that figure of $20 billion to $25 billion is not inaccurate.

I had an opportunity to do some research in this particular field. Some companies and industries have, in fact, assessed the regulatory burden in their own operation. Bell Canada assessed its costs of the regulatory burden imposed upon it to range in the order of $35 million to $50 million annually, all of which I might add is passed on to the consumer. Dow Chemical in 1978 monitored its regulatory burden and arrived at a figure of some $20 million. Again, I remind Hon. Members that this $20 million is a cost of doing business and is imposed upon the consumer.

This report dealt rather extensively with the trucking industry. The Economic Council of Canada stated that the licensing process in the trucking industry alone—just the licensing process—costs the industry some $40 million annually. That amount is in addition to huge indirect costs associated with the regulations regarding back haul, load limits, the right to haul to certain destinations and the right not to haul to certain destinations. These restrictions create grave inefficiencies in the system and result in the freight rate being exorbitantly high.

I am told on good authority that when the United States deregulated its trucking industry the fleet capacity increased by 50 per cent without adding one new vehicle to the fleet. It was found under the regime of regulations in place that essentially the trucks were running with a 50 per cent load factor at all times. With the scaling down or removal of regulation, the trucks were able to haul from point A to point B and from point B to point A. As a result, with the back hauls and the rationalization that occurred, it has had the effect of bringing down freight rates in the United States.

Yes, there has been some rationalization in the trucking industry. Some trucking companies went out of business. But if we are really serious about maximizing our efficiency and getting the best bang for the buck, we will have to take a look at that. Some industries have become excessively fat as a result of hiding behind the burden of regulation. That ripples right across the North American continent.

My colleague, the Hon. Member for Calgary Centre, talked about the impact of the National Energy Program. It has been

suggested that the result of the imposition of these new regulatory agencies and the administration of the National Energy Program will result in some $1.5 billion spent in supervising and regulating the oil industry over the next eight years. Here again there is a direct cost which has to be paid for by someone. That someone is usually the consumer or the taxpayer, in both cases the same person, the one faced with paying the shot.

Let us take a look at direct administrative costs. Taking five rather high profile industries in existence at the present time, the CTC, the National Energy Board, the CRTC, the Atomic Energy Control Board and FIRA, their administrative costs run to approximately $100 million a year. The CTC alone costs about $30 million in administrative costs. These costs are increasing. They have increased anywhere from 25 per cent to 40 per cent over the last three years.

These regulatory industries are supposed to protect the consumer as far as prices are concerned. We now know that really quite the opposite has happened. The recent Statistics Canada report which was leaked—I am not sure if it has been officially published—indicated that those prices which are regulated by agencies on a year-to-year basis have increased, from April to April, at a rate of 17 per cent to 18 per cent over the last year. At the same time, however, prices which are not regulated have increased by roughly 9 per cent. What is the reason for that? The unregulated prices are subject to the vagaries of the marketplace in which they must compete.

• (1430)

It is interesting to note that the consumer price index component of regulated prices amounts to aproximately 25 per cent. Therefore, 25 per cent of the CPI is composed of prices that are regulated by some agency, either federal or provincial. We can only conclude that these agencies are in fact largely contributing to the inflationary pressures that we are trying to deal with and this is certainly not in the best interests of the consumer.

Another matter of concern is the fact that political decisions are being imposed upon the regulatory agencies with increasing frequency. This has the result of usurping, ignoring or upstaging the role of the decision-making bodies and, in many cases, many of these regulatory agencies have become agencies of convenience used as a vehicle to delay a decision, find out information or leave the impression that the public is being heard. The entire exercise is becoming somewhat of a farce.

I am glad the Minister of Transport (Mr. Pepin) is in the House because a clear example of this is the case of the VIA Rail cut-backs. In that instance, Canadian rail passenger service was cut back by 20 per cent with the simple stroke of a ministerial pen. That action reversed an earlier CTC decision which was made after two years of extensive study and consultation with the public. After much public input, a decision on a route structure was made which seemed to be in the best interests of the travelling public and, indeed, in the best interests of Canada. A year later the Minister simply usurped that decision with the stroke of a pen. So the CTC process was essentially useless. A lot of money, time and effort was spent when, ultimately, the Minister ended up making a decision by decree.

Mr. Pepin: We proved that it would not work that way.

Mr. Mazankowski: I hope the Minister becomes involved in the debate. I would like to hear him challenge that particular observation.

Another example of political decisions being imposed upon regulatory agencies concerns the Bell Canada rate. The rate-setting process of the CRTC was abruptly circumvented when the Minister of Communications (Mr. Fox) announced back in August that the Bell rate would be limited to a 6 per cent and 5 per cent level. Again, the regulatory process was circumvented.

Another example deals with branch lines. The predecessor to the Minister of Transport, the Hon. Otto Lang, circumvented the CTC process in 1975. On this occasion, I think it was done to the advantage of individual farmers, He unilaterally decided that he would insert particular branch lines into the permanent railway network. He proceeded with this decision without the advice of the CTC. Once again, the CTC was circumvented. It played an insignificant role in that decision.

A more recent example concerns the STOL service between Toronto, Montreal and Ottawa. On August 10, 1982 the current Minister of Transport reversed an earlier CTC decision allowing STOL service. After three years of hearings and intensive public discussions, the CTC found that the applicants failed satisfactorily to meet the criterion of public convenience and necessity. The Cabinet decided, however, that there were compelling reasons and benefits that would make the project desirable and thereby approved it. Again, so much for the regulatory process.

There are many examples to demonstrate the fact that the regulatory agencies are really being used in a manner which makes the whole process something of a farce. I suggest that we should perhaps consider those agencies in that light. It becomes quite clear that the best laid plans and regulations are being transcended by political decisions with increased frequency.

Another observation that one must make is that the utopian ideal that everything we do can be planned and regulated to perfection has clearly been discredited. As well, we must realize that regulatory agencies go through a natural process of decay. I believe they become too cumbersome and that the administrative overload becomes very costly. In that deteriorating process the agencies themselves, in many cases, become ineffective and unresponsive to the decisions that they are supposed to make. In some cases they end up lacking in independence.

An interesting illustration of that concerns the airlines and the question of deep discount fares. This is a classic example of the agency being captured by the industry it was regulating. The airlines themselves asked the CTC to intervene and disallow the deep discount fares because they were taking a

heavy toll on their balance sheet. In this case the agency is being captured by the industry that it was intended to regulate.

I suggest it is time for us to stop kidding ourselves. It is time for a major regulatory house cleaning in this country. I believe that many of the regulations and the agencies have outlived their usefulness. Some should be eliminated or at least scaled down or restructured. There is no question that when we are experiencing these very difficult economic times we can clearly identify a number of areas where the regulatory burden, and the burden of government itself, is having very negative effect upon business and commerce in this country without protecting the consumers' needs.

In conclusion, I would like to make some suggestions to the Minister. First, he should consider the recommendation made by the Canadian Manufacturers' Association which has called for a two-year moratorium on new regulations which would do nothing to contribute to the economic growth of this country. Second, I believe he should give serious consideration, since the regulatory issue is one which must be tackled at both the federal and provincial levels of Government, to establishing something similar to a federal-provincial deregulation commission. A commission such as that could be charged with the task of untangling the bureaucratic web across the country, reducing duplication and bringing about greater uniformity. Its basic goal would be to remove those barriers which stifle competition, innovation and efficiency and strangle commerical enterprise in this country. This suggestion warrants his careful consideration because much groundwork has already been done. However, it will clearly require the co-operation of both levels of Government, and the provincial Governments are just as guilty of this as the federal Government. If we are to attack some of the structural problems in our economy, it would be a good idea to start demonstrating that the two levels of Government can co-operate in the best interests of commerce and enterprise in this country.

• (1440)

I would like to refer to my third recommendation. When I am speaking about scaling down regulation, I am not advocating total deregulation. However, in the course of this review, this rationalization, we must always ensure that provisions are made to protect consumers and to ensure that the public has meaningful access by which it may make its case. The public must have the opportunity to be heard so that its interest may be protected, particularly as they relate to safety matters. This is particularly true where there is a monopolistic or captive situation. There must be a clear opportunity for the consumer and the public at large to have a say in this process.

The Hon. Member for Nepean-Carleton alluded to what would be my fourth recommendation. I believe that all regulations and all regulatory agencies should carry a sunset provision calling for a periodic review. This is really the first piece of legislation brought here during the 14 years I have been in the House which has repealed a significant number of Bills or laws. That is clearly a step in the right direction. We should have the sunset provisions in our regulations with respect to the agencies administering those regulations. We have a habit of churning out legislation, creating new bureaucracies and new regulations, but we very rarely get to the task of scaling down those bureaucracies, laws and regulations. Therefore, I feel that any new agencies which are established or any new regulations brought in should carry with them a sunset provision.

I think my fifth recommendation is where federal leadership comes into play, because the federal Government has the overall responsibility for the economic fortunes or misfortunes of the country. It is important for the federal Government to take a leadership role and to make a clear commitment, in concert with its provincial counterparts, to reducing economic regulation, to removing the barriers to commerce rather than creating new obstacles. If that were to happen, there would be a tremendous loosening of the entrepreneurial spirit of Canadians. Today entrepreneurs who want to do business are frustrated by myriad regulations from Government level to Government level, from Province to Province. It is a very frustrating exercise and I think that sooner or later we will have to bite the bullet.

I welcome this opportunity to put some of my firm beliefs on the record. I know that perhaps in some instances the case may be somewhat overstated, but I cannot too strongly state the need, from my point of view, for a significant and drastic scaling down of the regulatory burden in this country.

I could go on and speak about the tax system as well, because that is another area which must be simplified and scaled down so that people can understand it and comply with it without the aid of expensive tax accountants and lawyers. I agree with my colleague, the Hon. Member for Calgary Centre, that the growth industry in this country has been the administrative sector which is largely composed of lawyers, tax accountants and those people who are charged with the responsibility of advising their clients how they should comply with the myriad laws, regulations and burdens thrust upon them by eager Governments which want to regulate us to death. I think they do it in good faith, attempting to regulate us into perfection, but really the opposite is true.

I therefore look forward to the passage of the Bill. I simply want to reiterate the genuine need for positive action on deregulation in the country, and I have given the Minister a couple of suggestions which I hope he will seriously consider because I think they have merit. If the federal Government can demonstrate leadership, I believe he will find co-operation in all corners of the country.

Mr. Ian Waddell (Vancouver-Kingsway): Mr. Speaker, I say "thank you" to you, a Speaker who comes from British Columbia. I have just a few comments to make and then I suppose my friend, the Hon. Member for York-Peel (Mr. Stevens), will take the floor. I noted the remarks of the Hon. Member for Willowdale (Mr. Peterson), who said that this Bill is the first stage in the Government's long-term commitment to regulatory reform. I have read the Bill and if this is the first stage, it is like waiting in a restaurant for a meal. At the first stage one is served hors d'oeuvres, a few pieces of celery to

nibble on, and then one waits a long time for the next course. It is too bad we do not have the next course here because this celery is not very much indeed.

I say to Hon. Members that I would welcome the Government getting on with the implementation of some of the reports of the Standing Joint Committee on Regulations and other Statutory Instruments. I note that the Hon. Member for Willowdale said that the provisions with respect to notice, consultation and accountability of regulations and regulatory bodies are all-important. I think there is all-party agreement that we should get going with that. Unfortunately, we are not the Government, not yet—

Some Hon. Members: Oh, oh!

Mr. Waddell: —and we do not have control of bringing in the second course.

Mr. Huntington: Everything you want, you'll get.

Mr. Waddell: It is amazing to see how one can wake up Hon. Members on a Friday afternoon by suggesting that there is the imminent prospect of a New Democratic Party Government.

Mr. Speaker, I want to say something about the word "deregulation" and some of the remarks made by the Hon. Member for Calgary Centre (Mr. Andre) and the Hon. Member for Vegreville (Mr. Mazankowski). I caution Hon. Members and the public to be careful of the word "deregulation". It is a buzz word, a word which means, to certain elements in the country, specifically to very Conservative, right-wing elements, to get the Government totally out of people's lives.

Some Hon. Members: Hear, hear!

Mr. Waddell: I hear some Hon. Members to my right saying "Hear, hear". Deregulation means to get the Government totally out of people's lives and to allow its friends, the big corporations, to make money. I am speaking of the big corporations with respect to the Hon. Member for Calgary Centre, the oil companies and other companies with respect to other Hon. Members. The Hon. Member for Vegreville quoted, with approval, the Canadian Manufacturers' Association, those small businessmen.

Mr. Huntington: The big employers.

Mr. Waddell: Those big people in Canada.

Mr. Huntington: The people who create jobs.

Mr. Waddell: It is like giving them a clear go-ahead to make as much money as they can and to do anything they want.

Let me give examples of good regulation and bad regulation. Suncor operates a tar sands plant in northern Alberta which I visited a few weeks ago, and there must be some sort of regulation there. I am not one of the socialists who perhaps believes that everything must be nationalized or taken over. Certain things must be run under public ownership and I believe in things like Petro-Canada. Hon. Members will note that I was not above rising in the House today to ask a question about making Petro-Canada more accountable and a better organization. I raised the matter about its labour relations on the East Coast.

There is room for growth in all sorts of areas in Canada and there will continue to be private enterprise and a mixed economy. We have a mixed economy, let's face it. We will not retreat to the nineteenth century, so let us make it the best mixed economy that we can, one which is applicable to the Canadian situation, culture and needs.

• (1450)

Getting back to the tar sands plant, that has to be regulated in many ways. We have to have health and safety standards. We have to have standards for environment. That particular Suncor tar sands plant had a problem with some spills. They know, if the regulations are there, that they will try and live up to the regulations. If the regulations are not there, there is not that much pressure on them. There are price regulations, with respect to the tar sands plant, governing the price they can charge the Canadian public for the oil. Most of them, after they adjust to it, realize that that has to happen.

We have a regulated economy and we have good regulations; we also have some bad regulations. The Member from Calgary Centre spoke about this. That is one of the few things about which I agree with him. The fact is that some of the regulations for the PIP grant, the Petroleum Incentives Program grant, that vast Government give-away to the poor oil companies in Canada of $8.6 billion, are bad regulations. I agree that business needs certainty and that we have to have fair regulations and fast regulatory processes. But I point out that we should be careful about calling for deregulation. Instead, we should call for better regulation: more efficient regulation and fair regulation.

Since the Minister is in the House and he raised the point about regulation, I want to say something about regulatory bodies in Canada. I hate to mention his name and perhaps I will see some faces brighten up on the opposite benches, but there was a Member of this House called John Turner who, when he was Minister of Justice, did one very good thing, and that was to upgrade the whole aspect of judicial appointments in Canada to get better qualified judges. We have made real progress in the last ten years or so in making some excellent judicial appointments, in consultation with Bar Associations. We are not really radical. We do not elect our judges. Our judges are still by and large Liberal lawyers, but at least they are better.

An Hon. Member: You are slandering the judiciary.

Mr. Waddell: I am not slandering the judiciary; I am pointing out that we have got better judges. The Liberal Member says I am slandering the judiciary because I call them former Liberal lawyers! On the contrary, I am praising the judiciary, and I am praising the Government, for once. I am

saying that the Government has had a conscientious policy under a number of Ministers of Justice to appoint very good people to the Bench and to consult with the Bar. I think that is progress.

I make this point because we have not done that in our appointments to regulatory boards. These are very important boards, almost more important than the judiciary in many ways. They decide for my constituents the price they pay for their telephone, the price they pay for their cable system, the price they pay for their oil and gas and whether they are going to have any oil and gas in the future. These are real bread and butter issues. These are not esoteric issues. These regulatory boards that deal with many of the regulations passed by the Government that are sloughed off to the regulatory boards are very important.

By and large, we find a lot of political patronage in the boards. We find a lot of dead wood; a lot of people that work for one political party in the country are put on these boards. There are problems getting good people to go on these boards. On any of the regulatory boards that have to do with environment, energy, or any such area, we do not have anybody who has been part of the environmental movement of this country, which is a movement almost 20 years old.

Some of us who are having birthdays this week associated with these movements when we were young. They are not young movements any more. You do not see any of those people on the boards, yet they are people who would be excellent, say, on the National Energy Board. We do not have any native people on that Board.

This is getting a long way away from this Bill and regulation, but I point that out to the Government that we want to have good regulations. Forget about deregulation. That is what the Conservatives want. They want to get rid of the Government. The Member from Calgary Centre wants to get rid of Petro-Canada, What we want to do is make it better and more accountable. We want to make Government regulations certain, fair and fast. I think that is what the Special Committee on Regulatory Reform is basically saying, and that is why I supported it.

I want to suggest, Mr. Speaker, as one of my colleagues from Prince Albert suggested to me, that when we deal with a Bill like this that repeals such Acts as the Diamond Jubilee of Confederation Act, 1927—

Mr. Pepin: Hear, hear!

Mr. Waddell: You can sleep easier tonight, Mr. Speaker! That Bill is being repealed. An Act to revive and amend The Business Profits War Tax Act, 1916. We can sleep easier this weekend! That Bill is gone.

These Bills should have died by their own accord. There should in fact be some sunset provisions, by which these Bills only last for so many years and then die. I am glad that the Government has seen fit to bring in a Bill, however, to eliminate these old fossils that are around here. I am not referring to any Members or any Senators; I am referring to Acts that were passed many years ago. It is about time we did bring them to an end.

I note that some of the recommendations have been made by groups such as the Vancouver People's Law School, which again has a long history of providing legal education courses to ordinary people. Various spokesmen for that group have advocated many times that we have laws that are very simple and easy to read, that we need a procedure that is very simple, that allows some of these laws to expire of their own accord, to die a natural death, rather than having to pass an Act to end them.

It is too bad that we do not have a Stephen Leacock in the House, or maybe the Member from Mission-Port Moody (Mr. Rose) could do it, but this Bill is so juicy with some great Acts that we are repealing. I am sorry to see them go. I note this one:

> An Act respecting the Construction of a line of railway in the Province of New Brunswick by Canadian National Railway Company from a point at or near Bartibog in a westerly direction to the Tomogonops River in the vicinity of Little River Lakes.

I apologize to the people of New Brunswick. I do not know the particular area. It seems a sad occasion, in many ways, to be putting that poor Act out of existence. I see the Minister of Transport nodding.

Mr. Pepin: I am moved to tears.

Mr. Waddell: There is another Act in the Schedule. It is called:

> An Act respecting the Construction of a line of railway forming part of the Canadian National Railways between Turtleford and a point in Township 48, Range 12, West of the Third Meridian, in the Province of Saskatchewan.

An Hon. Member: That has been abandoned.

Mr. Waddell: My colleague says it has already been abandoned anyway. The Minister has already abandoned it. Now he is passing an Act to get rid of the original Act.

Mr. Pepin: We will restore it tomorrow.

Mr. Waddell: He is going to restore it. But the point is that it is rather an archaic piece of legislation. Some of the Acts obviously represent a very interesting period of Canadian history.

I want to conclude by saying that we are in favour of this Bill going through—and I will sit down and let it go through in a minute—but the Minister did raise the whole matter of regulation. There should be a fast regulatory process, a better regulatory process. There should be better regulators.

• (1500)

I cannot go into this in detail as it is *sub judice* because of the pipeline lawsuit that I am bringing against the Prime Minister (Mr. Trudeau) and the entire Cabinet. One of the reasons behind it is the growing Government practice of passing regulations that, in my view, have very little to do with the act that Parliament passed in the first place, in other words, going way outside the scope of the act. It is very

tempting to have Government by Order in Council, Government by regulation, but we must have Government by Parliament.

Hon. Sinclair Stevens (York-Peel): Mr. Speaker, I could not help but rise and speak for a few moments on this Bill which has been brought in by the new President of the Treasury Board (Mr. Gray) because I heard the Minister's remarks that this is the first step in deregulation in this country. I think all those who have reviewed the Bill would agree that this is a straight misrepresentation. To suggest that Bill C-119 is in some way ushering in a new era of deregulation in Canada is simply untrue.

Before I get to the body of my remarks, I would like to ask Hon. Members to put this Bill into perspective. Here in Canada we are faced with a situation where our current inflation in 1982 is estimated to be at 11 per cent compared to 4.6 per cent in 1969. We have an estimated real growth this year of minus, and I emphasize that, 5.2 per cent compared to the real positive growth in 1969 of 5.3 per cent. We in Canada today have an unemployment rate of 10.9 per cent compared to 4.4 per cent for 1969. We have a total number of people unemployed of 1,297,000 compared to 362,000 in 1969. We have spending at the federal level of $79 billion compared to $13.6 billion in 1969. Above all, we have a deficit this year of an estimated $23,550 million compared to a surplus of $493 million in 1969.

Our gross debt has jumped from $33 billion in that year, which was the debt that was run up during the two World Wars and a great depression, to today's $155 billion. I use 1969 because that is perhaps the first year that, in fairness, we can credit or discredit to the Government now in power under our present Prime Minister (Mr. Trudeau).

In that context surely Hon. Members will agree this country has some very serious problems to be dealt with. Can we believe that a government would set its sense of priorities so that the first item we are considering today is Bill C-119, which deals first of all with the repeal of the Royal Agricultural Winter Fair Act of 1926-27, Chapter 9? This incisive, almost dramatic action on the part of the President of the Treasury Board is his first action in the form of introducing legislation in this House.

Think of it. In October the unemployment rate was 12.7 per cent, 1,388,000 Canadians were out of work. In addition, Statistics Canada reports that 369,000 Canadians worked part-time because they could not find full-time employment. At this time the Government feels that the top priority we should be dealing with on Friday, November 19, 1982, is not how to create jobs for those people, but it would like us to agree to the repealing of the Volunteer Bounty Act of 1908. Imagine, at a time when we are being told that 539,000 jobs have been lost in this country, the best that the President of the Treasury Board, one of the senior economic Ministers in the present Cabinet, can offer to us is a Bill which proposes to amend the Volunteer Bounty Act, 1908 by simply repealing the basic act.

I say this because I sense that in the name of deregulating, this Government is introducing in the form of Bill C-119 a Bill that is really an affront to the people of Canada, an affront to those out of work and attempting to cope with the high inflation in this country. The priorities of this Government are a disgrace as far as its governing and legislative program are concerned.

It is not just that. Consider the plight of the youth in this country, that is, people between the ages of 15 and 24 who are now unemployed. This figure has reached 21 per cent in Canada. In Quebec, 43 per cent of the youth below the age of 24 years are out of work.

What is the apparent solution of the President of the Treasury Board as of today, Friday, to their plight? He is suggesting that we should repeal the Demobilization Appropriation Act. Imagine, this is the new President of the Treasury Board in action. That is his sense of priorities.

Let me go further. At a time when unemployment insurance in the first eight months of this year totalled $5.4 billion on an estimated basis and will probably result in a total pay-out of $8 billion—and bear in mind that that is more than the projected total spending of the four Atlantic Provinces together—the best this economic Minister can do is to propose that the House agree to the repealing of the West Indies Trade Agreement Act of 1926. He goes even further. He is very bold here. Not only does he suggest that that Act be repealed, but that, to boot, the War Risk Insurance Act of 1942, also be repealed.

Is that Government worthy of having the continued confidence of this House and the confidence of the people of Canada? Using precious House time, it finds nothing better to do than to propose that certain Acts be repealed, Acts that most people in this country have never heard of. In fact, even librarians would find it a hard job determining where they exist at the present time.

The Minister is vividly demonstrating how absolutely void this Government is of ideas of a constructive nature to start rebuilding this country. It is looking for fillers. It is essentially looking for ways to give the appearance that it is doing something of an effective nature to start reviving the Canadian economy when, in fact, by bringing in this type of Bill it is demonstrating its total lack of any credible programs to relieve the dire situation at the present time in Canada.

• (1510)

It is not just a question of national unemployment, because there is no such thing. It is unemployment in a regional, provincial and local sense. That is the tragedy of Canada today. Newfoundland lives with an unemployment level of 19.2 per cent today; Prince Edward Island, 12.7 per cent; Nova Scotia, 13.5 per cent; New Brunswick, 14.8 per cent; Quebec, 15.4 per cent; Ontario, 11.7 per cent; and even British Columbia, 14.2 per cent.

What is the Government's answer through the key economic spokesperson in the House at the present moment? It is to repeal the Business Profits, War Tax Act of 1916. He is doing

a little housekeeping, and not even with respect to the last war, or the Korean war, but with respect to the First World War. This Act was passed initially in 1916 and now, for some reason, this very intense "grey eminence", who now heads the Treasury Board in this country, has sought it out and decided it should once and for all be killed and repealed. That is his answer, and I would suggest it is a great affront to this House because it is done under the pretext that it is a deregulation, a first phase. Let that Minister or any other Minister, bring in a meaningful program to deregulate some of the overregulated situations in Canada, and I can assure him that he will get the support of the Official Opposition. But I do not think he can expect this House, without comment, to approve Bills such as Bill C-119, when they attempt to represent that the Bill in effect is a meaningful step along the road to deregulation in Canada.

Let me simply say that it is not only a question of people being out of work, it is also a question of business bankruptcies, which must be coped with in this country. Business bankruptcies in Canada, for example, in the first ten months of 1982, totalled 8,963, for a total indebtedness involved of $1,878 million. What a tragedy when that number of enterprises, once providing employment and contributing to the wealth of the nation, have found they cannot continue any longer. They are bankrupt. They are defunct. And what is the answer from this Minister to this type of situation? He is asking us to consider the repeal of the Diamond Jubilee of Confederation Act of 1926-27. Not only would he like us, presumably, to help the economy in some way by repealing that Act, but he would also like us to consider the repeal of an Act of 1912 which authorized the payment of a subsidy to the Collingwood Shipbuilding Co., Ltd.

How can the people of Canada, Mr. Speaker, in any conceivable way have faith or trust in a Government that is almost frivolous with the time of the House of Commons? How can we go back to the Canadian public and tell them that we either supported or helped legislation which was designed to get people back to work in Canada, by considering, for example, a 1924 statute which was an Act respecting the construction of a Canadian National Railway line from the end of the China Clay Branch to St. Remi d'Amherst in the Province of Quebec? That was almost 60 years ago. Perhaps before Bill C-119 passes we should read all those Acts just to see their true import. But this is what this intensive, efficient, effective President of the Treasury Board believes is the top priority for Canada. That Act must be repealed because somehow or other he came across it and believes it should be stricken from our statutes.

I know that one of the great cop-outs of this Government is to say, "Oh, well, you know, maybe you can fault us for not running the economy as effectively as many would like, but it is a world situation. Don't blame us too much." What a misrepresentation! What a fallacy! At a time when we have unemployment of 12.7 per cent, is it not interesting to note that that unemployment level is virtually the highest of any of the major industrialized nations in the Western world? It compares at 12.7 per cent with an unemployment level in Japan of 2.4 per cent, in Italy of 4.5 per cent, in West Germany of 6.6 per cent, in France of 8.7 per cent, and I could continue.

Mr. Lang: What about the United States?

Mr. Stevens: I am glad the Hon. Member asked that question because United States unemployment was at 20 per cent, on a percentage basis, below unemployment in this country. I thank the Hon. Member for Kitchener (Mr. Lang) for pointing out that this country, Canada, has a Government, which he supports, which is running an unemployment level, on a percentage basis, 20 per cent higher than that of the United States. Despite that comparatively shameful performance on the part of this Government with respect to unemployment in Canada, what do we find is the main concern of this Minister? He would like us to consider, if we would, the repeal of the Ferries Act, of 1970. Apparently that Act did not go down too well with the President of the Treasury Board and he has decided that it must go. I would like him, if he is permitted a little more time before this debate is over, perhaps to tell the House this; if we do agree to the repeal of the Ferries Act of 1970, is that going to help alleviate unemployment in Canada? To what degree does he believe it is going to curb spending at the federal Government level, which has now reached the point where we are spending almost 45 per cent more than the revenue we are taking in? In what way would the repeal of that Ferries Act help the economic condition in which we find ourselves in this country?

On the question of inflation, the Government may feel it can shrug its shoulders and say, "Sure, we have got inflation, but so have so many other countries". Again, that is not true. My hon. friend from Kitchener asked about the United States. At a time when the United States has 4.9 per cent inflation, we have 10 per cent inflation. We have twice as much inflation in this country as they have in the United States. In West Germany, inflation is at 5 per cent, Japan is at 3 per cent, the United Kingdom is at 6.8 per cent. In short, Mr. Speaker, on average we not only have comparatively high unemployment as compared to all the other Western Industrialized nations, but we have one of the worst inflation levels of any of those nations. If we put a misery rate together by adding inflation and the unemployment level, we find that we are at least number one in one thing among the major industrial Western nations, we are number one in our misery rate.

• (1520)

Today Canada has a misery rate of 22.7 per cent. That compares, say, with Japan at 5.4 per cent; West Germany, 11.6 per cent; the United States, 15.3 per cent. But what is the President of the Treasury Board's answer? He says: if you pass my Bill C-119, I can, first of all, tell you that this is the first stage of my deregulation program. Presumably he is suggesting that this misery rate will be improved if we agree to repeal the Freight Rates Reduction Act of 1959, or the Foreign Aircraft Third Party Damage Act, or the Air Traffic Control Services Continuation Act of 1976-77. All these I take it are,

in the mind of the President of the Treasury Board, very effective steps toward getting this economy rolling once again.

I would suggest, Mr. Speaker, that this is an affront to the Parliament of Canada. Whatever the Minister is doing in this Bill, it could better be handled as a footnote to an Act going through this Parliament, which would hopefully have brought in some meaningful legislation to start genuinely deregulating industry in this country, and give the private sector entrepreneurs an opportunity to start producing those jobs we have been talking about. In any event, the Government could stop pretending that meaningful actions are being taken when in reality all that is happening is that a lot of housecleaning measures are being given a priority they do not deserve before the Parliament of Canada today when we are faced with the most serious economic plight this nation has had to face certainly since the 1930s.

Mr. John Bosley (Don Valley West): Mr. Speaker, I do not intend to speak for very long. The Hon. Member for York-Peel (Mr. Stevens) has made most of the points I wanted to make. I only wanted to make three quick points because, as one who believes in deregulation, I looked forward to the Bill and was somewhat surprised to find out what it contained. It should be made clear that what is at issue here is more parliamentary reform than deregulation. It ought to be a matter of parliamentary reform, that this Parliament has to deal with the repeal of matters which date back that far. I hope that some day we will see the wisdom of referring these kinds of matters to an all-party committee so that the time of the House is not taken up with this kind of matter. Secondly, I had the privilege of spending some time this past weekend with the Conference Board of Canada. When you deal with individuals who are directly involved in the regulation by Government of their affairs, that is perhaps the most direct way to discover what is the problem of regulatory reform which the Government has yet to deal with.

There is a new phrase in the industrial world, Mr. Speaker, which is "the six inch rule." It is a scary rule. According to those who are in the practice of appearing before the regulatory bodies of Government, if your supporting documentation is not at least six inches thick, your issue and your concern will not even be dealt with. It will be sloughed off by the regulatory agencies of Canada because if it is not six inches thick, it obviously does not say anything valuable. That is how far we have gone in making life difficult for business, and that is a shame.

The reason I enter this debate is to add one point to what the Hon. Member for York-Peel said. Yesterday the Prime Minister of Canada (Mr. Trudeau) was asked in this House by our leader whether the Throne Speech was ready and whether the Government has its new economic measures ready. The Prime Minister of Canada said:

> We had envisaged the possibility of having the Throne Speech read at the end of the month of October.

The reason for delaying those measures, Mr. Speaker, was:

> —the very important legislation which was already before the House—

Further on in the day the Prime Minister reiterated that point when he said:

> —we did not begin the session with the Throne Speech, but, rather, postponed it, as I say, until we deal with this legislative backlog—

Apparently what the Government proposes to do, Mr. Speaker, is not to bring in a Throne Speech, not to bring in a budget, but to defer all economic measures for three years to the Royal Commission for study. Three years, Mr. Speaker, so this Government will never have to explain to Canadians what it proposes to do until after the next election. In fact, if that is to be taken seriously, then one is entitled to ask: are the people of Canada seriously expected to believe that Bill C-119, an Act to repeal certain statutes that have ceased to be in force, has a legislative priority in the mind of the Government greater than economic recovery? It makes the whole statement made yesterday by the Prime Minister of Canada unbelievable.

I need not go on at length because the Hon. Member for York-Peel has outlined many of the matters of concern, but I hope someone on the other side explains to the 1.5 million Canadians who are out of work why measures to help them should be delayed while we deal with the Bounty on Hemp Act of 1923.

One can go on, but it seems to me that all Canadians have the right to look to what Parliament is dealing with today, which, in the words of the Prime Minister of Canada, are more important than a Throne Speech, a new budget, or new economic measures. If you simply look at what the Government of Canada proposes the House should deal with today, while action to help Canadians is deferred, then Canadians will get the clearest picture of exactly why this Government and this country are in the difficulty they are in.

Mr. Gordon Taylor (Bow River): Mr. Speaker, I looked through this Bill this morning and noticed that it was to repeal statutes which have ceased to be in force or have become unnecessary, and I thought it would simply be a routine bill. In the Province of Alberta, for example, every five years the Government brings in a similar Bill to prevent laws from becoming redundant and to repeal those which are no longer in use or have gone by the boards and are no longer enforced. So we looked upon it as a simple housekeeping Bill. But when I heard Members from the other side of the House this morning saying that this was the start of a great parliamentary reform, I took another look at the Bill. I wish the Hon. Minister, when he is speaking to the Bill, would tell me how this is part of the great reform Parliament. I just cannot see it and I do not understand it. If that is so, the Government of Alberta has been carrying out reforms for the last 40 years, to my knowledge.

When this Bill is passed, Mr. Speaker, it will not make one iota of difference to any Canadian. The Acts are not in force now, they are redundant. As a matter of fact, one of them goes back to 1908. I am amazed that it took the Government 74 years to find out that the Act was redundant.

This, Mr. Speaker, is a housekeeping exercise which every Government should undertake at least every seven or eight

years, and preferably every five years. So I cannot understand how this is a big deal. I would get quite excited about this if the Bill were going to repeal the Excise Tax Act, because it is doing so much damage to the country. It puts a tax on gasoline which farmers have to use to distribute fertilizers, which increases the cost of food to everybody, which in turn increases inflation, and then we try to fight inflation. Why not repeal an Act like that? Then I could get excited about parliamentary reform. Or we should repeal the Metric Conversion Act, or Bill C-48, or the capital gains tax measure which was brought in in the November budget, along with several other things. If you want to start parliamentary reform, let us repeal some of those Acts. Let us not make people think they are going to have something different tomorrow when this Bill is passed, when it is simply a housekeeping act which should have been carried out at least every five years since Confederation.

• (1530)

Mr. Deputy Speaker: I should call the attention of the House to the fact that if the Minister speaks now he will close the debate.

Mr. Gray: Mr. Speaker, I had intended to begin my closing remarks by thanking all Hon. Members for their contributions to the debate, but I would be less than sincere if I extended those thanks in equal measure to each and every person on the opposition side of the House who spoke, in particular the Hon. Member for York-Peel (Mr. Stevens).

The Hon. Member for Nepean-Carleton (Mr. Baker) who, I thought, spoke on behalf of the Official Opposition, rose and said that he and his Party welcomed the Bill. The Hon. Member for Vegreville (Mr. Mazankowski) rose and said that he and his Party welcome the Bill. The Hon. Member for Vegreville (Mr. Mazankowski) rose and said that he and his Party welcomed the Bill, that it was worthwhile legislation and that they intended to support it. But then the Hon. Member for York-Peel came in and said that the Bill was an affront. If it is an affront, it must be an affront to the Hon. Member for Nepean-Carleton, to the Hon. Member for Vegreville and to the Official Opposition for whom they speak. As I understood the position of the Official Opposition, it was that it was a worthwhile and constructive Bill which it supported.

This is just another example of how the Official Opposition is unable to get its act together. It could be that the speech of the Hon. Member for York-Peel was the opening salvo of his campaign for the leadership of the Conservative Party, something he wants to carry forward to the convention next January. After all, the former minister of finance from Newfoundland made a remarkable statement about the leadership of his Party not too long ago, so I suppose the Hon. Member for York-Peel in his own way should have an opportunity to give a signal, perhaps a more subtle signal—

Mr. Deputy Speaker: With all due respect, I call to the Minister's attention the Bill before the House.

Mr. Gray: I simply point out that the Bill is supported by spokesmen for the Official Opposition. I am sure they regret very much that their efforts are being sabotaged by the Hon. Member for York-Peel.

It may be that the Hon. Member for York-Peel was absent since October 27 when the House resumed, because we did not begin our efforts in the House with this Bill. We began with the economic statement of the Minister of Finance (Mr. Lalonde) which gave high priority to the economy, to the creation of jobs and to the reallocation of $1.5 billion. It was an economic statement which I support and for which I share the responsibility.

I would presume that we are dealing with the Bill this afternoon, at least in part, because of a discussion between our House Leader and the House Leader of the Official Opposition. It is clear from the fact that we began the resumed session with the economic statement of the Minister of Finance that we are giving priority to maintaining and creating jobs in the private sector, to building and strengthening the efficiency and productivity of the private sector. As part of this we must also give a signal that we are interested in strengthening the efficiency and productivity of the Government. The Bill is intended to be a contribution to this.

It was first introduced in June by my distinguished predecessor. We are carrying forward the Bill at this time to clear away the legislative backlog about which Hon. Members opposite spoke. It is one component of our over-all commitment to legislative or regulative or regulatory reform. Yes, it is legislative housekeeping, but it is one element of a more efficient and productive government apparatus.

It is strange that the Hon. Member from Alberta in the back row opposite, again in his own way, contradicted the Hon. Member for York-Peel. He is a distinguished former member of the Alberta legislature who, I am sure, made a contribution to his own Province. He complained that we had not dealt with this matter sooner, but the Hon. Member for York-Peel said that we should not be dealing with it at all, that we should be dealing with it later. That is still another contradiction.

In conclusion, the Hon. Member for Don Valley West (Mr. Bosley) inaccurately suggested that our objective was not to say what we were doing with respect to the economy until after the next election. Certainly this is not our position. We have already begun putting forward our program to deal with the current serious economic situation in the economic statement of the Minister of Finance. What the Hon. Member for Don Valley West accused us of certainly seems to be the position of the Conservative Party, because the former minister of finance from Newfoundland, when asked what his Party would do if it were in office, said, "We don't intend to tell anybody what we are going to do until we get back in". Then he said, "You'll find out".

Looking back at what happened in 1979-80 when he was minister of Finance, I am sure Canadians are very worried that if they make the mistake of voting for them they will find—

Mr. Deputy Speaker: Again, with all due respect to the Hon. Minister, I call his attention to the rule of relevance in the debate.

Mr. Gray: Mr. Speaker, I accept your admonition. I am simply trying to stay within the parameters of the debate created by the Hon. Member for York-Peel and other Members opposite.

I want to conclude by saying that I thank Hon. Members of the House, where they deserve it, for their constructive comments. I look forward to pursuing all the suggestions made when the Bill is in committee.

Mr. Stevens: Mr. Speaker, I rise on a point of order. I wonder whether the President of the Treasury Board (Mr. Gray) would accept a question.

Mr. Deputy Speaker: Will the Minister accept a question?

Mr. Gray: If it is relevant, Mr. Speaker.

Some Hon. Members: Oh, oh!

Mr. Stevens: Mr. Speaker, my question is twofold. Before we deal with the Bill, would the Minister indicate how many jobs are likely to be created as a result of its passage or, alternatively, how much money the Treasury will save as a result of the passage of Bill C-119?

Mr. Gray: Mr. Speaker, I do not expect that the Bill will create jobs, but I certainly think that it will help save some money in terms of over-all Government administration, and I am sorry my hon. friend seems to oppose that.

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

Some Hon. Members: Question.

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

Some Hon. Members: Agreed.

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

* * *

FINANCIAL ADMINISTRATION ACT

MEASURE TO AMEND

Hon. Herb Gray (President of Treasury Board) moved that Bill C-96, to amend the Financial Administration Act, be read the second time and referred to the Standing Committee on Miscellaneous Estimates.

He said: Mr. Speaker, I am pleased to move second reading today of Bill C-96, the purpose of which is to amend the Financial Administration Act in order to enable Treasury Board further to improve financial control and accountability in departments and agencies of the Government of Canada.

The last major revision to the Financial Administration Act was undertaken in the late 1960s. Since that time a number of important recommendations and agreements concerning financial administration matters have been made requiring further legislative change. These amendments are included in the Bill. They stem from reports by successive Auditors General recommending specific improvements in a number of aspects of financial administration. Also they stem from the 1975 study of the Accounts of Canada which recommended change to certain budgetary, accounting and reporting practices which for a long time have caused concern about their effect on parliamentary control of expenditures, and from a variety of proposals for making amendments to clarify the intent of the legislation where difficulties in its application have been experienced.

• (1540)

There has also been a request from the Minister of Finance (Mr. Lalonde) to include several items dealing with government banking and borrowing.

In addition to these externally generated initiatives for change, the Office of the Comptroller General has identified other areas where legislative change is needed. While the majority of items in this Bill are administrative and technical improvements, there are a number of amendments which I should like to mention today because of the important improvements they will enable us to implement.

The first significant amendment concerns the proposals for the future treatment of uncollectible debts due to the Crown. As Members may know, Section 18 of the Act at present authorizes the Governor in Council on the recommendation of the Treasury Board to make regulations authorizing deletions from the accounts of obligations due to Her Majesty not exceeding $5,000. Deletion of debts over $5,000 requires parliamentary approval.

Section 18 was last changed in 1969. An analysis of the submissions for deletion for a recent one-year period revealed 1,528 cases between $2,000 and $5,000, for a total of $4.8 million, and an additional 1,344 cases over $5,000, for a total of $28.8 million. Although statistics suggest that an increase in the limit from $5,000 to $100,000 would eliminate much of the administrative burden associated with parliamentary approval, and it was recommended that the limit should be removed from the Act and put in regulations where it could be subject to periodic revision.

While it is true that the existing law reserves for Parliament the authority to write off debts, it should be understood that this change is intended to deal administratively rather than legislatively with a variety of relatively small amounts which have proved to be uncollectible. Generally speaking, these include taxes receivable, accounts receivable, accountable advances and a variety of minor items for various purposes. As this type of debt is actually unrealized revenue, it is recorded on a memorandum basis only in the records of a Department, and deletion has no effect on the expenditures of government.

Where an item was initially authorized by Parliament through estimates, such as a loan or investment, and that item is on the Statement of Assets and Liabilities of Canada, any amount written off, no matter how large or small, will continue to require legislative approval prior to making an adjustment. Large dollar value items are usually in this category.

I should like to remind the House that any debt which is to be written off under the proposed regulations would be required by law to be reported in the Public Accounts.

In summary, Mr. Speaker, the changes to Section 18 will reinforce the Government's continuing efforts to collect vigorously all revenues and debts due the Crown.

Another amendment concerns loan guarantees. The requirement to provide loan guarantees has arisen on occasion, and the authority to provide these guarantees was obtained through the estimates process because it was considered to be a financial matter and it would not have been realistic to amend program legislation.

If program legislation had a clause authorizing loan guarantees, there would be no need to bring specific items before Parliament. The process now used provides Members of Parliament with an opportunity to review each specific item in committee and to register their concerns, their points of view, and their support if they wish to do so.

Because it is desirable to continue to have Parliament approve requests for loan guarantees, an amendment to Section 22 will allow for the continued use of estimates, that is, appropriation acts, to obtain such authority.

There is an amendment to Section 25 concerning the existing statutory requirement for the certification and recording of financial commitments, which was legislated some time ago. This requirement was met with the Comptroller of the Treasury as the central point for the control of disbursements of public money. As a result of the recommendations of the Glassco Commission in 1962, the position of the Comptroller of the Treasury was abolished and responsibility for, among other things, commitment certification and accounting was given to Departments.

Over the past several years commitment accounting practices in Departments have been addressed in several government-wide studies. There was the Report of the Auditor General of Canada on Financial Management of Canada. There was the Report on the Study of the Accounts of Canada, a study carried out interdepartmentally on the various purposes served by those accounts.

In 1980 the Government announced the creation of the Policy and Expenditure Management System. This system recognizes that policy and program decisions must be taken in the context of, and with the responsibility for, costs and expenditure limitations. The creation of resource envelopes and long-term plans that will provide Departments with a context within which they can examine future costs of ongoing programs and new initiatives is central to the new system. It follows, therefore, that multi-year financial arrangements must not only be considered in terms of the budget year operational plan but also within the limits set out in the multi-year operational plans.

These facts, plus the introduction of the Policy and Expenditure Management System, suggested the need for a specific and detailed review of Section 25. Therefore, the office of the Comptroller General of Canada launched an extensive review of commitment certification and accounting practices. This review revealed that there are three major problems which create inefficiencies and weaken control over financial obligations entered into on behalf of the Government of Canada. It was found that present Section 25 is not relevant to statutory appropriations. It was found also that the section does not require control over multi-year arrangements and it requires unnecessary costly procedures to control small-value commitments.

In summary, these three problems can be traced to the present legislation, which is the underlying cause of most of the shortcomings identified in previous government-wide studies. Therefore, it has been concluded that the method of controlling commitments should not be in the legislative wording of the Act. The proposed amendment will, however, continue the requirement for control over commitments, but the methods by which that control will be kept will be the subject of Treasury Board policy direction rather than law. I believe the new policy direction will strengthen control over financial commitments while at the same time effecting economies in administrative overhead. It will do so by emphasizing, for statutory appropriations, the need for determination of eligibility prior to payment rather than commitment certification as to fund availability. It will also relate commitment control to the reference levels approved for departmental multi-year operational plans for future fiscal years as well as the current fiscal year.

Section 30 of the Act is being amended to provide better disclosure and improved accountability on the use of budgetary and non-budgetary appropriations on which Parliament has imposed annual ceilings. In general, the amendment would require debts incurred prior to the end of the fiscal year for work performed, goods received, services rendered or debts resulting from contractual arrangements to be recorded as charges to appropriations, even if the inclusion of such charges would result in total charges exceeding the appropriation.

The Section is being amended in conformity with a recommendation of the Study of the Accounts of Canada, which recommendation, as you may recall, was endorsed by the Standing Committee on Public Accounts. This amendment, in addition, addresses the concerns of successive Auditors General respecting the non-reporting of the over-utilization of appropriations.

Although Section 30 is proposed to be amended to permit the recording of charges in excess of appropriations, I want to stress that the amendment is essentially a recording and reporting mechanism; the requirement of the Government to respect the annual ceiling of appropriation authority granted by Parliament is by no means relaxed. Accordingly, charges in

excess of an appropriation will only be discharged if parliamentary authority to do so exists.

I want to mention, by way of conclusion, that since Bill C-96 was tabled for first reading last March, the Government has received a number of comments and suggestions. We have studied all of these very carefully, and in several cases we are agreeing to the suggestions and therefore intend to make appropriate recommendations for changes at the committee stage. These changes include the deletion of Section 20.1 dealing with net voting; Section 101 dealing with interdepartmental charging; and Section 102 dealing with the charging and paying of interest. As well, there will be a number of technical amendments to wording. For the most part we are accepting these changes on the basis of legal advice that they do not in any way undermine our important policy objectives for improved financial control which can be attained within existing legislation.

• (1550)

These are the main issues contained in this Bill, and because of the great interest shown by Members of the House in tightening the whole area of financial accountability and in response to recommendations of the Auditors General over the years and of the Public Accounts Committee, I ask Members of the House to support this Bill for second reading and reference to the committee.

Mr. Harvie Andre (Calgary Centre): Mr. Speaker, Bill C-96 is a Bill which comes before the House from time to time and seems rather technical in nature but one which is routine and which perhaps should slip through the parliamentary process without undue examination or consideration.

However, a closer examination of the details of this Bill shows that it is, in fact, much more than routine. The manner in which Parliament examines and controls Government spending through the estimates and through the appropriation Act, Acts that come in at the end of a supply period, changed very profoundly in 1969 with the introduction of new rules to the House, by closure I might add. A provision was introduced to our Standing Orders which dictated that when estimates are brought in—after the money has already been spent in many cases—there is a certain period of time in which the estimates could be examined. At the end of that time they are deemed to be reported to the House, and on that last day a bill is introduced to appropriate the funds for those expenditures. That Bill is passed without debate or consideration. There is no provision for debate or amendment to any part of the Appropriation Act. In fact, it is an automatic rubber stamp and it is a farce to call the Appropriation Act an Act of Parliament in the same sense as other Acts of Parliament are passed.

Prior to that time it was the habit of Governments to use the Appropriation Act's mechanism as a method of making minor adjustments and changes in law via what we call dollar items. When there was an opportunity to discuss and amend the Appropriation Act, perhaps this was not an undesirable or extreme situation as long as it was not done to excess, because it would then involve omnibus legislation. But if debate served as an administrative aid, it was proper.

Once rule changes were brought in by closure which denied the opportunity for debate and amendment to the Appropriation Act, it became most inappropriate for the Government and its bureaucrats to use that vehicle to introduce new legislation and ideas. When that change was introduced, the bureaucrats continued to use that vehicle to bring in those laws it wished. Various Members of the House objected to that procedure. They did so formally on March 10, 1971, on December 10, 1973, on March 6, 1974, on June 22, 1976, on March 22, 1977, on June 7, 1977, and several times since then. They raised objections to the Speaker by indicating that this type of procedure was improper and in violation of what parliamentary authority is all about.

Various Speakers, including Mr. Speaker Lamoureux, Mr. Speaker Jerome and, most recently, Madam Speaker Sauvé, acknowledged that this was not proper. Mr. Speaker Lamoureux expressed concern about that procedure on several occasions. That did not stop the Treasury Board or the bureaucrats from continuing to use it. They just proceeded, ignoring the clear expression of concern from the House.

Mr. Speaker Jerome underlined and emphasized those concerns and said, "Please do not abuse the House and continue to use that technique to circumvent Parliament and the legislative process." That did not faze the Treasury Board or the bureaucrats at all. They continued to do so.

Finally last June, after compiling this support which had gone back over a decade, argument was presented to Madam Speaker Sauvé. She agreed that it had gone on for too long. All of her warnings and those of her predecessors had been ignored for too long. It was time to act and declare that mechanism out of order and unacceptable. She struck down many of the votes in the estimates and potential items in the Appropriation Act that had been put forward by the Treasury Board and the bureaucrats who were trying to abuse the House as they constantly do.

On Wednesday afternoon the Hon. Member for York East (Mr. Collenette) praised me in the House for the effort at that time and the decision of the Chair with respect to what happened. He said that it was the only proper decision to make. But does that faze those people, the bureaucrats, who really run the country? Does it faze the young Liberals, those manipulators, those people hired by Michael Pitfield to tell us what to do? It does not faze them one bit. They simply wrote another bill, Bill C-96, which proposes to force a law through Parliament to let them do what Parliament has been saying for the last ten years was improper.

That is exactly the purpose of this Bill. What must we do to restore parliamentary democracy to this country? How frequently will those nameless, faceless manipulators continue doing this? When will the House say no? We are the elected representatives. Perhaps that does not make us as important as those who are appointed, but it should, if you believe in democracy.

If one believes in democracy, those who are elected should be the most important because they are the ones whom the citizens can get at through the ballot box. It is not these appointed bureaucrats who keep abusing our system with measures such as this.

I am shocked and ashamed of the President of the Treasury Board (Mr. Gray) who has allowed himself to be manipulated in this way. Let met say in his defence, however, that this Bill was tabled during the tenure of his predecessor, and he is simply being an errand boy for what the bureaucrats had decided upon earlier.

I suggest to the President of the Treasury Board that this is his opportunity to stand up and demonstrate that he is his own man, that he does have a backbone and has respect for the House and our institutions. This is his opportunity to show that he will not allow the House to be abused by saying that he will not push the Bill through. If he does that he will receive a great deal of respect from me. Mr. Speaker, may I call it five o'clock?

• (1600)

PRIVATE MEMBERS' PUBLIC BILLS

[*English*]

Mr. Deputy Speaker: Shall all orders preceding No. 108 stand by unanimous consent?

Some Hon. Members: Agreed.

* * *

CAPITAL PUNISHMENT ACT

MEASURE TO IMPOSE THE DEATH PENALTY

Mr. John Kushner (Calgary East) moved that Bill C-308, to amend the Criminal Code (punishment for murder), be read the second time and referred to the Standing Committee on Justice and Legal Affairs.

He said: Mr. Speaker, I want to reflect not only my own feeling but also the feeling shared by many Canadians that the Government has lost sight of its purpose. I would like to cite a few examples.

Did the Canadian people ask to have capital punishment abolished? Did the Canadian people ask for the metric system to come into being? Of course not. Did the Canadian people ask for bilingualism in the present form? I must say that I personally can speak five languages. I have nothing against the French language. I think French is beautiful. I really do.

Mr. Prud'homme: So is Black!

Mr. Kushner: But I want to say this—

Mr. Prud'homme: Black is beautiful!

Mr. Kushner: Yes, it is. Black is beautiful. However, I want to say there is more to Canada than just the French and the English. there are the Italians—

Mr. Prud'homme: And the Polish.

Mr. Kushner: —and the Poles, and the Croatians and the Germans. May I ask, did the Canadian people ask that we play around with the Constitution at the time the country was in need of some direction and leadership in the economy? We probably would never have been in the mess we are in today had the Government given that leadership. However, the Constitution was just used as a smokescreen. Did the Canadian people really ask for high inflation which the Prime Minister (Mr. Trudeau) assured us he would wrestle to the ground? Of course not. Did the Canadian people ask for the high interest rates which have destroyed so many small businesses, big businesses and individuals? It will be next to impossible for the country to be restored to the position enjoyed before, and to even come close will take a long time. As a matter of fact, without question, the country has floated so far down the river that we no longer have any control as far as interest rates are concerned. Did the Government ask Canadians if it should be buying oil companies when it could not even run the Post Office? The Government threw up its hands and turned the Post Office over to a Crown corporation, which has doubled the rates and cost us much more than it did before, and now we are in a worse mess than ever.

Did Canadians from right across the country, from coast to coast, send petitions in every possible form and delegations to request a return to capital punishment? As many as 80 per cent of the Canadian people today have requested that. We tell ourselves that we are democratic, but our democracy is slowly slipping away. Without question, the Canadian people have lost confidence even in their Members of Parliament because we no longer reflect their wishes as Canadians. They no longer respect us. The Government is now interfering with the free enterprise system. Instead of signing an agreement with Alberta, it signed an agreement with Mexico. That is why Canadians are so disenchanted and why they have lost respect for Parliament, which is slowly drifting away into a dictatorial system.

Speaking of safety and security for the Canadian people, even the Prime Minister has more than doubled his personal security over the last six months because he, too, fears for his safety. In this so-called permissive society, he does fear. One can see that in seven years or less murderers are back out on the streets with the likelihood that they will repeat their offences. I do not want to refer to the Olsons and other horror stories that we hear about every day through the media. As it happens, the victims are often either related to or have known the perpetrators of the crime. We are coming to the point where law and order is being made on the streets. Again, I must say that the main team, the Government, has lost sight of its purpose. The Government should be keeping well on track as far as making laws to run this country is concerned, rather than interfering with our enterprise system and destroying it.

It is hard for me to comprehend the poll results we have been hearing. The latest shows that the Conservatives are leading, with about 46 per cent to the Liberals' 30 per cent and the NDPs' 21 per cent. One would almost think that the results were manufactured because, considering the state the country is in, it is hard for me to believe the Liberals still rate that high.

Returning to the matter of security and stability that we once knew, at one time children, the elderly and even people going to and from work, felt safe. However, now people who return home late from work cause alarm to those at home because it is feared that something may have happened to them. Such fear was unheard of not too long ago. Today, we are advocating not only that we lock our doors, but also bolt them and perhaps even bar our windows to give us a feeling of safety. Because we have lost control and respect for law and order, many Canadians feel that capital punishment is a deterrent to crime. I do believe that it is a deterrent, and many other Canadians do as well.

When we consider the type of society that we are building under fear, one would almost think we are living in the days of the Roman Empire, days in which the society destroyed itself from within. The Canadian people are losing much confidence in law makers. We are even destroying the practice of the shaking of the hand, which was probably a much better form of agreement reached between two people than that type of agreement made with lawyers. Even though agreements are carefully written, they are not as effective as the ones which were confirmed by a shake of the hand not so long ago.

As sophisticated, educated and experienced as we are, and with the knowledge gained from communications with other countries, we know full well that capital punishment is a deterrent. I have nothing against those who feel that capital punishment is not a deterrent. I think they have that right. I do believe in the democratic process, but I do not believe that the Government today is responding to the needs of the people. The Government is not listening. No wonder we are in the mess in this country that we are. We are in a mess economically, which is alarming. We are deteriorating slowly and creeping into a dictatorial system by which we have encouraged, by design or otherwise, the highjackings that are taking place, the hostage takings, and the sit-ins. It is shameful that we have allowed ourselves to drift slowly into such disrespect for law and order in this so-called permissive society. In comparison with the 1940s, there has been a ten to one increase in murder crimes. If this is a so-called Just Society where we very strongly favour the criminal rather than the victim and their families, it is about time that we started looking at ourselves, because we are encouraging more and more poeple to take law and order into their own hands and encouraging them to the degree where they will be forced to carry guns.

• (1610)

I do not believe that it is too late to change around. We slowly got ourselves into this mess by ignoring the situation and thinking that the problem would go away. It must be almost impossible to be a member of a police force because of the procedural things and accounting that they have to do in order to be able to do the kind of job that is required today. They too have strongly advocated capital punishment across this nation.

It only goes to show that we have had a Government that has been in power too long and is no longer listening or responding to the needs of the people, and it is time for a change. Without question we must have hope. It is hard for me to believe that the Liberals were returned to power in the last election, especially in view of the errors they have made. The only way we have in this democratic system of bringing back some democracy to this Parliament and making our country a safe and better place to live in, is to have new direction under a new Government. The only alternative we have today is the Conservative Government, and I know that if the Conservative Government had remained, we would have had a free vote on a return to capital punishment in this country.

What has happened is unfortunate. I do not think that the Liberal Government will ever be back in power in this country. I feel that they have destroyed hope for Canadians. I believe that we will return in this country to a two Party Government which will be made up of the Conservative and the NDP. This is my prediction, and I feel this is the way it is going to happen. It cannot be anything else. Certainly there is not hope in returning to a Liberal Government, no hope at all.

An Hon. Member: We are here.

Mr. Kushner: You are here more by coincidence than by good management. The Canadian people are paying very dearly and very heavily to the extent that it will take us many years to overcome this, and to pay for the mistakes that the Liberals have made.

Mrs. Ursula Appolloni (York South-Weston): I thank the Hon. Member from Calgary East (Mr. Kushner) for again giving me the opportunity to express my views in this House on the question of capital punishment. I also thank him for giving us some interesting insights into the Tory platform for the next election. Many of us have been asking ourselves, what do the Tories stand for, because up to now we have heard what the Tories are against.

The Hon. Member for Calgary East has told us exactly what will happen if the Conservatives ever get to power again. The only thing that we are sure will happen is that people will hang. I am not sure that the Canadian people on the whole would vote for a Party just to make sure that people hang. However, time will tell.

I had hoped that as in the past any debate on capital punishment would be concentrated on the issue, and not so much on partisan politics, because what we are talking about is, in essence, human life. What we are talking about is the protection of society, and what we are talking about is the need, if there is one, to protect society from the wrongdoings.

I think it would be more appropriate not to mention only, as the Hon. Member has just done, many of the ills of society. I

think it would be more appropriate to ask ourselves what is the cause of those ills, to ask ourselves to take a look at people who are now in prison and who are now convicted of murders—shall we limit our discussion just to murderers—and have a look at their lives and ask ourselves on what torturous route did those people bring themselves to commit murder.

We could also ask ourselves how many of the most ghastly kind of murders have been committed by people unknown. Who are they, these unknown murderers who have escaped? I can tell you that many of them were probably in organized crime, and those murderers will never be hanged. They will not be hanged even if the Conservatives do get back to power. They will never hang because they have enough money to defend themselves, and usually they have the intelligence to defend themselves. History in every single country of this world has proven—

Mr. Kushner: You can buy justice under a Liberal Government.

An Hon. Member: Come on.

• (1620)

Mrs. Appolloni: I would hope the Hon. Member would pay me the courtesy I extended to him of allowing me to speak without intervention.

As I was saying, the history of every country in this world is replete with the histories of poor, downtrodden, uneducated people who have gone to their death by state execution. It is also replete with the unknowns who have escaped because they had the money to "buy" a good lawyer. I am not going to be the one to put the noose around anyone's neck because they do not have the money to be properly defended. That is one of the points.

The previous speaker began his remarks by asking the question, "Who asked for abolition?" I think I am quoting him correctly, but obviously I do not have the "blues" in front of me. As a result of the Hon. Member's beginning his speech with so many questions, I now ask myself whether he wants Government by Gallup poll. Is that what he wants? Does he think that Government should be a leader of public opinion or a follower?

That will be a big question in the next election. The people of Canada want their MPs to govern, not just follow. We could have another total debate on the Gallup poll. If I had more time, I would quote what Edmund Burke thought elected representatives should do, but I will leave that to my colleagues who want to enter this debate.

This Bill is different from any others which preceded it in that it specifies the type of capital punishment. Instead of hanging, I gather the Bill speaks about some kind of lethal injection. At first sight that might mean that the proposed execution would be more humane than in the past. However, I want to quote from an article published by Amnesty International on this very topic. It reads:

> —it is a contradiction in terms to consider making the death penalty more humane—by, for instance, administering lethal drugs. Quite apart from the question of a doctor having to defame the Hippocratic Oath and the recent Tokyo Declaration of the World Medical Association, such a discussion avoids the true hell of the death penalty. According to evidence from the United States, prisoners under sentence of death mutilate themselves, cover themselves in their own excrement, commit suicide or try to, and go insane—waiting, waiting to die. As Albert Camus wrote in his famous essay, Reflections on the Guillotine, in 1960: An execution, he wrote "is not simply death. It is just as different . . .as a concentration camp is from prison . . . . It adds to death a rule, a public premeditation known to the future victim . . . for there to be an equivalence, the death penalty would have to punish a criminal who had warned the victim of the date at which he would inflict a horrible death on him and who, from that moment onward, had confined him at his mercy for months. Such a monster is not encountered in private life.

In other words, the method of execution is not that important. The inhumanity of a premeditated execution remains the same.

In 1976 Parliament debated at length the whole subject of capital punishment. At that time I voted freely for the abolition of capital punishment. I believe I said at that time that I had not always been an abolitionist.

When I was about 17 years of age, living in England, there was a tremendous series of murders. The police arrested a man by the name of John Evans. He was accused and eventually convicted of those horrible murders. In the public frenzy whipped up by the popular press at that time, I as a 16 or 17 year old was quite impressed. I thought "that guy deserves to die, he has to die." Then they killed him. He was executed. I had one little problem in the back of my mind. I repeat, I was an impressionable 16 or 17 years old. When reading the public accounts of the court proceedings, there was a problem that nagged me. It was that the man was illiterate. I thought to myself, how could an illiterate man understand the complexities of those proceedings. I had qualms. However, like most of the British population at that time, I welcomed his death sentence.

A few years after the man was dead and buried in whatever grave they buried criminals of that day, it became quite apparent that the man had been totally innocent. The man who was subsequently convicted of the crime was his landlord, a person by the name of Christie.

That incident was enough to change my view on capital punishment. It convinced me that for the rest of my life I would have to be extremely careful, not only in condemning people, but in destroying their ability to ever prove their innocence. Obviously there is nothing quicker than death to terminate one's possibilities of defending oneself.

Having turned into an abolitionist, frankly I do not believe that killing is always sinful. Sometimes it is absolutely necessary to protect your life or the lives of other people, such as in war. Then it can be necessary. However, I would do all that I could in my power to prevent the outbreak of war. That is my personal opinion.

Does the state have the moral right in its responsibility to kill in order to protect its people? Perhaps that is the fundamental question raised by the Hon. Member for Calgary East. In the absence of any other way, probably yes, and probably if

the death of the aggressor were to be a deterrent. However, when we are speaking of the termination of human life, I cannot in honesty, intellect and conscience, accept the word "probably".

I do not need tremendous evidence, but certainly a preponderance of evidence, that the death penalty would be a deterrent. We do not have that evidence in Canada or throughout the world. I wish to quote the former solicitor general speaking in 1979 as follows:

—existing data indicates that there has been no disproportionate increase in the number of violent crimes.

I can also quote Statistics Canada "Law Enforcement Statistics Section 1981 Preliminary Homicide Data", which I just received today. It reads:

Homicide and its constituent categories have generally been on the decline since 1977.

That is since the death penalty was abolished.

While homicide and murder rates for 1981 increased for the first time in four years, these rates still remain below those of 1977 and 1978.

• (1630)

To return again to the words of the former solicitor general, the Hon. Warren Allmand, he said:

—evidence shows that capital punishment does not effectively lower murder rates. In fact, the lowest murder rates in the world are found in those countries and those states where capital punishment has been abolished for a long time, as an example, Sweden, Minnesota, Wisconsin, Rhode Island, Maine. Conversely, those that have retained capital punishment over a long period have the highest murder rate, as an example, France, Spain, Florida, South Carolina, Louisiana and Georgia.

No one has been able to prove that capital punishment is a deterrent and even if there were evidence to support that theory, only a preponderance of that evidence will convince. I will come back again to Amnesty International. Speaking at the Conference on the Abolition of the Death Penalty, Declaration of Stockholm, December 11, 1977, this Conference on the abolition of the death penalty, composed of more than 200 delegates and participants from Africa, Asia, Europe, the Middle East, North and South America and the Caribbean region, recalled that the death penalty is the ultimate cruel, inhuman and degrading punishment and violates the right to life. The Declaration says, among other things, that execution is an act of violence, and violence tends to provoke violence; the death penalty has never been shown to have a special deterrent effect; execution is irrevocable and can be inflicted on the innocent.

I have already cited a case in point which happened in England during the time I was living there. There was another case, the name of which escapes me now, but it was quite recent. It took place, I believe, in the eastern part of Canada, where a man was proven innocent after many years of imprisonment. These cases do happen, and in my judgment, Mr. Speaker, we cannot, as a society, afford to condone even one case of the innocent being punished.

Finally, the Hon. Member spoke of the social ills of our time. I felt he spoke with some nostalgia for the past, but nostalgia, like many other things, is not always too accurate. He spoke of the "good old days". He spoke of the Roman Empire. I can think of little less brutality than that which was shown to the world at the time of the Roman Empire. He spoke of prostitution. Is that something new? He spoke of other crimes, but he did not speak of the undercurrent, the underlying reasons for the rise in social crimes, and there are many, not least of which, perhaps, is the unequal distribution of wealth and opportunity for Canadians. But we can rectify that, and this Government does intend to rectify it. However, you do not create a better society by killing half its members.

Mr. Dan McKenzie (Winnipeg-Assiniboine): Mr. Speaker, I would like to congratulate the Hon. Member for Calgary East (Mr. Kushner) for introducing this Bill today. He is speaking up on behalf of the Canadian people. He understands the role of a Member of Parliament and that of a politician, and he made his point very well. We are the servants of the people, but there are so many in this House who have reversed that over the last few years. Now it is the people who are the servants, and somehow the Liberals think they are the masters and they will keep the people in line.

I believe that capital punishment should be in our Criminal Code. It should be there when needed. It is not necessary, in my opinion, that we have capital punishment for every type of murder, but it should be there. The United States is returning to capital punishment in many of its States.

The former speaker from the Liberal Party mentioned the problems of society today, but it is the Liberals who have introduced the permissive society into this country, easy bail and weekend passes, and what have you, and if we did return to the "good old days", as the Hon. Member from Calgary mentioned, we could bring back the paddle and the strap and have some discipline. That is what the criminals fear. We would not have so much crime today if criminals knew they were going to be faced with these punishments.

The group who really understands crime and murderers, Mr. Speaker, is the police. The Canadian Association of Chiefs of Police have made their point repeatedly in calling for the return of capital punishment, and they are far better judges than we are in respect of whether or not capital punishment should be returned. Police are not irresponsible people, they have experience in dealing with crime and criminals and we should be listening to their advice, but we completely ignore it. We will not back them up, and this is a serious mistake we have been making.

The criminal element, the underworld, does not want capital punishment brought back. We saw a recent example of that in St. Calixte, Quebec. This is a story out of the *Winnipeg Free Press* dated November 18, 1982, where threats and shots failed to halt a capital punishment crusade, and I quote:

Undaunted by threatening phone calls and an apparent attempt on his life last week, the head of a group lobbying for the return of capital punishment says he will press on with his campaign.

Fernand Pellerin, president and director general of the Citizens Committee of Canada, said he was driving near this town 40 kilometres north of Montreal last Thursday when a man in a car travelling in the opposite direction fired two shotgun blasts at him.

The first blast blew out the windshield, the second, the rear window. This man established the Citizens' Committee last

December, Mr. Speaker, and the committee is currently organizing across Canada to demand a referendum on capital punishment. It would seem that the underworld will go to any limits to deal with anyone who is organizing to this extent.

There was a very sad case earlier this year that touched me very deeply. During the Archambault prison riot last spring or early summer, a prison guard was knifed to death, murdered, and left to die in a pool of his own blood. In some dark hall in the prison, I suppose. The prison guard was knifed to death by a convicted murderer, and the sad thing here, Mr. Speaker, is he had only one hour to go on his shift, and not only did he have one hour to go on his shift, but he was to retire in one hour. He was 60 years of age and he was knifed to death in a prison by convicted murderers. That was his fate because we will not re-introduce capital punishment.

The Liberal Member who spoke prior to me mentioned that some innocent people have been put away. That has happened in some cases and that is most unfortunate, but there are many cases where a murderer has murdered twice. In Winnipeg, where I come from, there have been cases where an individual has murdered twice. I recall one case where a murderer was imprisoned for eight years, he was released, and within a short period of time murdered again. He murdered a young girl at the same hotel where he had committed his first murder. This should prove that there are a lot of advantages in having capital punishment.

The Hon. Member for Calgary East mentioned the lastest opinion poll where five out of every six Canadians favour the suggestion that a referendum be held. I have no objection to having a referendum. I would like to see the next Conservative Government have a legitimate free vote again, a proper debate on capital punishment, referring the subject matter to committee, because the type of capital punishment we use has been mentioned. We can discuss the rope and other ways that capital punishment can be implemented. We could also have police officers as witnesses, or anyone else. I am not afraid to have a proper debate on capital punishment. We would certainly be acting on behalf of the majority.

● (1640)

We continually read, Mr. Speaker, of the horror stories. There is the recent case of a man admitting in court that he killed 30 people. He was not mentally disturbed, he was a hit man and had murdered 30 people. Then down in Atlanta, Georgia, there was the slaying of 38 women, described as Atlanta's hidden tragedy. Think of the 38 families and the suffering they have gone through. I hear repeatedly these arguments from the Liberals, but they never mention anything about the families or the victims, they are always so concerned about the murderer. They would not want anything to happen to the murderer. There is never a word at all about the mother or the father or the daughter or anyone else. Another horror story is that of a nun who was raped and robbed. A lot of the murderers are not just satisfied with murdering an individual, they want to rape and murder them. Heaven only knows what else happens before the final thrust, Mr. Speaker. A colleague of mine, the Hon. Member for Red Deer (Mr. Towers), recently distributed a questionnaire on capital punishment, and 2,223 of the people responding indicated they favour capital punishment, with 112 favoring abolition. So in some areas of the country 90 per cent of Canadians want the return of capital punishment.

I remember a very sad case in Toronto a couple of years ago of three grown up men sexually attacking a 14 year old shoeshine boy who had been working on Yonge Street. They picked him up and took him away to some deserted building and sexually tortured him before they killed him. Heaven only knows what that 14 year old lad went through at the hands of those three men. As I remember, some of them, when they were convicted, said they would sooner receive capital punishment than be sent to jail. Then there is another case in Chicago of one man murdering 36 people, and he was not mentally unbalanced. On and on it goes, Mr. Speaker.

I feel it is about time we started listening to the Canadian people. It would not be a bad idea for this Bill to be referred to committee. The Liberal Member who spoke prior to me made some excellent suggestions, and the place to discuss them is in committee with witnesses. Because this Bill is sent to committee does not mean that we would immediately start hanging people. Perhaps when we have finished our deliberations we would find that we would not have to implement capital punishment but that there might have to be some changes made in the law.

I do not want to be the one who is going to come anywhere close to talking out this Bill, and I hope the next Liberal to speak on this Bill will consider allowing it to go to committee.

Mr. Gary F. McCauley (Moncton): Mr. Speaker, since four o'clock I have listened to this debate with some interest, particularly to the remarks of the Hon. Member for Calgary East (Mr. Kushner) and the Hon. Member for Winnipeg-Assiniboine ((Mr. McKenzie). As I listened to the Hon. Member for Calgary East and heard him go through a litany of what was wrong with this country, such as bilingualism, the metric system, the Post Office, highjackings and hostage takings, and heard him try to put the issue of capital punishment in that context, I could not help but think he is a man who yearns for simple answers to complex problems. He is a man who thinks that the good old days, where questions and answers were simple, where everyone knew what was right and what was wrong and where appropriate punishments were always applicable, is an age that he would like to return to. I suggest that that time never existed, and certainly to return to it in respect of capital punishment would be a regressive and barbaric move. I can understand his emotions. We all share in the anguish of the victims of violent crime.

The Hon. Member for Winnipeg-Assiniboine mentioned the tragic incidents at Archambeault Penitentiary. The guard that he referred to is a constituent of mine, and it was and is a tragic situation. The Hon. Member also spoke of victims of crime, that somehow those of us who are abolitionists have no feelings for them. That, I suggest, is foolishness. Does the Hon. Member suggest for one minute that somehow capital punish-

ment will recompense the victims of crime, the families of those who are murdered? That is not going to bring them back from the dead.

We live in a complex society today, Mr. Speaker, and there are always those who think we can return to simpler times. I refer to a debate in this House on June 11, 1981, when my colleague, the Hon. Member for Winnipeg-Birds Hill (Mr. Blaikie), made the following remarks:

> People feel that the moral order has been transgressed, as it has, and that something must be done to show that these are not mundane events but rather events which, if permitted or regarded lightly, would eventually call into question the very basis of civilized society. They are morally outraged that such things can happen. It is moral outrage we are dealing with when we talk about the call for a return to capital punishment, moral outrage and powerlessness.

That is a very human emotion. When we have this call for a return to capital punishment it gives us a sense that we are restoring the balance, making things equal. It satisfies an emotional need; an eye for an eye, a tooth for a tooth. But at what price, Mr. Speaker?

My colleague, the Hon. Member for York South-Weston (Mrs. Appolloni), referred to the Evans-Christie case of a number of years ago in Great Britain, where an innocent man was hanged. She also made passing reference to a case in Nova Scotia recently, that of Donald Marshall, who at the ripe old age of 17 was sentenced to life imprisonment for murder. Now it apears, Mr. Speaker, that Donald Marshall is innocent. Suppose he had been hanged by the neck until dead? What would we do today? Would we somehow restore him to life and say, sorry, young man, we made a mistake? The Hon. Member for York South-Weston made reference to the fact that justice is not always done in these matters. The case of Donald Marshall is a case in point. I should like to refer to a story which appeared in *The Globe and Mail* with reference to the atmosphere at his trial. The headline read, "Racial tensions, fear gripped Micmac's trial". Of course, Marshall is a Micmac Indian, and in that atmosphere of racial tension and fear, he was convicted on the flimsiest of circumstantial evidence.

● (1650)

Apropos of such cases, the Hon. Member for Winnipeg-Assiniboine said that it was most unfortunate that an innocent man or woman spent 11 years of his or her life in jail or was executed. Indeed it is very unfortunate, especially if one is dead.

Is our system of justice equal? I suggest that Hon. Members opposite should check the figures for American prisons to see how many Blacks are in American jails in proportion to their presence in the American population. How many are in jail? Far in excess of the ratio in Canada. How many native people are in Canadian prisons in proportion to their presence in the population? How many poor people are in Canadian prisons, people without power, money or connections? Who gets convicted in the end? Does the system of justice in Canada apply fairly? Can we guarantee that the innocent will not be executed?

There are some interesting figures and comments made with regard to capital punishment by those who have been involved in it. I refer the House to some remarks made by Albert Pierrepoint who, for over 25 years, was the British hangman. He officiated at several hundred hangings. In 1974, years after his retirement, he wrote his discreet memoirs. The memoirs include the following passage:

> Executions solve nothing and are only an antiquated relic of a primitive desire for revenge which takes the easy way out and hands the responsibility for revenge to other people . . . It is said to be a deterrent. I cannot agree. There have been murders since the beginning of time and we shall go on looking for deterrents until the end of time. If death were a deterrent, I might be expected to know. It is I who faced them last, young lads and girls, working men and grandmothers, I have been amazed to see the courage with which they take that walk into the unknown . . . All the men and women whom I have faced at that final moment convince me that in what I have done I have not prevented a single murder.

There are some interesting statistics. In the 1950s a Canadian joint parliamentary committee caused a tabulation to be made on the only matter on which full data was available—persons sentenced to death in Canada from Confederation onward. That tabulation was carried forward in "Capital Punishment" published by the Department of Justice in 1965. It indicates that from Confederation in 1867 to 1962, 1,487 people were sentenced to death in Canada. Of this number only 47.7 per cent were executed, 38.4 per cent had their sentences commuted, and 13.9 per cent were otherwise dealt with by courts of appeal. Thus, for the 95 years that we had the death penalty in Canada, if the police solved the case, and the murderer was convicted, that murderer still had a better than even chance of not being executed. It is striking that the British figures for commutation in this century are quite similar to the Canadian experience. Even if all the proper procedures are followed, there is no certainty.

As far as Gallup polls or other polls are concerned as to what Canadian people or people in general want, there have been suggestions that those of us who are abolitionists are not following the will of the people. I would say two things. First, polls are an imperfect instrument of measurement. I draw to the attention of the Hon. Member for Calgary East, the sponsor of the Bill, that the Harris poll taken in the United States in June 1973 began by asking respondents whether or not they believed in capital punishment. Three out of five said yes, but then the poll went on to ask a more complex set of follow-up questions, suggesting capital punishment as a penalty for a specific list of crimes. For none of those specific crimes did more than 41 per cent favour the death penalty; a drop of 20 per cent when one moved from the general and abstract to the specific and concrete. Certainly when one asks a general question one gets a general answer, but when one zeros in on more specific questions, the picture changes—the polls change and the response is different.

If, as the Hon. Member for Winnipeg-Assiniboine suggested, we are not doing our duty as Members of Parliament and reflecting the will of the people on this issue, is that our job? Sure it is, partially, but it is also our job to think. It is also our job to look at the facts dispassionately and render a decision

based upon the facts. It is also our job to be compassionate and progressive.

I remind the Hon. Member for Calgary East of Edmund Burke in his now classic 1774 "Address to the Electors of Bristol" who said that a representative owed his constituents:

—his unbiased opinion, his mature judgment, his enlightened conscience . . . Your representative owes you, not his industry only, but his judgment; and he betrays, instead of serving you, if he sacrifices it to your opinion.

If we were only to be robots reflecting the opinions of the electorate, then we are not needed because the opinions of the electorate in this technological age can be simply transmitted by pushing a button.

[*Translation*]

Mr. Deputy Speaker: The hour provided for the consideration of private members' business has now expired.

It being five o'clock, the House stands adjourned until Monday next at 2 p.m., pursuant to Standing Order 2(1).

At 5 p.m. the House adjourned, without question put, pursuant to Standing Order.

HOUSE OF COMMONS

Monday, November 22, 1982

The House met at 2 p.m.

• (1405)

[*English*]

THE LATE HON. WALTER DINSDALE, P.C.

TRIBUTES TO FORMER DEAN OF THE HOUSE

Right Hon. P. E. Trudeau (Prime Minister): Madam Speaker, it is with great sadness that we in this Party pay tribute to the memory of a man who has been a symbol of dedicated service and continuing achievement in the House of Commons for more than three decades.

Walter Dinsdale was, indeed, the Dean of the House of Commons, not just in terms of years but also in the manner in which he revered the daily life of this Chamber and its potential for serving Canadians. We remember him as a soft-spoken and reasonable man, but those quiet ways concealed a fierce determination to see even the toughest challenge through to a practical conclusion.

Walter Dinsdale's life was the epitome of public service. In World War II his courage earned him the Distinguished Flying Cross. In peacetime his efforts were channelled into social service work through his beloved Salvation Army and a personal crusade on behalf of a better future for the handicapped.

In political life these sensitivities led the Right Hon. John Diefenbaker to single out Mr. Dinsdale, first for assistance as a Parliamentary Secretary to the Minister of Veterans Affairs, and then as Minister of Northern Affairs and National Resources. In that portfolio he completely immersed himself in a dream for a better life, more fair and more productive, for those Canadians and, indeed, those resources which were located "north of 60", as he put it. The task continues, but many of the improvements which he sought in 1960 have moved forward in subsequent years.

More recently this House associates Walter Dinsdale with the remarkable work which has been done in the field of the handicapped. It was a cause which he pursued relentlessly and, in 1979, during the Government of the Right Hon. Leader of the Opposition (Mr. Clark), he became Chairman of a Special Committee on the Mentally and Physically Handicapped.

That was certainly one achievement which this Government was eager to continue, and the background and experience of Mr. Dinsdale as the Vice-Chairman of the Special Parliamentary Task Force on the Disabled were a key element in the success that that group of Members has had in seeing the implementation of a majority of the recommendations of the "Obstacles Report".

All of these qualities were clearly evident to the people of Brandon-Souris when they elected him first in 1951 and sent him back with enthusiasm in each election since. We on this side express our condolences to his constituents who will miss the tradition he had established and, more particularly, we offer our sympathy to his wife, Lenore, and their children, to whom he was so devoted. May he rest in peace.

Some Hon. Members: Hear, hear!

Right Hon. Joe Clark (Leader of the Opposition): Madam Speaker, I rise to join the Right Hon. Prime Minister (Mr. Trudeau) in speaking of the Hon. Walter Dinsdale whose death, on Saturday, ended a courageous recent struggle against illness, and ended a life of passionate, selfless, principled service.

All of us knew Walter Dinsdale as the Member whose continuous service was the longest in this House. As the Prime Minister said, he won a by-election in June of 1951 and was re-elected repeatedly in 11 subsequent elections. He served, with distinction, in almost every office the House of Commons offers—as a private Member, as a Committee Chairman, as a Parliamentary Secretary, a Cabinet Minister, and as a front bench spokesman in the Opposition. Those were the categories of his public service. But the quality of his service—the quality of the man—was even more remarkable.

He was a man of profound and genuine religious faith, who believed deeply in brotherhood and in peace. Yet, when he was called upon to defend his country in a world war, he served willingly as a night-fighter pilot with the 410 Mosquito Squadron, and displayed the courage under fire that won him the Distinguished Flying Cross.

He was a strong man, born to good health and an active family. Yet he displayed throughout his life a sensitivity, a compassion toward those in need. No Member of this House, and few citizens of this country, did more to assist the disabled and the handicapped than Walter Dinsdale. In Parliament, in the United Nations, in literally thousands of meetings and conversations across the country and around the world, this strong man, born to good fortune, worked to help and to encourage the disabled. It is relatively easy to espouse principles. Walter Dinsdale acted on them, and he brought help and priceless hope to thousands of his fellow humans.

As a Minister in the Diefenbaker Government he brought that same concern for people to his work. The residents of the National Parks remember him as a Minister who reached beyond the bureaucracy to deal directly with their real concerns. In the North, he gave personal face and force to the

Conservative Government's commitment to northern development, and it was he who turned the sod to begin construction on the great Pine Point Railway. In Montreal, he chaired the historic Resources for Tomorrow Conference which, apart from its important concrete results, was a model of the way federal and provincial Governments should work together in a federal state.

In addition to his formal responsibilities, Walter Dinsdale, as a Minister, took it upon himself to be the Member of the Government to whom younger people turned. I first met him then, and so did many Members of my caucus and my Party. He was a Minister who saw it as a part of his job to keep the Party and the Government young and open.

His list of accomplishments is long. He founded the National Prayer Breakfast. He was a director of the Canadian Council of Christians and Jews. He received honours across the country and around the world, and he served his neighbours and his constituency with such care that they elected him 12 times.

• (1410)

He was a steady man, quiet and reserved in his public conduct. But there was a force and a fire in Walter Dinsdale. He showed it in that first by-election when, campaigning in his Salvation Army uniform, he upset a distinguished opponent, later the Lt. Governor of my Province, Grant MacEwan, whom the then government was grooming to be a future Minister of Agriculture. He showed it in his commitment to his faith, his family, his constituency and, most particularly, in his extraordinary care for people in need.

Walter Dinsdale was born in Brandon, a prairie town, a relatively new town in his youth, but he was born to a tradition of service imparted by his parents, and it was a society so new that everyone was equal and every person was worthy of respect. That tradition formed the man of service who was a friend, an adviser, an example to so many of us, and whose death we all mourn today.

I know I speak for all Members of this House in our sincere condolence to Lenore—and to Gunnar, Gregory, Elizabeth, Eric and Rolf. His life was full, and we are thankful for it.

Some Hon. Members: Hear, hear!

Hon. Stanley Knowles (Winnipeg North Centre): Madam Speaker, all of us in the House are sad at the loss of Walter Dinsdale, particularly in view of the nature of the illness which befell him a short while ago and which brought about his death.

I welcome the tributes which have been paid both by the Prime Minister (Mr. Trudeau) and by the Leader of the Opposition (Mr. Clark) when they talked about the kinds of things Walter Dinsdale worked on. He was one who did a great job for all kinds of people, especially children and other who needed his help. He worked for veterans and for others groups. He was recognized in this country and in other parts of the world for the work he did, and it is truly remarkable he did so much work in the 31 years that he was a Member of the House of Commons from the Province of Manitoba.

I confess that a bit of my personal grief concerning the loss caused by his death last week comes from the fact that, when his illness in Brandon resulted in his being brought to hospital here in Ottawa, I immediately found that he was put into the very bed in the very room where I had spent several months. I soon discovered that he was being attended by the same kind of people who worked for me. It was my hope that the kinds of things they could do for him would give him a chance to live a longer and more healthy life. I enjoyed my conversation with him. Of course, as we know, he could hardly do any talking at all, but he seemed to enjoy the efforts that some were making to try to help him and to give him a chance of recovery. Most of us felt that, as a result of the treatment that he was undergoing here in the hospital, he could recover. We are now sorry at the turn of events in the last few days, and we regret his departure.

I join with the Leader of the Opposition in expressing condolences to Walter Dinsdale's wife and five children. If I may add a personal word, not only did he stay in the same hospital as I did, and not only did we both come from Manitoba, but I also had the privilege, as Chancellor of the University in Brandon, of giving degrees of one kind or another to Walter himself, and to three or four of his children. It is a connection which means something to all of us. I am very sorry at his departure, and I speak on behalf of all of us, particularly those from Manitoba and those of us in this Party, in praising him for the work he has done, and we remember him most kindly.

Some Hon. Members: Hear, hear!

Hon. Jake Epp (Provencher): Madam Speaker, it is an honour to associate myself with the words which have been spoken in memory of our friend and colleague, the late Hon. Walter Dinsdale.

Walter Dinsdale's model for a life of service was his father, who served Brandon as Alderman, Mayor, and Conservative MLA for Brandon. Walter learned the responsibility of service at his father's elbow—a responsibility he carried out faithfully until his death.

• (1415)

Service was the hallmark of the Dinsdale family and is best expressed in the words that Walter so often used in the 12 successful federal elections in Brandon-Souris. Those words were, "Has served, is serving, will serve." His actions of 31 years gave meaning to that motto.

It was Walter who served as a model for those of us who entered this House of Commons from the Province of Manitoba. It was a word of encouragement, it was a helpful hand that was always given.

As one who served in the portfolio of Indian Affairs and Northern Development, I constantly met Canadians living "north of 60" who would request information about their friend, Walter. He leaves an indelible imprint on that vast part of our country, an imprint made strong by the vision he shared

with the late Right Hon. John G. Diefenbaker, of a Canada "From sea to sea, To northern sea".

He threw himself into the cause of the handicapped. The dream of these Canadians to take their rightful place in Canadian society is possibly best expressed in the opening quotation he used in an article which appeared in the *The United Nations Association in Canada Bulletin*, marking the International Year of the Disabled Person. It was from the Old Testament prophet, Isaiah:

> Then the eyes of the blind shall be opened, and the ears of the deaf shall be unstopped. Then shall the lame man leap as an hart, and the tongue of the dumb sing—

Today, we express our sympathy to Lenore and the children, Gunnar, Gregory, Elizabeth, Eric and Rolf.

While our hearts are saddened, it was Lenore's desire that this be a day of thanksgiving—thanks for a life that was expended for good.

To a group of us on the Hill and across the country, Walter's leadership will best be remembered for his deep, religious faith. He lived his faith daily. It was this faith which led him to start the Prayer Fellowship—a group from all sides of the House and Senate that meet weekly for prayer and fellowship. It was this faith that has encouraged thousands of Canadians to pray for our country and for its leaders.

Walter's reward was not an earthly one but one that had eternal value.

The life we are honouring today is best expressed by the words of his Saviour as recorded in the Gospel of Matthew:

> Well done thou good and faithful servant: Enter thou into the joy of thy Lord.

Some Hon. Members: Hear, hear!

Mr. Laverne Lewycky (Dauphin): Madam Speaker, I too wish to say a few words on this occasion. I think that when we look at an individual we know that every single person in life communicates a message to us. Such was the case with the Hon. Member for Brandon-Souris (Mr. Dinsdale). His life communicated a message to many of us.

Within his own family he had to live the experience of having someone who was disabled, and he was able to formulate, through his own life experience, a message and a concern for others.

When I was working with the Society for Crippled Children and Adults in Manitoba, for three years as the supervisor of group programs, Walter was one of the Parliamentarians whom we could quite often turn to when we needed assistance, whether it was technology or machines, to assist those who were disabled.

He was a man who was able to rise above partisan politics. He was a statesman. Reference has been made to his role in the Parliamentary Prayer Breakfast. Many of us appreciated being able to see, beyond what happens in the House here, some of the spiritual depth that individuals such as Walter had. When I came onto the Hill and to the Parliamentary Prayer Breakfast group, Walter was one of the first people to welcome me. Also, he was instrumental in seeing that in western Manitoba we would have a leadership prayer breakfast as well.

He was one who lived his faith and took seriously the admonition that our faith should be accompanied with works, and he was one who practised what the Salvation Army preached. He was deeply involved in making sure that his works backed up his faith.

• (1420)

He will long be remembered. He will be sorely missed by all Manitobans. To his family I offer my sympathy at this time and, has been expressed by the Hon. Member for Winnipeg North Centre (Mr. Knowles), also on behalf of our Party.

Some Hon. Members: Hear, hear!

Mr. Stanley Hudecki (Parliamentary Secretary to Minister of National Defence): Madam Speaker, having spent a great part of my professional life as a surgeon working with the handicapped, I feel that I too must pay tribute to Walter Dinsdale.

Those of us who have been in that field treating the disabled realize the importance of rehabilitation. When the definitive surgical work has been completed and the medical attention has been given, the individual is left to fend for himself in the world. Walter Dinsdale realized the importance of rehabilitating the injured and the sick to face the exigencies of life.

One of his major contributions was to co-ordinate the work of many voluntary organizations across Canada. Very often these organizations duplicate services; they very often fail to cover some aspect of the work. Walter Dinsdale helped to found the Canadian Rehabilitation Council for the Disabled. He served on its board of directors, and later as chairman of the CRCD technical aid Committee.

In the technical field he was able to harness the advances of electronics to aid those people unable to use their extremities. He set up an information system whereby these technical aids were made available to people with critical disabilities. In my contact with him in the Year of the Disabled, he showed what it was to be compassionate and understanding. He was singularly able to focus the attention of the Committee on the special needs of the disabled.

I respect him for the work he has done with the National Prayer Group, and particularly for the respect he has shown for life, and for his work in the field of championing human rights. I also respect him for his war record during which he scored three victories in the air. He also worked closely with the Polish fighters who contributed so much to the Battle of Britain, and with whom he also associated himself in the years following the war.

I join other Members of the House in paying respect to Walter Dinsdale as a war hero, a humanitarian, and an able parliamentarian. He will be sorrowfully missed.

Tributes to Former Dean of the House

Some Hon. Members: Hear, hear!

• (1425)

[*Translation*]

Mr. Denis Ethier (Parliamentary Secretary to Minister of the Environment): Madam Speaker, it was said in the House today that our late colleague, Walter Dinsdale, was the Dean of the House of Commons, and I think it is appropriate at this time for me, as the dean of those Members who have had heart surgery, to inform the House that last week I had the privilege of meeting Mr. Dinsdale's family at the hospital where I myself was a patient. I must say that when I got to know Mr. Dinsdale after his heart operation, I realized that he was a great man. Last week, I met his family, and I therefore wish to offer Mrs. Dinsdale and her children our sincere condolences, and make it clear that while the House of Commons has lost an honoured colleague, Canada has lost a great Canadian.

[*English*]

Madam Speaker: I join all of you in expressing my sorrow at the passing away of the Hon. Walter Dinsdale, and in expressing my deepest-felt sympathy to his wife and his children. May I ask you all to stand and observe a minute of silence in the memory of our colleague.

(*Whereupon the House stood in silence for one minute.*)

Madam Speaker: Have we all agreed that the sitting of the House will be suspended until eight o'clock this evening?

Some Hon. Members: Agreed.

Hon. Yvon Pinard (President of the Privy Council): As you have just indicated, Madam Speaker, since many Members wish to attend the memorial service here in Ottawa this afternoon for the late Hon. Member for Brandon-Souris (Mr. Dinsdale), I understand there is the agreement you referred to, and I move:

That the sitting be suspended until eight o'clock p.m. this day at which time the House will proceed to Orders of the Day and that proceedings under Standing Order 40 be suspended.

I am moving this motion in order to specify the order of business this evening.

Madam Speaker: The House agrees to the motion. This House stands suspended until eight o'clock this evening.

At 2.27 p.m. the sitting of the House was suspended.

SITTING RESUMED

The House resumed at 8 p.m.

GOVERNMENT ORDERS

[*English*]

PUBLIC WORKS ACT

MEASURE TO AMEND

The House resumed from Friday, May 21, 1982, consideration of the motion of Mr. LeBlanc that Bill C-91, An Act to amend the Public Works Act and the Public Lands Grants Act be read the second time and referred to the Standing Committee on National Resources and Public Works.

Mr. Dan McKenzie (Winnipeg-Assiniboine): Mr. Speaker, Bill C-91 is an Act to amend the Public Works Act and the Public Lands Grants Act, and I am appalled at the horrendous power which this Bill seeks to transfer to the Minister of Public Works. For example, in Clause 1(3) we see these words:

The Minister may, with the approval of the Governor-in-Council, incur expenditures or perform, or have performed, services or work in relation to

(a) properties belonging to Canada of which he does not have the management, charge or direction; or

(b) properties not belonging to Canada.

What a colossal fraud this Bill hopes to perpetrate on the people of Canada. The Government is now seeking authority to sell or lease any property, whether or not the Government owns it, whether or not it is required for public purposes. In the past, Mr. Speaker, when the Government wanted to sell or lease public lands required for public purposes, it could obtain the authority to do so through a $1 vote in the Estimates. As a consequence of last June's ruling by Madam Speaker, the Government may no longer follow this route. As such, the Government is now seeking authority in Clause 1(3) of Bill C-91 to sell or lease any property regardless of whether or not it is required for public purposes. My own concern is not so much with lease-backs per se, as with the blanket authority granted in Bill C-91 to sell any lands. While the horror story scenario of selling all the Government's property to foreign investors and then renting it back is unlikely to occur, there remains the need for parliamentary control.

The main objection to having legislative items in the Estimates is that they reduce parliamentary control over the executive. It is almost ironical that, having lost the ability to make specific exemptions through Estimates, the Government must now remove whatever parliamentary control exists in order to allow lease-back arrangements in the future. We are just eroding parliamentary control, and that is why we are in such a disgraceful economic mess in this country today. The complete loss of any control over expenditures is highlighted in the Auditor General's reports year after year.

Now, Section 33 of the Adjustment of Accounts Act, passed in 1980, permits amendments to certain clauses of that Act through an appropriation act. If we are willing to permit the Government to lease or sell lands required for public purposes on an ad hoc basis, we should consider a similar provision for Bill C-91.

To give you an example of why we need proper parliamentary control over federal public works, Mr. Speaker, Petro-

Canada has been paying rent of about $18,000 a day for eight months on a vacant 24-storey office building in the heart of downtown Calgary. If the company agreed to pay only $24 a square foot under the absolute net system, which means the company is likely paying another 20 per cent of the annual rent for utilities, taxes and other expenses, the actual cost of the building is likely to be $6.68 million a year, $556,000 a month, or about $18,000 a day. Meanwhile, one block away, construction crews are working on two other high-rise buildings that will house Petro-Canada offices. The smaller tower will be 32 storeys, the adjacent tower will be 54 storeys when completed, and it will be the tallest building in Calgary. While the national oil company has been busy erecting Petro-Canada signs on newly acquired service stations in eastern Canada, no sign marks the high-rise building on the corner of Centre Street and Sixth Avenue South-West. Petro-Canada signed a 20 year lease on the property more than a year ago and has been paying rent on the empty building since April. That, Mr. Speaker, points out why we need parliamentary control and why we should not leave it in the Minister's hands.

Petro-Canada also rents more than a dozen other premises in Calgary for offices, research facilities and laboratories, including nine floors at its head office location, known locally as Red Square. Of course, this highlights why we do not have cheap gas today, because we are renting empty office space and building more and more buildings for Petro-Canada. Surely the Department of Energy, Mines and Resources, with over 300 branches, divisions and agencies, and some 4,000 employees—the Department occupies 11 pages in the Government telephone directory—could handle much of the work currently being done by the 2,000 employees of Petro-Canada. We have approximately 6,000 civil servants in the oil and energy business, and we wonder what they are all doing. Also, we have 700 oil companies operating in Canada. So we have mass duplication here, and I have a list of all the different departments in Energy, Mines and Resources; surely to goodness they could be handling a lot of the work that Petro-Canada is doing without building skyscrapers and renting empty office space.

To give you other examples of the horror stories in Public Works, there is the cost over-run at the Place du Portage. The four phases of the Place du Portage office complex in Hull were estimated in the early 1970s to have cost $124.5 million. By the time of completion in March, 1979, costs had risen to $217.5 million; $93 million or 75 per cent over the original budget. That is why we need some control in these Chambers, Mr. Speaker, and should not leave it in the hands of an irresponsible Liberal Cabinet Minister.

There was a cost over-run at the C.D. Howe Building. Treasury Board approved the construction of that building in Ottawa at an estimated cost of $57 million. It was completed in 1978. Instead of paying the full purchase price immediately, the Government is making payments of $6.1 million per year to the developer for 35 years. Land and construction costs paid directly by the Government were estimated at $102 million. Based on its original estimates, if the Department itself had let construction contracts, the building would have cost approximately $90 million on a present value basis, or $12 million less than the alternative selected. The total estimated cost of the building as shown in the estimates was $34 million, while the capital cost calculated on a present value basis was $102 million. The difference between the approved $57 million and the final $102 million capital cost is $45 million.

Another example is the cost over-run at the Montreal major postal plant. Treasury Board approved the construction by Public Works of a major postal facility in Montreal similar to Toronto's Gateway. The original projection of the final cost was $212.1 million. On completion in June, 1979 the final cost was $273.6 million, a cost over-run of $61.5 million, or 29 per cent. On and on it goes, a clear indication that there is no proper supervision or control over anything in Public Works, Mr. Speaker.

• (2010)

Another example is cited in the 1977-78 Report of the Auditor General which pointed out that the Department of Public Works, which leases expropriated buildings in Ottawa, was not billing tenants for their share of increasing operating and maintenance costs even though such escalation clauses are contained in the leases. It subsequently billed tenants $267,000 for 1966 and 1977 but had to write off 1975. That is one of the best examples of blatant mismanagement and, probably, of porkbarreling.

Another example was cited in an article which appeared in the Ottawa *Citizen* on July 16, 1980, headed "Grit Restaurant Shortchanges Taxpayers $500,000", and which had this to say:

> In 1973, an untendered contract was awarded to business associates of Cabinet Minister John Munro to supply liquor and food in the Place du Portage for a period of twenty years. They were evicted by the Department of Public Works in 1980 after they failed to make rental payments totalling $490,543 for their three commercial operations in the building.

The Senate has spent a lot of time examining the activities of the Department of Public Works and has pointed out that the Government "took a bath" on an office deal. An article by Don Sellar of Southam News Services on September 28, 1978 began as follows:

> The federal government took a bad beating on four lease-purchase deals it negotiated for offices in Ottawa-Hull, a Senate committee charged today.
>
> In a searing report, the Senate Committee on National Finance said the transactions were so "questionable" they have damaged the public works department's management credibility.

If the Department does not have management credibility, Mr. Speaker, then we should not pass bills like the one we are debating tonight. The article continued as follows:

> " . . . These agreements," the Liberal-dominated committee declared, "have committed public works to paying rates for this space well beyond the prevailing private sector level."
>
> The senators found that in June, 1977, the market rate for newly-built offices in Ottawa was between $1 and $4 per square foot less than the government paid for its new accommodations.
>
> The committee conceded Ottawa was short of building funds and badly squeezed for office space when it made the "understandable" decision in 1974 to adopt a lease-purchase policy for some public buildings.

The Senate Committee also pointed out that the Government should pay for the cost of accommodation and other services provided by the Department of Public Works. It suggested that if its recommendations were followed, this would lead to the construction of less-costly buildings by the federal Government to accommodate its departments. If the Minister had to come before the House or before the Standing Committee, then there would be more scrutiny of the operations of his Department.

I have revealed the monstrous blunder by the Department of Public Works which occurred in Winnipeg a few years ago when the new Tax Data Centre was established there. Rather than accelerating plans for the construction of a new building for the Tax Data Centre at an estimated cost of $15 million, the Department planned to lease the CAE building for three years but also planned to spend an additional $1,700,000 in renovating it. It was estimated that there would be an additional cost of from $4 to $5 million incurred by the Government in not locating in a new leased building, but rather moving into temporary rented quarters.

When the Bill was introduced last May, a colleague from Ontario introduced an amendment which we hope will be adopted by the Committee. It reads as follows:

1. Section 9—That clause 1 of Bill C-91 be amended by striking out line 15 on page 1 and substituting the following.

(4) No service or work may be performed in relation to properties not belonging to Canada without the consent of the owner thereof."

2. Section 39—line 27 page 1

That clause 2 of Bill C-91 be amended by adding to line 27 page 1 the following words..

"and be referred to the Committee on Public Works."

3. Section 4(1)(a)

That Bill C-91 be amended by adding to line 8 page 2 the following words . . .

"that it be referred to Committee of Public Works

That means it is not to be administered by the Minister of Public Works or any of these mischevious Orders in Council, Mr. Speaker. I hope the Government will accept those amendments when we reach Committee. We cannot continue with these horror stories and blunders that are occurring in the Department today.

Mr. Thomas Siddon (Richmond-South Delta): Mr. Speaker, I am pleased that my colleague from Winnipeg-Assiniboine (Mr. McKenzie) has outlined the main provisions of Bill C-91, an Act to amend the Public Works Act and the Public Lands Grants Act. I want to deal specifically with a very dangerous provision in the Bill which essentially grants to the federal Government, and to the incumbent Minister of Public Works in particular, the right to erect or construct any federal structure they may choose, on privately-owned land. This is a very dangerous predecent.

It is bad enough that in this country the Government refused to allow a provision to be included in the Constitution of Canada which would have guaranteed the right of all Canadians to own and enjoy property. Now we are being told that even if we do own and enjoy property, it may be only an illusory thing because the Government can have an airport, a bridge, a PetroCan station, a waterfront port facility or anything else, erected on privately-owned land if the Bill remains in its present open-ended form.

There is an old saying that possession is nine-tenths of the law, Mr. Speaker. I submit that what we have before us tonight is the other one-tenth of the law. It does not seem to matter to the architects of this legislation whether or not Canadians, individually, own property. The Government can move in and do anything it pleases with it. Clause 1 of the Bill provides as follows:

"(3) The Minister may, with the approval of the Governor in Council, incur expenditures or perform, or have performed, services or work in relation to

(*a*) properties belonging to Canada of which he does not have the management, charge or direction; or

(*b*) properties not belonging to Canada."

The implications of that are pretty broad, Mr. Speaker. The Clause says quite clearly, without any qualification, that the Government and the Minister of Public Works may decide that certain private property stands in the way of an important federal project and that a road or a building or pilings should be erected on it. That is a dangerous precedent, Mr. Speaker. I can assure Hon. Members opposite that this Party will have no difficulty in voting against the legislation if a substantial amendment is made to that Clause.

When the former Minister of Public Works introduced the legislation on May 21, the last time it appeared before the House, he said that Members should not worry about Clause 1(3)(b) which provided that the Minister might build structures on privately-held property because, as is reported at page 17696 of *Hansard*, he said:

It goes without saying, of course, that such work would have to be with the consent of persons involved.

"It goes without saying", the Minister has told us, that such work would have to be with the consent of the persons involved. If it goes without saying, then why is it so difficult to put it in the legislation? Why could the legislation not be amended to make it quite clear that under no circumstances would the Government of Canada intrude upon privately-held property and proceed to design and erect some major federal structure, unless the permission of the owner was granted?

• (2020)

Getting back to the problem we had a year and a half ago when this Party tried to introduce an amendment to the Constitution of Canada, which would have respected the right of all Canadians to that very important right, to own and enjoy property, one has to wonder now where this country is headed. Not only did Government Members, with the support of their friends in the New Democratic Party, deny the opportunity to have that provision inserted in the Constitution—which was clearly incorporated in the Canadian Bill of Rights—but now the Government wants to have the power to bring in bulldozers to knock down my home and knock down my colleague's motel or business and build whatever it wishes.

I want to illustrate with a few situations from within my own riding the extent to which this Government has frustrated the due process of law, even with the provision of expropriation

powers. It is frightening enough to realize how mistreated Canadians have been, particularly with regard to airport developments in many parts of this country, with due process being provided for expropriation, but what do we see? Now we see legislation which says that it does not matter any more because the Government does not even have to take title to your property by expropriation, purchase or any other means; it can just move in and do as it wishes.

I wonder why the Government was afraid to incorporate one of the basic fundamental rights of a free democratic society in the Constitution of Canada, the right of the individual, as stated in the Canadian Bill of Rights, to enjoyment of property and the right not to be deprived thereof, except—

Mr. Deputy Speaker: The Hon. Member for Burnaby (Mr. Robinson) is rising on a point of order.

Mr. Robinson (Burnaby): Mr. Speaker, would the Hon. Member for Richmond-South Delta (Mr. Siddon) permit a question?

Mr. Siddon: At the end of my remarks, Mr. Speaker. I think there is a degree of sensitivity on my left to this issue. While some people like to pay lip service to the important freedoms we are privileged to enjoy in this country, the freedoms that brought our ancestors and own pioneers to Canada to take a piece of land and put some pride into developing and producing something of value out of that asset and then getting a piece of paper to say that land was theirs, there is a tremendous anxiety on the part of the NDP with respect to their concept of private ownership. The NDP will tell us, as the Hon. Member for Burnaby would probably like to say, that it was the provinces that made it difficult for the federal Government to incorporate the right to own and enjoy property in our Canadian Constitution. I say balderdash to that, Mr. Speaker. There is a notwithstanding provision clearly written into the Canadian Bill of Rights, although under Section 92 of the British North America Act, provinces have the right to deed and administer the ownership of land. That does not prevent the provision of a legal means of expropriation when it is deemed to be in the public interest that certain lands be acquired for public purposes. They cannot have that kind of simple way out. The remedy could clearly have been introduced into the legislation were it not for the fact that—if we recall what happened a year ago last April—the Solicitor General (Mr. Kaplan), on a Friday, accepted the Progressive Conservative amendment to the Charter of Rights and Freedoms, which would have provided all Canadians with the right to own and enjoy property. Over the weekend somehow the illustrious Leader of the NDP (Mr. Broadbent) got to the then minister of justice, who on Monday morning said, "no deal". Somehow the Leader of the NDP then got together with the Right Hon. Prime Minister (Mr. Trudeau) and the then minister of justice. They decided that Canadians should not be entitled to the right to ownership and enjoyment of property even with a notwithstanding provision because it is repugnant to their concept of state ownership. That is why there is only one Party in this House—

Mr. Chrétien: Mr. Speaker, I rise on a point of order. My name has been used by the Hon. Member. He made a series of allegations concerning the time when I was minister of justice which are not based on the truth. He would like to say exactly what happened. He would like the House to know that it was very evident at that time that the provincial Governments did not want that provision. In the negotiations I had, the problems were left with the Hon. Member on the left over there. Then, for example, the Premier of Prince Edward Island and the Ministers of the other Provinces, of course, including the Minister from Saskatchewan, because they were afraid to put it in the Constitution—

Mr. Deputy Speaker: Order, please. With all due respect to the Minister, I must give the floor to the Hon. Member for Richmond-South Delta (Mr. Siddon).

Mr. Siddon: Mr. Speaker, it is obvious that I have not only struck a sensitive spot with Members of my left, but also with the present Minister of Energy, Mines and Resources (Mr. Chrétien).

Some Hon. Members: He is on your left, too.

Mr. Siddon: The former minister of justice prides himself on having been a very capable negotiator and, to my knowledge, he is deemed to be a reasonably good lawyer. Therefore, I cannot for the life of me understand how it is that he did not sit down with the Premiers to work out an arrangement whereby it could be ensured that people could not stand in the way of important progress that was beneficial to the whole of the community. The Hon. Minister could have worked out appropriate legal means of doing that because the whole concept of expropriation is provided for in the various municipal Acts of the Provinces of Canada as delegated to those Municipalities by the provincial Governments in light of their responsibilities as set out in Section 92 of the British North America Act.

One wonders why it is that if it is not the ultimate objective of the Government to take away the right to own property, the Government would not agree to amend this legislation along the lines I suggested a little earlier, as was reflected by the former minister of public works when he introduced the Bill requiring consent of the owner before the federal Government moves in with its bulldozers and construction equipment. Why would Clause 1, Sub-Clause 3(b) not be amended to provide that only if the consent of the owners was gained could such activity be carried on on private property. I for one cannot agree to support this legislation until such an amendment is allowed.

One of the features that is so very dangerous about this legislation is that it could well be used as a bludgeon to get people to sell property to the federal Government without it going the route of expropriation, as presently provided for in the law. Bill C-91, if it is adopted, will enable a federal land agent to come to a private person and say, "We are building a new bridge abutting on or overpassing your property. We really do not want to go through that messy expropriation

procedure. We propose to offer you 75 cents on the dollar",—which is usually the way privately held land is evaluated—"We will not offer you what its trading value is on the real estate market, but we will offer you 75 cents on the dollar. Take it or leave it. If you do not take it, we can wave this little piece of legislation in your face that says it does not matter whether you want to accept our offer or not because we will build whatever we want without your consent." This legislation would make that possible.

I think the implications here are very dangerous because they would lead to a subversion of the entire process of expropriation.

I want to spend a few moments, if I might, talking about just how corrupted that process of expropriation has become with regard to certain kinds of public works development over the years in this country. I will give specific reference to the expropriation of lands at Sea Island on the Lower Mainland of British Columbia. These were privately held lands which were expropriated for the purpose of expanding runways and building a larger airport. This subject will sound familiar. I am pleased to see the Minister of Transport (Mr. Pepin) is in the House this evening. He knows that similar types of abuses of the private right to ownership and enjoyment of property have occurred with respect to the acquisition of properties around the Pickering Airport. That is an airport that never came to pass because it was ill-conceived from the beginning. Another example is Mirabel, which was ultimately built but has proven to be a tremendously costly burden to all Canadians.

• (2030)

Mr. Blenkarn: It is called a white elephant.

Mr. Siddon: It has become so trite these days to refer to it as the white elephant. The Government has recognized the mess that it has created to such an extent that it is now contemplating the possibility—with a lot of pressure from this side—of returning much of that important agricultural land to the people who originally owned it.

There are several hundred acres on Sea Island in British Columbia which have been assembled since 1954 for the purposes of airport expansion. One of the groups which first became involved in assembling this land was connected with a well known former Cabinet minister in the House, Senator Arthur Laing, who had owned large tracts of land on Sea Island. He and certain other parties on that island were able to sell their land to a firm called Web and Nap at approximately $5,000 an acre, whereas certain other property owners who were not highly favoured by the Government, perhaps because they subscribed to a different political philosophy or perhaps because of family connections in support of a different political Party, had their property expropriated and were offered $1,700 an acre for some 46 acres of land. That offer, which was made after the first expropriation notice was served in 1954, still stands. To this day, the matter involving that particular family has never been resolved. They were offered $70,000 for 46 acres of prime farm land in the Lower Fraser Valley, and not one nickel was offered for buildings with the exception of one house for which $28,000 was offered, later increased to $40,000.

This particular family has refused to move. It has refused to accept $1,700 an acre since 1954. They were not particularly opposed to an airport development but rather to the fact that the property was being acquired in order to give it to de Havilland Aircraft of Canada. This is the type of tricky dealings that some people associated with the Party opposite were involved in many years ago. I trust this has not happened in more recent times.

In fact, de Havilland had 100 acres on Sea Island at the very spot where the new runway was proposed to be built but which has not been built to this date. The Department of Transport wanted that 100 acres for the runway and it arranged to expropriate privately held farmland from this particular family, which I gather happened to be of the wrong political stripe. They were offered one-third as much as that offered the other well connected family of Senator Laing. Something is rather corrupt when a family can be faced with expropriation proceedings for a period of almost 30 years without having the matter settled.

As a matter of fact, it has been 18 months since the most recent appeal, and a decision has not yet been brought down.

The point I am making is that the rights of people in this country are being abused today, even with the legal and due process being provided for within the law. The Bill before us tonight would strip away that need to follow that due process of law.

Another matter dealing with this particular family involves the construction of a bridge which connected south Vancouver to Sea Island to link with the new airport terminal. That bridge is called the Arthur Lang bridge. It flies virtually over the top of this family's property. In fact, it missed the actual boundary by one foot. When this bridge was being constructed the aggrieved party was trying to operate a store directly beneath the new overpass that was being built. The federal Government of this country never settled for the loss of goodwill and the loss of business to that store. It never settled for the dust, noise and aggravation which was caused from 1971 to 1973 when that bridge was being constructed.

This Government makes a mockery of the right to freedom of choice and the right to live our lives without the great hand of Government bearing down upon us. We hear much from the Government about our free country but it does not reflect its attitude in the way it conducts its affairs. Even with the due process of law which is provided, people's property can be tied up, frozen, zoned down and developed without their permission merely by the execution of an extradition order. The Government can keep the poor, ordinary free Canadian frustrated for as long as 28 years.

I realize that it is not appropriate to comment directly in this Chamber on the court system, but one gets the impression that the system can be used in order to wait until someone dies so that the Government can then have its way. That is a travesty of democracy.

This Bill is a provision to allow the Government to move on to anyone's property and construct anything it wishes without having to get the consent of the owner. What we are witnessing is a move toward a system of Government which believes in the control of land and advocates the control and manipulation of the media, as we have seen in its attempts to implement the provisions of the Kent Commission Report. We see a Government which clearly advocates control of the means of production in this country. For example, we have heard talks about the nationalization of INCO. Clearly, the Government has taken great steps to nationalize the oil industry of Canada. Before too long it will be in the tractor business as well. The Government, through its attempts to bail out certain sectors of the mining and automotive industry, is moving toward more control.

I am pleased that the Minister of Agriculture (Mr. Whelan) is in the House tonight because the greatest concern of those who value their rights in a free society is when the Government attempts to control the food supply. There is a piece of legislation before the House which will rapidly move us in the direction of federal domination of the buying and selling of grains, livestock, and agricultural and poultry products. That is very dangerous indeed.

1292;-1 I believe that it is improper and unacceptable for land agents to coerce people by showing them this piece of legislation and saying, "If you do not sell us this land we will not expropriate, we will just move in. If you do not want to sell at our price, then you do not have a right to be heard in this country."

I suggest that there is a conflict of interest involved when agents from the Department of Public Works moved to acquire properties which they want for public purposes, because they can make the appraisals as well as serve the notices. They are acting both as agent of the proponent of the acquisition and the appraisers. That represents a tremendous conflict of interest.

Another puzzling measure is the second important provision of this Bill, which is the amendment under Clause 2 to the Public Works Act and a subsequent amendment to the Public Lands Grants Act which eliminates the requirement to show that properties are being held by the Crown because of their public need. This Bill, Bill C-91, proposes to dispense with a requirement which has been a tradition in our parliamentary and legislative framework. Traditionally, in order to dispose of Crown-owned property, the Government would normally have to come before a parliamentary committee, or follow the due process if that property was deemed to have been acquired for some public purpose. This Bill proposes to dispense with the requirement that properties that are up for disposition not be required for public purposes. That opens the door to a horrendous scale of abuses, where the Government could sell property to some well-connected friend. I noticed that the former minister of public works when he introduced this legislation spoke much about his friends in the real estate business and about what a great business that was. I think we know some people in the real estate business who have done very well because of their friendship with the Government opposite. A former minister, who has now taken his seat, made it quite evident that he enjoyed working with the real estate industry. It makes one wonder why, if a piece of property owned by the Crown is needed for some public purpose, the Crown would then want to lease it to someone else unless there was some friendship or implied favour in return.

• (2040)

Mr. Cosgrove: I rise on a point of order, Mr. Speaker. I wonder if the Hon. Member, speaking in reference to myself and acquaintances, would include the former President of the Progressive Conservative Party, Mr. Matthews, who headed the study on housing for the former government of the Right Joseph Clark.

Mr. Harquail: He has named everybody else.

Mr. Deputy Speaker: Order, please. I would like to remind the Minister of State for Finance (Mr. Cosgrove) that the usual reference to Hon. Members of the House is by constituency or function.

Mr. Siddon: Thank you, Mr. Speaker. I did not name the specific gentleman referred to by the former Minister, but I did not name Robert Campeau, principals of the Power Corporation and a number of other real estate companies in this country which have done fairly well because of their relationship with certain individuals in the Government. However, that is not my point. The point I am making is that if properties are owned by the federal Government, and they are deemed to be required for public purposes, then it makes no sense to allow the Government to dispose of those properties on a lease-back basis to some people when there is no absolute and clear-cut provision that such disposition should be done through the normal public process of tendering or auction. This legislation makes it quite clear, if these amendments are accepted, that properties required for public purposes may be disposed of, not necessarily at auction or by public tender but, rather, when authorized by the Governor in Council, without regard for public posting. Perhaps we are striking a few sore spots here tonight, but it makes one wonder why the Government would want to introduce important amendments to the Public Works Act and the Public Land Grants Act which would essentially strip Canadians of all the privileges and rights of private ownership and property. Second, it would leave the door wide open to corruption, abuse and favouritism if properties which were acquired or have always been retained by the Government because they were deemed to be in the public interest were then handed over to some friends so that they could build some nice, big Government buildings, lease the offices back for 99 years, and earn a pretty substantial profit over all those years because those friends happen to have the right connections. I say that it is shameful.

I submit that the Government must bring in amendments and restore a sense of decency, that it must get on with respecting the expropriation processes that are presently established, and that its land agents must not coerce people to

sell their properties while these agents are entrusted with carrying out the evaluations of those properties. Certainly, we must not pass a piece of legislation which would allow a land agent to say to a private citizen, "Well, do not worry about the Government expropriating your property because we do not have to do this any more".

I think it is important that the Bill be rejected, and that Hon. Members of this House do something of a constructive nature by way of amendments to ensure that the Government is allowed to develop on property it does not own only with the expressed permission of the owner, and that would solve many of the problems.

Mr. Maurice Harquail (Restigouche): Mr. Speaker, as I rise to participate in the debate on second reading of Bill C-91, I would first like to make a brief reference to a remark of the Hon. Member who last spoke, one to which I took exception. I can certainly also state for the record that I disagree with about 99.9 per cent of what he had to say. I was disturbed when he made reference to the late Arthur Laing. I did not think that that was very becoming or that it enhanced the procedures followed by the House. We often talk about not naming people who are not present in the House to defend themselves, but when someone raises the name of a former member of the Cabinet who is deceased, I find that is just a little bit low.

I do not want to go much further in my own remarks this evening without making a brief reference to the loss of a very dear colleague. The House adjourned for his funeral this afternoon, which I attended. He was a very special individual, and was the dean of the House. Certainly, his actions and his way of going about his daily life provided an example for all of us to follow. I say this on behalf of Hon. Members on all sides of the House. That is all I will say on this subject word because the eulogies were most eloquent and adequate. I did not feel it would be proper for me to make a speech today, which is a special day, his day, without making some reference to this great Canadian.

As I look at the changes made by the Bill and examin closely its raison d'être, I am fully convinced that those changes, however minor, are important to the well-being of the relationship between the Department of Public Works, other levels of Government and the private sector. That well-being will, of course, benefit the population and country as a whole. The complexities of present-day realty operations are such that every economy of management, every flexibility in operations and every element which leads to understanding and co-operation also leads to savings of time and money. At the same time, they lead to a product which is consistent with the environment of the area in question.

The amendments which are being debated, while minor in nature, are major in erasing any ambiguity from the Act which will hinder the Department of Public Works from reaching a proper potential in dealing with other agencies and the private sector. Public Works has had more than a century of experience in many fields of responsible endeavour. This is very apparent in the Atlantic Provinces. When one considers the results of federal initiatives, federal co-operation with other levels of Government and federal co-operation with the private sector, it becomes very evident.

The vast scope of the work being carried out in the Atlantic Provinces is brought home when the projects are examined more closely. Dredging of harbours, construction of federal buildings and post offices, renovation or renewal of heritage and older buildings and construction of security institutions all have a tremendous impact on the region, both economically and in the creation of physical assets. This is certainly true in my own riding in northern New Brunswick where we have deep water ports and have need of this flexibility I was mentioning earlier in moving these projects forward, not only because of the necessity for these projects, but also, indeed, because of the much-needed employment opportunities which they create.

Co-operation with other agencies and other levels of Government is highly visible in my own home Province of New Brunswick. Their successes bear out my contention that the amendment to Section 9 of the Public Works Act should be supported. This amendment, of course, gives clear authority to the Department of Public Works to contribute to work on non-federal property for the over-all benefit of the community. It has always been implied that the Department has authority to make such contributions to achieve worth-while objectives. As an example, I use the building of a seawall, a retainer wall in Saint John, New Brunswick. This city is one of the oldest in our great country and, as in many of our older cities, the core had become run down and was in very poor condition. Planning was carried out for the revitalization of this area which would contain a marketplace, a hotel, a trade and industrial centre, a regional library, retail space and a very large parking structuring centre. Canada Mortgage and Housing Corporation acted as the chief agent of the federal Government for this project. Public Works acted as the technical adviser to CMHC and other Government Departments and agencies involved.

• (2050)

Much of the success of the plan hinged on the construction of this seawall which would prevent further decay and erosion of the seafront and thus make viable the whole project. Part of the land upon which the wall was to be built was the property of the National Harbours Board. Another part was owned by the city of Saint John. Major elements of the wall were to be built on land which was acquired and cleared over the past decade by a federal-provincial-municipal partnership. This was a prime example of what can be achieved by this type of co-operation.

Here we have three levels of Government working in harmony toward a common goal. This was done, and the city of Saint John was paid a grant by Public Works. The city became the construction agent for the project. Public Works' participation in this highly successful project provided 300 person-years of employment in an area that desperately needed this help and work. Public Works portion of the cost was $5.4 million, with

the total cost, excluding that grant, being $64 million. The federal share was listed in the Supplementary Estimates as contributions to a capital project.

Another valuable project that falls into the same category was in the northern area of New Brunswick in the City of Bathurst, where the federal Government, through Public Works, constructed a building for the Department of Employment and Immigration. Construction of this building was carried out over a period of three years and was completed at a cost of $25 million, and was a great benefit to the area that falls within that northern sector. I was quite pleased to see the success of this project as it provides a tremendous job opportunity to many of the citizens residing in my constituency of Restigouche.

The town planners felt that it would be of great value to the citizens of the area as well as to the merchants if a covered access could be built which would link the federal building located on the adjacent street to the main business thoroughfare and to a shopping mall. In an excellent example of Public Works dealing with another level of Government and the private sector, the planning for the covered walkway was completed.

A grant of $300,000 was made to the city, and the city became the prime contractor. The shopping mall developer assumed responsibility for another $75,000 of the cost. I submit that this is another example of the need to make more explicit the manner in which Public Works can deal with "properties not belonging to Canada."

We have heard today several speakers who have dealt with the realty function of lease/purchase and the clarification of Section 39 of the Public Works Act and Section 4(1A) of the Public Lands Grants Act which would enable Public Works to carry out this modern method of providing accommodation.

One of the facets of contemporary realty life is a technique called lease/purchase. We have heard several examples of the use of this highly regarded realty tool, but I would like to go over a few of the points once again and then give an example of its usage.

Lease/purchase in the care of Public Works is a method whereby the Crown grants a piece of land or realty to a developer on a long term lease basis. The developer, at the same time, undertakes to provide a finished building on the site which would be leased back to the Crown at a tendered yearly rent. At the end of the lease the land and building revert to the Crown.

In a period of capital restraint it is a particularly attractive method of supplying needed accommodation. Not only is it attractive from the financial point of view in that the capital costs become the responsibility of the developer, but there are many other spin-offs that are worth repeating.

It guarantees a building suitable to the needs of the tenant. At the same time it guarantees a tenant to the developer. As the developer is in the private sector, it enhances the relationship between the public and private sector; an interchange that is much to be desired. It enables the private sector to take part in large-scale, long-term projects, adding to its initiatives for further developing. At a time when the federal Government may not engage capital funds, it creates and maintains employment in the areas where these forms of projects are undertaken. This tends to stabilize and to add to the local and regional economy. I can vouch once again that that is true in the projects that I have referred to with respect to the Province of New Brunswick.

It gives confidence in a society to see Government and the private citizen working together. This form of business arrangment also gives private individuals value for their tax-dollars. I believe that is most important—value for tax-dollars.

I would like to refer to an example of this form of melding and fusing of the Government's accommodation goals and the private sector's production. One example that is very good is that of the Hon. Daniel J. MacDonald Building in Charlottetown, Prince Edward Island.

This building is to be the headquarters of the Department of Veterans Affairs. It will accommodate not only the Department's headquarters, but the War Veterans Allowance Board, The Canadian Pension Commission, The Bureau of Pension Advocates and the Pension Review Board.

This building is of the utmost importance to Prince Edward Island as a major element of the Island's construction program and will accommodate all the important jobs that will be created there at the same time. The building is one of a very limited number of projects of such magnitude in that Province in the foreseeable future. Once again, in reference to my remarks at the beginning of my speech, we would want also to remind the House of our very good friend and colleague, the former minister of veterans affairs, the Hon. Daniel J. MacDonald. Everyone has agreed to the naming of that building in his memory.

When it was decided to build this headquarters, different methods of supplying accommodation were considered. After a great deal of very close and in-depth study the lease purchase method was deemed best for all concerned, that is, Public Works, Veterans Affairs, local and regional residents, so as to bring the building on line in the shortest time, at the best price. It was then decided that Public Works would build the foundation and the superstructure and would lease this part of the construction to a developer, who would in turn complete the building; and who would then be responsible for the management and administration of the building. The superstructure has now been completed by a construction company from the region.

The building will be seen and recognized as the federal presence in Charlottetown. This recognition will be visually expressed by an integration into its surroundings which will give the feeling of belonging to the community and being a part of it. There was the challenge of fitting a building of about 15,000 square metres on a restricted site, while ensuring that it appeared to belong there. The building could not dominate nor be dominated by adjacent and neighbouring buildings. One facet was to be a memorial in concept, while the other facet was to be commercial. The building design reflects these concerns, and it will appear comfortable in its

setting and consistent with the existing but contrasting environment.

• (2100)

I am extremely proud of the way in which the project is being carried out. With all of that, it also allows the Government to occupy the building at a reasonable price and to maintain the federal presence. It is an excellent example of building Canada together.

What Public Works has done to this date is to provide from 100 to 150 person-years of employment, while the second phase, costing approximately $14 million, will create another 400 plus person-years of employment. I am quite safe in saying that every Canadian supports and applauds this type of job-creation effort.

I foresee many projects such as this one in Charlottetown being brought onstream or, perhaps I should say, being made possible by this form of business arrangement. These are some of the direct, positive benefits that will accrue from the amendments in Bill C-91.

From the examples I have given, it is easy to see why I favour the amendment as presented in Bill C-91. I firmly believe that the phrase "not required for public purpose" has become a hindrance in the light of contemporary business practices and should be removed from the two Acts mentioned in the Bill.

I am certain that the amendments reflect the new dimensions and fiscal realities and challenges of our modern-day business world. Real estate development, and indeed the whole realty field, is dynamic, and I believe wholeheartedly that, in the interest of proper accommodation planning, Public Works will benefit by these changes.

Under its present Act, Public Works has accomplished a great deal and added immeasurably to the well-being of our country. No one can dispute that fact. It is appreciated that, given proper direction and authority by the changes in the Act as outlined in today's Bill, the Department will also be able to contribute greatly to the socio-economic development of our country at all levels.

In conclusion, I want to acknowledge the work of the former minister of public works, who is in the Chamber this evening. I also want to take this opportunity, as it is my first such opportunity in public, to congratulate my colleague from my Province, the present Minister of Public Works (Mr. LeBlanc). I wish him well and I wish him great success in the responsibilities he has both as Minister of Public Works and Minister responsible for Canada Housing and Mortgage Corporation.

In light of all that I have said, I would call upon all Members to give their approval to the amendments in Bill C-91.

Mr. Girve Fretz (Erie): Mr. Speaker, I rise tonight to discuss the proposed amendments to the Public Works Act and to the Public Lands Grants Act. The main thrust of my remarks will deal with the increasing encroachment into the private sector by the long and hungry arm of Government, and with the continuing efforts of the few to take power from the many.

Bill C-91, when viewed critically, is just another Canagrex, another National Energy Program, even another War Measures Act. In other words, there are clauses in this Bill which give Government powers it should not have. It is also evident from the amendments this Bill proposes that once again the elected representatives of this country are losing their grip on the reins of power. Let me expand on these points.

The Minister opened his remarks on May 21 of this year by stating that the amendments which he proposes are simply housekeeping measures and that they relate more to parliamentary procedures than to the actual policies and practices of the Department.

What the former Minister has openly admitted then, and it has been duly recorded in the pages of *Hansard* for the eyes of posterity, is that his Department has been indulging in practices for which there has been no legislative authority, and that he has been putting the cart before the horse, for who knows how long. Bill C-91, as we in the Opposition have suspected, is just putting into writing what is already happening out in the field. I condemn such a practice. I resent being told that measures which we are debating in this House are already implemented and that we are acting as little tin soldiers applying our rubber stamps to the policies of the Public Works Department.

This is just another blatant example of the continuing decline of Parliament in recent times. It is evident to all but the most insensitive among us that the power of Parliament has been usurped and denigrated by the Liberal Government. Not only is the major decision-making no longer in the hands of those who have been chosen by the people, but our role has been reduced to yes men, or should I say yes Members who are gathered together to pronounce the benediction on pieces of legislation which are sneaked in the back door, sheepishly asking for permission to do things which are already being done.

When the Minister states publicly that the amendments "provide a general authority in a statutory way for departmental procedures which have been in use by the Department from time to time over recent years", I feel a little chill run down my spine.

What measures has the Department of Public Works been taking in respect of which he now guiltily admits he has no statutory authority? That documentation somehow has not found its way on to my desk. Perhaps the Minister should explain to this House how these procedures were carried out. When he says in *Hansard* of May 21 that "they were formerly executed under the authority of individual vote word changes as each case arose", I want to know what these cases were and how they were dealt with.

I allude now to the first amendment of Bill C-91 which will permit the Department of Public Works to perform work for other Government agencies, including those which have

statutory management of their own properties. I could see this as being a logical change to bring about in current legislation were it evident that Public Works was an efficient and tightly run organization, capable of managing in an acceptable way the property of others. However, in the light of current statistics related to the administration of the Department of Public Works, it would appear that they are barely able to take care of their own show let alone tell others how to run theirs.

Take, for example, the cost overrun at Place du Portage. The four phases of the Place du Portage office complex in Hull were estimated in the early 1970s to cost $124.5 million. By the time of completion, in March 1979, the costs had risen to $217.5 million, or 75 per cent over the original budget. I take it the Minister wants to transfer this efficiency to Canada Post Corporation. At this rate, if Public Works manages the real estate belonging to Canada Post, a stamp will cost $2 by 1990.

In a memo circulated on October 21, 1982, the Public Works Commission stated several urgent reasons for the immediate passage of Bill C-91. I am glad that the Government considers the amendments to the Public Works Act to be an urgent issue. With unimportant problems such as unemployment and a dragging economy lurking in the background, it is crucial that we draft legislation allowing Public Works to manage the affairs of the Post Office. Although I was being intentionally facetious in the last statement, I am very serious when I state to our Prime Minister (Mr. Trudeau) that he needs to get his priorities straight. We have a country which is confronted with major problems. This winter there may have to be soup kitchens opening in the major cities just to keep men from starving. Mortgages are being foreclosed. Old age pensioners are barely making ends meet and are being told by the Minister of Health and Welfare (Miss Bégin) that this Government just cannot afford to pay them an extra $25 a month. And the party in power is about to give carte blanche to the Public Works Commission, with its undeniably extravagant administrative philosophy, to manage the real estate of the Post Office and other such enterprises.

• (2110)

I sympathize deeply with Canada Post, which, as mentioned in the memo of October 21, is currently fully occupied with upgrading postal delivery. I have no argument with Canada Post endeavouring to improve its delivery record, but to say that it is "fully occupied" at improving its efficiency borders on the ridiculous. Ask the man on the street about that. Most ridiculous of all, however, is to make such a statement as grounds for allowing Public Works to continue its empire building.

Quoting from the same memo I mentioned previously, Canada Post—:

—is currently fully occupied with upgrading postal delivery, and it would place a major burden on it to assume the management of its 2,000 buildings and 800 leases at this time. Moreover, this would be totally unnecessary since Public Works, as the long-time manager of these properties, already has in place realty management capability and organization.

We in the Opposition question the validity of any statement insinuating that there exists "management capability and organization" in Public Works, given the abysmal track record of that Department. Perhaps if they continue to manage the Canada Post real estate, they will rent out some post offices at $4,000 a month so they can recupe some of the money which is currently being squandered on that apartment in Vancouver for the Commissioner General of Transpo '86.

The second amendment contained in Bill C-91 will permit the Department to perform work on all properties adjacent to properties which are the subject of attention by the Department and other ministries of the Government of Canada. This, of course, is with the due approval of the Governor in Council. I would like to make two comments on this amendment: first, the terms of this Clause are too general. What does the word "work" mean? Does it mean bulldozing houses, building fences, stripping topsoil, constructing unwanted buildings? I think it is just an expression meaning, "we'll come in and do what we please with your property in order to facilitate access to Government land, and this could include paving your fields and building an overpass beside your barn." There is an old fashioned word, "expropriation" which seems to sum up the philosophy of this amendment.

Secondly, if the approval for such measures need only come from the Governor in Council, then we are simply nailing another spike in the coffin of parliamentary democracy and its notions of accountability to the people. Implementing the policies mentioned in these amendments will surely involve expenditures of gigantic sums of money, if past activities of the Department are any harbinger of future spending sprees.

The point I want to emphasize is that the Department of Public Works must be held accountable to Parliament for every dime it spends. I regret to state to this House that even now this is no longer the case. Taxpayers' dollars are not now being spent with due regard to the labour involved in earning them. It is always mildly amusing, although somewhat disheartening as well, to watch the internal revenue service pursue the tax evader to the ends of the earth while the Public Works Department and its army of free-spending bureaucrats continue to shell out huge sums of money to dubious causes.

We rarely stop to consider the great sacrifices made by the Canadian citizen to provide the money which is so gleefully squandered by this Government. Are we, the elected Members of this Parliament, going to stand by and consent to the passing of yet another Bill which will permit the spending of money and the approval of projects without our express permission? Effective control of the public purse is passing from the many to the few. Parliamentary control over the executive was once the pride and joy of this country. We are passing from a representative democracy to an unrepentant oligarchy.

Despite the recommendations of the Lambert Report, the Auditor General's Report, the 1977 Standing Committee Report on Procedure and Organization, as well as our own proposals which were tabled by the Hon. Member for Nepean-Carleton (Mr. Baker) in the Thirty-first Parliament when we formed the Government, we are seeing yet another blatant example of Liberal Government insensitivity to the true wishes and aspirations of the Canadian people. They are callously

disregarding the wishes of the elected officials of this country and turning decisions affecting hundreds of millions of dollars into the hands of hidden bureaucrats who will have no qualms about employing these funds for whatever misbegotten projects please them. In the meantime we continue to have tours of the House of Commons with the guide telling legions of students, "Here, major decisions affecting the lives of millions of Canadians are made every day." Hogwash! Those decisions which are vital and which hit us in the pocketbook are being made in the Liberal Caucus boardrooms. The intent of this Bill is to continue in that same noble tradition.

I would like to comment briefly on the third amendment involved in Bill C-91 which permits the Department to dispose of property which may still be required for public purposes under a lease-purchase arrangement. I have two major concerns about this change in policy. Perhaps I should not say "change in policy" because we are all fully aware that this practice is common already and we are here today to give our retroactive consent. However, I object to the blanket authority which is granted in C-91 to sell any lands. Who decides which lands should be sold? Who decides at what price, and to whom? Although chances are slim, perhaps we will be selling the Parliament Buildings to the Russians and renting them back at the rate of 2,000 rubles per month. The fact remains that Parliament must have some control over such sales and we are losing it by giving assent to this Bill.

The second drawback to lease-purchase arrangements is that they involved a linking of hands of Government and big business. The minister recognizes this fact and is demonstrably proud of it. I quote from *Hansard* of May 21, 1982 at page 17696 which reads:

> Also important is the fact that lease-purchase is a means by which the Department can harness the skills of the strongest real estate development firms in the country—Canadian firms, Mr. Speaker. They are recognized internationally as the best in the business, and we need them to assist us with part, but an important part, of the evolving program of accommodation plans by Public Works.

I would not use the words "political payoff", but is there any special reason why these real estate companies are prospering so well? Consider the enormous potential for profit making which lies within the lease-purchase arrangement. Yes, I fully believe that leasebacks are building up the private sector, as the Minister continually emphasizes, and some are laughing all the way to the bank as Government space is leased out at ridiculously low prices.

One major publication in this city is leasing office space from Government at $4 a square foot in an area where the average rental is $12 per square foot. On the other side of the coin, the Government is leasing from the private sector and paying incredible rents for stylish offices which really are not required. Take, for example, the Canada Manpower Centre located in L'Esplanade Laurier. That is probably the classiest area in this city. Is there any need for this unwarranted expenditure? Surely there is no such need when people are walking into my office, as one man did last week, who are so hungry that they turn to their Member of Parliament for a meal. Yet this Government is seeking the passage of a Bill which signifies further entrenchment of policies which lead to profit-making at the expense of the electorate.

• (2120)

In conclusion, Mr. Speaker, I applaud the intent of Bill C-91, which ostensibly is to increase efficiency and expedite proceedings which are normally hampered by the red tape involved in having routine procedures approved by Parliament. If there were a way to do this without losing accountability to the people, then my colleagues and I could hardly object. However, as I see it—and I believe the above arguments substantiate to a satisfactory degree my sentiments—Bill C-91 is, in a sense, an attempt to pull the wool over the eyes of this House and the people of Canada. We cannot give consent to a Bill which provides the Government with powers beyond its constitutional mandate. We cannot permit vaguely worded amendments which can be interpreted in many ways by clever lawyers to make what is wrong seem right. As the Opposition it is our duty to protect the average citizen from legislation which could affect his property rights, and, even more importantly, could take away his right to determine where public moneys are spent. There has to be more accountability in this Government, not less. And I assure you that the trend in Bill C-91 is certainly not toward "more".

As the Right Hon. John Diefenbaker once said, "I have always been a House of Commons man". I appeal to Members of this House to be House of Commons men and Members, and keep the power of this Government under control by adamantly opposing the threatening policies of this Bill.

Some Hon. Members: Hear, hear!

Mr. Gordon Taylor (Bow River): Mr. Speaker, tonight I want to deal with the concern of the average citizen of this country, the men and women who are having a difficult time being heard, men and women who believe in a democracy in which government should reflect the thinking of the people. How frustrated these people are becoming.

There are two extreme forms of Government, if you want to call them extreme. One is democracy, which endeavours to reflect the thinking of the people. The other is when the Government thinks it knows all, has omnipotent wisdom and tells the citizen what is good for him. More and more we are getting away from the Government to which any citizen may appeal, make representations and feel that his voice is heard. Tonight I want to give some definite illustrations of what I am trying to say.

The first clause of this Bill defines properties as belonging to Canada or properties not belonging to Canada. That covers just about everything. Then it says:

> Notwithstanding anything in this Act or in any other Act, any public work may be sold or leased, under the authority of the Governor in Council, and the proceeds of such sale or lease shall be accounted for as public moneys—

You see, some things are good. When things are sold I think they should be accounted for. But then it says any public work may be sold or leased, and that is something that concerns me.

Then there is a semi colon and it is modified to some degree. It says:

—but such public work shall be sold or leased by tender or at auction after public advertisement—

That is splendid. If we are going to sell something, it should be done by tender and after the people have been advised by public advertisement. It should not be suddenly thrust upon the people. Again, that something that is good. Then there is another modification:

—unless—

I felt good until I saw the word "unless". It says:

—unless it is otherwise authorized by the Governor in Council.

In other words, the Governor-in-Council can sell it without public auction, without public tender and without public advertising. Surely the Minister does not agree with that type of thing. In other words, the Governor in Council has dictatorial powers; any land can be sold, public or private. The Government can deal with any public works under any Act in the Statutes of Canada, and it can do so without public tender, advertisement, and even without public knowledge. I wonder what we are coming to. That concerns me, Mr. Speaker, and I am sure the Minister must be concerned with the generality of that kind of power. That is not appropriate with a Government which should reflect the thinking of the people whatever the stripe of the Government.

I want now to deal with a specific instance which I think is relevant, although it actually comes under the National Parks Act. However, Bill C-91 deals with any other act. Before doing so, I want to refer to an excellent document which the Government issued on December 20, 1973, a guide to the federal environmental assessment and review process. I commend the Government for this brochure which explains Canada's environmental assessment and review process for federal projects. The document says:

The Process is based on a Cabinet decision of December 20, 1973, that directs federal departments and agencies to assess the environmental effects of projects they initiate or sponsor.

Let me emphasize that. It does not request, it does not ask; it directs federal departments and agencies to assess the environmental effects of projects they initiate or sponsor. It goes on:

The Environmental Assessment Panel was established on April 1, 1974, in response to this Cabinet decision, to act as a formal reviewing agency for those federal projects considered by the initiating departments to have potentially significant environmental impacts. One of the Panel's prime responsibilities is to advise the Minister of Fisheries and the Environment on the acceptability of such projects.

In other words, this initiating process must be done before any decision is made. That fits right in with democracy. It considers the recommendations and thinking of the people down at the grass roots, the citizen who thinks that his voice can be heard. This document gives him some hope. Then I go on to the first page, a brief history, and I read one sentence:

The federal Cabinet in June 1972, accepted a departmental proposal that all new projects initiated by the federal Government be screened for this purpose, and directed that those requiring further assessment be referred to the Department of the Environment.

• (2130)

That is a splendid thing, Mr. Speaker, but let us see what is happening now. About the middle of November the Minister of the Environment (Mr. Roberts) issued a permit to a company called Meteor Developments Ltd. I will not deal with the principals of that Company although that may come up later. A permit was issued to the Company to build an apartment building for staff in an excellent park within the town site of Banff, near Marmot and Cougar Streets. The park was started about 1970 when the Minister of Energy, Mines and Resources (Mr. Chrétien) was Minister of Indian Affairs and Northern Development. Excellent housing was built around that area and about 4.2 acres was kept as a park. Much to the delight of the people concerned, the Department started to improve the park. In a letter dated June 4, 1971, the Minister wrote to the President of the Banff Advisory Council as follows:

The design of the attached housing units will be co-ordinated within the overall scheme for the area and any modification to the original design will be controlled. Thus, I assure you that the design stipulations for the individual residential lots will not be unduly affected by any possible revisions to the design for the attached housing units.

People were assured that if they spent several thousands of dollars building a home, they would always enjoy the area and nothing would be done that was not in conformity with the environment. I commend the Minister for taking that stand.

For ten years the Department developed the park, providing benches and building bridges over streams. Animals were welcomed and one summer there was a bull moose in the area. There are deer there today so it is a beautiful place. People from all over Canada enjoyed walking over the foot bridges and looking at the trees, some that are 100 years old.

Then in the middle of November the Minister of the Environment issued a permit to Meteor to build an apartment for staff in the park. I have nothing against that because we need staff accommodation in Banff, Mr. Speaker, but not in the middle of a park. I do not know how many letters I have sent to the Minister advising him of a situation that already existed at the co-operative Mountain View Estates. Staff housing was built close to single family dwellings and there has been nothing but trouble ever since.

The single men and women in the staff housing are young and they play loud music all hours of the day and night. The families want to sleep at night. They want to enjoy a quiet atmosphere rather than the noise of a rousing party. The police are called to the area three or four times a week to try to quell the chaos. The single people and the families each have their rights. I do not deny the younger people their right to have fun and loud music but it should not interfere with families with little babies and growing boys and girls.

In spite of this example in Banff, the Minister has issued a permit to build an apartment building for staff in the middle of this park. That has been done without an environmental study. I wrote to the Minister complaining that there had been no environmental study and no impact study. How can a permit

be issued for a building in a national park without an environmental study being done? If the Department of the Environment is not going to protect our national parks, who is? There are towns and villages all across the nation where the people would love to have parks. They are spending their money on such projects, yet here is a town site with a park already within its boundaries, and an apartment building is being erected in it.

In spite of the guideline that that people must be advised and that there must be public tender for such a contract, the Minister issued the permit without public tender and without the benefit of an environmental study.

There is a stream in the park that runs open all winter long. This project will interfere with the natural flow of that water and the result may well be that the homes will have their basements flooded. I spent a number of years involved with the construction of highways, Mr. Speaker, and early in the game I learned to beware of changing natural streams, because such an action can affect the water supply.

One assessment has indicated that the project would involve increased traffic flow to the site which could result in traffic congestion, and that the alteration of Whiskey Creek by channel realignment, filling or dredging, would have an adverse effect on residents and visitors viewing the watercourse and the walking trails. It pointed out that alterations could very well interfere with the natural flow of that water. That is a very serious thing. It went on to suggest that the construction impact on the watercourse could be significant. Of course, if everything was done properly and nothing went wrong, things could turn out all right. But the whole project should be studied and we should not take a chance on flooding basements, Mr. Speaker. Yet the Minister has proposed to do the very things that should not be done. It said that the matter would be referred to a Panel.

In 1977 there was a proposal to appoint outsiders to the Panel, and more than 1,200 people sent letters and cards to the Minister about the project. There was no call for public tender. The people claimed they had no advance notice of it. This amounts to the destruction of a beautiful park that should be there 100 years from now for the enjoyment of the people of Canada. An apartment of all things should not be put in a beautiful park.

• (2140)

I have asked the Minister to put a hold on this project until the water problem has been studied. But the Minister has said no because Department lawyers have told him he does not have the authority. I question that, and I have advised the Minister. I had the authority over the building of highways for 20 years in Alberta. Earlier on we made a mistake. A contract was issued that was not in the public interest. When I went to the site and saw that a highway was being built on an inadequate base, I said to the Deputy Minister that we could not go on with it. I told him it was ridiculous and it was a waste of public money. I told him to tell the contractor that we were cancelling the contract. The Deputy Minister said he did not think we could do that. I said to him, "Do it."

Some Hon. Members: Hear, hear!

Mr. Taylor: I told the Deputy Minister to tell the contractor that this was using public money, and to come to Peace River to talk about it. The contractor flew to Peace River. I told the contractor that we could not put an expensive coating of blacktop on top of an inadequate base. He said to me "I know we can't. I do not like the contract. We do not like building roads that way and I am glad you have cancelled the contract." We put the project out again for tender and we had a proper contract that looked after the base. I say to Hon. Members "Don't tell me a Minister does not have the authority to cancel a contract." If a Minister has the authority to issue a permit, he has the authority to cancel a permit.

The Public Works people in Banff informed me—and the Minister asked me who it was, but I am not telling him—that they would stop the work if the Minister sent a wire asking them to do that and the RCMP would enforce it. The Minister has refused to do that.

I like the part of this Bill that says these things have to be done by public tender. I do not like the part which gives the Minister authority regarding any public works in Canada. Any public works, Government or otherwise, encompasses a vast host of things and I will not begin to enumerate them. I like the part that states that any public works will have to be contracted, sold or leased by tender or at auction after public advertisement. But I do not like the way the Banff Park project was carried on.

I have appealed to the Prime Minister, and I appeal to all Ministers and all Members of this House to realize that it would be criminal if we permit that park to be destroyed. Already a number of trees that took 100 years to grow have been cut down. This situation can still be remedied if this project is topped now.

Let the Government show its intentions by stopping that work. There are other places in Banff where apartment buildings can be constructed. Let us not destroy our park.

I want to deal now with expropriation. This Bill alarms me in this regard. I know a little bit about expropriation from experience. Most governments, municipal and provincial, endeavour to compensate when they have to take land, from a farmer or from an owner of land, because that action interferes with an individual's rights. In the provincial Government we always went to the person to try to get an agreement. Occasionally we had to expropriate land. But when we had to expropriate land there were certain procedures we had to follow by law. I was one of the people who had something to do with putting the procedures in place. Even though it slowed us up, it gave the individual who owned the land some rights.

Some Hon. Members: Hear, hear!

Mr. Taylor: That is what we have to recognize in this country. Rights are being taken away from individuals. People have come to me about the expropriation of land. The individual does not have a say. I have appealed to the Minister of Finance (Mr. Lalonde) and to the Minister of National

Revenue (Mr. Bussières) about these things. They expect sympathy, but they have not been prepared to do what I think they should.

For instance, if I own a farm and the Department of Highways or the municipality wants the area, perhaps a 20-foot strip belonging to me, they have the authority to take it if certain procedures are followed. If they expropriate the land, that means the owner is an unwilling seller. That happens in such a case? The owner has to pay capital gains on the expropriated land. First, he is an unwilling seller. Second, capital gains are applied against him. That is completely wrong. If capital gains have to be imposed, let the authority doing the expropriation pay those capital gains. It will make the authorities stop and think about whether the expropriation is really necessary. Capital gains should not be imposed upon the poor land owner who is losing his land; having to pay gains on something he did not want to sell. That is common sense, and I think every Minister over there would agree if they looked at the situation.

Mr. Thacker: But they don't understand over there.

Mr. Taylor: In some cases whole farms are expropriated. The law says if the farm land is replaced somewhere else, no capital gain is involved. When a man and a woman has spent, 50, 40 or 30 years building a farm, they cannot always replace it somewhere else. People get to an age when they do not want to start all over again, homesteading and working from the beginning. Many do not have the strength to start all over again.

What happens when expropriation procedures take place? The Government tells the owners how much they will get for the land. Then these people are stuck for the tax on capital gains. But these people were unwilling sellers. They wanted to spend their lives on their land. I ask Hon. Members of this House why they cannot put themselves in other people's moccasins and realize how they feel when the roots are pulled from under them, having to pay capital gains which amounts to a big chunk of the money received? This Bill will encourage this type of thing and I do not like that at all. Surely, we cannot permit it to continue.

We pride ourselves in the ownership of land. We say that a man's home is his castle. We say that nobody has the right to come into someone's home unless he gets a warrant, and that nobody has the right to trespass on someone's land. We put value on our property, but a federal body, the Canadian Transport Commission, is forgetting about that. It is not abiding by the rules set out by the Cabinet in 1933 and amended in 1977. This is an excellent document.

I want to cite just one case reported in the Calgary *Herald*. The article was written by the agricultural reporter, and I am sure the Minister of Agriculture (Mr. Whelan) knows him. He is an excellent agricultural reporter. His name is John Schmidt. He wrote this in the Calgary *Herald*:

—CTC was asked by CP Rail to authorize construction of an 18-kilometre branch line from Elk Island on the Willingdon subdivision to the Fort Saskatchewan petrochemical-industrial basin.

The CTC allowed the railway to bisect the farm of Wilfred Naundorf of Fort Saskatchewan. Mr. Schmidt's article continued:

Despite the fact the project will cost nearly $20 million, the CTC accepted the argument by CP's stable of three lawyers that an alternate route suggested by Naundorf to bypass his arable land would impoverish the railway.

In other words, the CTC ruled in favour of the railway in spite of the fact that there was an alternate route. The owner of the land said he was not trying to stop the railway. He wanted to see the proposed line or lines aligned on the eastern side of his property, which was not quite so arable, running alongside a property owned by Shell Canada Limited. The CTC said no. This land owner not only faces interference with his farming operations, but this line will gobble up 10 per cent of his arable land. Trains would soon be travelling within 100 yards of his house. The CP Rail lawyers argued that it would require three times as much land for the railway route as it would to bisect his land. I say: so what? I say that does not matter if we value the ownership of land in this country.

• (2150)

I have talked with many provincial Ministers of Highways in this country. I remember discussing a case with the late Jack Douglas, who was not of my political affiliation but who was nevertheless an excellent member of the CCF Government. He recognized the rights of individuals, and I respected him for that. It was the opposite situation in this case. This man said that there was an alternate route, but the CTC said no. What did the LC lawyers say? They said that the landowner can take this case to court by hiring a lawyer at $100 an hour and proceeding to ask for compensation under the Railway Act. How can an individual fight the Government railway?

The CTC indicated that it will put the railway through his arable land, in spite of the fact that there is an alternate route. They said that the line will be built in the public interest.

I asked the Minister of the Environment (Mr. Roberts) why a public tender was not called for on this land in Banff? He indicated to me in a letter that normally these things are done by public tender but that in this case he had the authority under the Act, in the national interest or in the interests of the park, to do it by ministerial order. He might have the authority, but I question the morality of his actions.

With respect to acting in the public interest, the situation in Banff does not take into account public interest, nationally, locally or municipally. Just ask the hundreds of citizens there who are so concerned about this matter that they parked their cars around the area in order to save the trees. But what happened? The workers walked in with chainsaws this morning and started to saw down 100-year old trees. It makes your heart bleed to see this happen.

I believe it is time to reconsider what is done in the public interest. What happened in the case I just mentioned was not really in the public interest at all. This farmer would be plowed under in the public interest and his food-producing ability

would be diminished in the public interest. Surely public interest takes into account the individual as well as the national, provincial or municipal interest.

Let me proceed with this example to show how sad this situation really is. The entire petro-chemical industrial complex at Fort Saskatchewan is served by the Canadian National Railways. They already have a rail line there. It is not necessary for CP Rail to put a line into the area, in the opinion of a CN witness. It was brought out in evidence by J. B. Bromley, Vice-President of CP Rail for the Pacific Region, that CP had tried to renegotiate running rights over the CN line to Fort Saskatchewan from Edmonton in return for giving CN running rights over CP Rail to the Carseland petro-chemical basin from Calgary. But CN apparently said no.

The CTC could very well have said to CN and CP that those two corporations should get together and arrange to use those lines which already exist. That would be the sensible thing to do. I am familiar with the area. Those lines are only used a quarter of the time, but nevertheless a farmer's land is going to be used instead of those lines which already exist. The CTC was not so kind when the town of Canmore wanted an industrial site for future development and therefore wanted to retain the railway that was already there. The CTC denied that request because it did not have the industrial site in place, even though it had set aside the land for it. So it ordered the abandonment of the railway. However, in this case the CTC has no reservation about going headlong over the rights of an individual when there is an alternative route in existence.

While this Bill does have some good measures, there are some very poor ones in it as well. This is what concerns me.

If the Government wants to show the people that it wants to take positive steps through this Bill, it will show its good will by ordering that the project in Banff be stopped immediately.

Mr. Peterson: Nonsense!

Mr. Taylor: The Hon. Member for Willowdale (Mr. Peterson) shakes his head. I am ashamed to see him shake his head. He wants to ruin a park. He does not care about the people there. His first concern should be the will of those people.

There are several other examples that I could cite, but I will conclude by saying that giving the Government the authority to take anyone's land, either publicly or privately owned, through an Order in Council without the benefit of public tender or advertising is going too far. It smacks of totalitarianism. We want democracy in this country, not totalitarianism.

Mr. Blaine A. Thacker (Lethbridge-Foothills): Mr. Speaker, here we are again with another Bill before the House during the debate of which the Liberal majority will sit quietly and then stand up when called upon to vote to pass it through the House. It is another Bill which will be oppressive to ordinary Canadians across the land who are trying to earn their living and pay their fair share of taxes. In order to do that they must have access to capital, land and property. That majority will deny that access, and the NDP will stand up with them again because this is another Bill that concentrates too much power in too few hands. That is what this debate is really about.

How many jobs will this legislation create? It will not create one, but it will continue to concentrate too much power in too few hands.

This simple Bill, which consists of two or three sections, does have some good provisions in the sense that it gives the Government the power to lease out land and then sell it or lease it back. However, this is accomplished by Order in Council. This just adds to the approximate 3,600 Orders in Council which are passed by the Government each year, as compared to the less than 600 in the United Kingdom which has twice our population. This makes it evident that we are really powerless here. The reason that we have no power is that successive numbers of backbenchers on the other side, aided and abetted by the NDP to our left, have continued to concentrate that power and intend to continue doing so. They will continue to do this until Canadians realize what is happening, as they are now realizing. Canadians are becoming aware that this continuing wave of socialism and concentration of power has not made the individual any richer but has continued to be a drain on their purse.

The latest example of this is Petro-Canada. When all the oil companies in the country, even the dummies, were making money and paying taxes hand over first, Petro-Canada was not. We all have had to pay $2 billion in capital so far, as well as paying a tax of four cents a litre. This money was to cover the purchase of Petro-Canada. But are they worth-while assets? No, they are secondhand service stations of no value and almost all of them are on the wrong corner of the street. This will continue. It is happening as a result of a group of Liberal backbenchers not standing up to their Cabinet and saying they will not permit this to go any further.

I see it is ten o'clock, Mr. Speaker.

The Acting Speaker (Mr. Corbin): Order. It being 10 o'clock p.m. this House stands adjourned until two o'clock tomorrow pursuant to Standing Order 2(1).

HOUSE OF COMMONS

Tuesday, November 23, 1982

The House met at 2 p.m.

• (1405)

MOTIONS UNDER S.O. 43

[*English*]

CORPORATE AFFAIRS

GOVERNMENT POLICY ON PROVISION OF GRANTS

Mr. Stan Darling (Parry Sound-Muskoka): Madam Speaker, I rise under the provisions of Standing Order 43. It is said that a man is known by the company he keeps. I think the same is true of Governments. Canadians want desperately to think of themselves as winners. We need to, if we are to alter the public psychology which has been created by the economic policies of this Government. In view of this, a glance at the list of "winners" upon whom this Government has been bestowing our money is revealing—Chrysler, Dome, Maislin, Massey-Ferguson, and the list goes on. Indeed, the only contact that this Government has with the real winners in our corporate society is either to drive them out of the country or to sell them party memberships. Therefore, I wish to move, seconded by the Hon. Member for Prince Edward-Hastings (Mr. Ellis):

That the Prime Minister and the Government reverse its thinking and attempt to reward success rather than failure as has been the case up to the present time.

Madam Speaker: Is there unanimous consent for this motion?

Some Hon. Members: Agreed.

Some Hon. Members: No.

* * *

TRANSPORT

LICENSING REGULATIONS AFFECTING INTERPROVINCIAL BUS SERVICES

Mr. Mel Gass (Malpeque): Madam Speaker, a regulation was recently introduced by the Ontario Transport Board requiring that all bus charters obtain a licence to drive through Ontario. Legan Bus Lines, a motor coach company from Edmonton, Alberta, has had its licence application blocked by Greyhound Lines of Calgary, thereby forcing them to travel through the U.S.A. on their way to the Maritime Provinces. The additional cost in travelling through the States could adversely affect the future of this tour. I therefore move, seconded by the Hon. Member for Fundy-Royal (Mr. Corbett):

That the Minister of Transport intervene in this matter in order to protect the interests of Legan Bus Lines and also the tourism industry in the Maritime Provinces.

Madam Speaker: Is there unanimous consent for this motion?

Some Hon. Members: Agreed.

Some Hon. Members: No.

* * *

INDIAN AFFAIRS

SCHOOL CONDITIONS ON ALBERTA RESERVE

Mr. Jim Manly (Cowichan-Malahat-The Islands): Madam Speaker, at the primary school on the Blackfoot Reserve near Gleichen, Alberta, children are crowded into classrooms in the school's basement, kitchen, and the principal's office. There are problems with lighting, heating and sanitation, and the fire marshal has expressed his concern. For years the Department of Indian Affairs and Northern Development has known of the need for more classroom space. I therefore move, seconded by the Hon. Member for Prince Albert (Mr. Hovdebo):

That this House condemn the Government for its indifference to the educational needs of Indian children and instruct the Minister for Indian Affairs and Northern Development to ensure that portable classrooms are in operation by December 1 of this year, and to provide funds to start construction of new classrooms by next spring.

Madam Speaker: Is there unanimous consent for this motion?

Some Hon. Members: Agreed.

Some Hon. Members: No.

* * *

[*Translation*]

AWARDS AND DECORATIONS

REQUEST THAT MADAME ANNE HÉBERT BE CONGRATULATED ON RECEIVING THE PRIX FEMINA

Mr. Marcel Prud'homme (Saint-Denis): Madam Speaker, I wish to rise under the provisions of Standing Order 43. Previously, the Prix Femina was awarded to Gabrielle Roy, born in Manitoba, and the Prix Goncourt to Antonine Maillet, born in New Brunswick, and today, I move, and I am honoured to do

so, seconded by the Hon. Member for Joliette (Mr. La Salle), the Hon. Member for Hamilton Mountain (Mr. Deans) and my colleague from Ottawa-Vanier (Mr. Gauthier):

That the House extend its warmest congratulations to Anne Hébert, born in Sainte-Catherine de Fossambault, who has just been awarded the Prix Femina for her outstanding novel "Les Fous de Bassan".

Madam Speaker: I am sure the House would like to express its appreciation by applauding this achievement.

Some Hon. Members: Hear, hear!

* * *

[*English*]

ENERGY

OIL DISCOVERY AT RUMSEY, ALTA.

Mr. Arnold Malone (Crowfoot): Madam Speaker, Gulf Oil has made a very significant oil discovery at the community of Rumsey in east central Alberta where, reportedly, there is a production potential of many thousands of barrels of oil per day, and speculation has it that the potential of the oilfield discovered is as large as that of the Pembina Oilfield. Since this new supply of pumped oil should reduce our dependency on imported oil, I move, seconded by the Hon. Member for Vegreville (Mr. Mazankowski) and the Hon. Member for Prince Albert (Mr. Hovdebo):

That this House commend the fact that this new oilfield has been discovered, and further commend the Government of Canada for the infrastructure that is presently in place and encourage that these facilities be retained in place so that the communities can prosper and new industries can be developed to their potential and to the advantage of all Canadians.

Madam Speaker: Is there unanimous consent for this motion?

Some Hon. Members: Agreed.

Some Hon. Members: No.

* * *

INDUSTRY

INTERRUPTION OF SYDNEY STEEL BUSINESS PLAN

Hon. Elmer M. MacKay (Central Nova): Madam Speaker, the interruption of the Sydney Steel Business Plan, to which the Government agreed, and which the Secretary of State for External Affairs (Mr. MacEachen) solemnly signed, has affected not only the steel industry in our region but also coal miners in Cape Breton and the viability of the Hawker-Siddeley plant in Trenton, Nova Scotia. Therefore I move, seconded by the Hon. Member for Kindersley-Lloydminster (Mr. McKnight):

That the Minister of Industry, Trade and Commerce, on motions, explain why, despite success in maintaining employment, adjusting to lower volumes and producing a high quality product in this time of economic recession, he is discriminating against Sydney Steel, when hundreds of millions of dollars are being distributed to industries in Central Canada, and also to reconcile the public confrontation he had with his colleague, the Hon. Member for Cape Breton-The Sydneys in Nova Scotia this past weekend over this issue, and finally to inform the House whether reports that Algoma Steel, which may be put on the auction block by its owner, CP Limited, is a factor in his decision. Is the welfare of Sydney, Nova Scotia, to be sacrificed to protect Algoma, its only Canadian competitor in making steel rails?

Madam Speaker: Is there unanimous consent for this motion?

Some Hon. Members: Agreed.

Some Hon. Members: No.

* * *

LABOUR CONDITIONS

LEVEL OF WAGES PAID TO CANADIAN WORKERS

Mr. Lyle S. Kristiansen (Kootenay West): Madam Speaker, I rise under the provisions of Standing Order 43 on a matter of pressing and honest public importance. The Citibank of New York recently released a study on international wage comparisons showing that Canadian workers have received lower wage increases over the last decade than nine of the ten countries surveyed, namely, Belgium, Britain, Denmark, France, West Germany, Italy, Japan, the Netherlands, and Sweden, and further showing that Canadians have fallen from being the second highest to the second lowest paid amongst major industrial economies in that period. I therefore move, seconded by the Hon. Member for Beaches (Mr. Young):

• (1410)

That this House recognize that Canadian wage earners are not the cause of our current inflationary spiral.

Madam Speaker: Is there unanimous consent for this motion?

Some Hon. Members: Agreed.

Some Hon. Members: No.

* * *

EXTERNAL AID

SUGGESTED SUSPENSION OF AID TO TANZANIA

Mr. Benno Friesen (Surrey-White Rock-North Delta): Madam Speaker, in view of the fact that, on Saturday, Tanzania banned visits by Canadian journalists following a television documentary on that country's severe economic and development problems, thus suggesting that Tanzania does not want any independent scrutiny of Canada's $25 million annual aid program to that country; and in view of the fact that this ban was imposed against the wishes of both CIDA and Canada's Department of External Affairs, and despite the fact that the journalist in question had already been issued a valid visitor's permit, I move, seconded by the Hon. Member for Peace River (Mr. Cooper):

That, because Canadian Government sources already believe that Tanzania fears further criticism might jeopardize already controversial aid projects, this Government suspend all foreign aid until such time as Tanzania is prepared to revoke its decision.

Madam Speaker: Is there unanimous consent for this motion?

Some Hon. Members: Agreed.

Some Hon. Members: No.

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PENSIONS

DEMAND FOR WITHDRAWAL OF BILLS C-131 AND C-133

Mr. Neil Young (Beaches): Madam Speaker, I rise under the provisions of Standing Order 43. In view of the opposition from all sides of the House, and Canadians generally, to the Government's attack on retirement incomes for Canada's elderly during 1983 and 1984 under its six and five per cent program, I move, seconded by the Hon. Member for Winnipeg North Centre (Mr. Knowles):

That this House demands that the Government withdraw Bill C-131 and Bill C-133 from the Order Paper immediately.

Madam Speaker: Is there unanimous consent for this motion?

Some Hon. Members: Agreed.

Some Hon. Members: No.

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GOVERNMENT EXPENDITURES

CALL FOR REDUCTION OF WASTE

Mr. Joe Reid (St. Catharines): Madam Speaker, this Liberal Government is moving in a heavy-handed way to penalize Canada's senior citizens by imposing on them a cutback in the indexing of their old age security. The Minister of National Health and Welfare, rather than taking up the fight on behalf of those pensioners, has bluntly told them that they must "lead the fight in the battle against inflation." Given this punitive action against the very people who have contributed so greatly to the building of this great nation of ours, I therefore move, seconded by the Hon. Member for Kingston and the Islands (Miss MacDonald):

That the Minister of National Health and Welfare demand of her colleagues that they lead the fight against inflation by reducing waste and unnecessary duplication in their respective Departments rather than unjustly laying this burden on the shoulders of Canada's elderly.

Madam Speaker: Is there unanimous consent for this motion?

Some Hon. Members: Agreed.

Some Hon. Members: No.

MEDICAL CARE

GOVERNMENT PROPOSALS TO PROVINCES

Mr. Bill Blaikie (Winnipeg-Birds Hill): Madam Speaker, in view of the fact that the Minister of National Health and Welfare recently told me in the House of Commons that she only intends to inform and involve Members of Parliament in formation of the new Canada Health Act after negotiations with the Provinces have been, in her words, "finalized", and in view of the fact that the President of the Canadian Medical Association is going around the country making certain claims about a so-called draft, and trying to exploit constitutional tensions instead of arguing from a medical standpoint, I move, seconded by the Hon. Member for Saskatoon East (Mr. Ogle):

That the Minister of National Health and Welfare table whatever proposals she has made to the Provinces so that Members of Parliament who care about Medicare can respond to the hysteria of the CMA in a more informed and less speculative way than is now possible, and also so that MP's who care about Medicare can make sure that the Minister's proposals represent a strengthening of Medicare and not a capitulation to Conservative provincial Governments.

Madam Speaker: Is there unanimous consent for this motion?

Some Hon. Members: Agreed.

Some Hon. Members: No.

ORAL QUESTION PERIOD

[*English*]

EXTERNAL AFFAIRS

CULTURAL AND SCIENTIFIC CONTACTS WITH SOVIET UNION—GOVERNMENT POSITION

Hon. John C. Crosbie (St. John's West): My question, Madam Speaker, is for the Prime Minister. Canada has just had a high-level delegation at Moscow conducting negotiations that we are told are aimed at resuming cultural and scientific contacts that began under the Friendship Treaty of the Prime Minister with the U.S.S.R. in 1971. These exchanges were halted after the Afghanistan invasion in December 1979. We are told that the Government hopes to have a full range of exchanges with the Soviet Union before the end of 1983.

• (1415)

Has the Government made it a condition, as it should, that before Canada agrees to any improvement in its relations with the U.S.S.R., first the U.S.S.R. has to observe the Helsinki Accord, permit emigration to those who wish to emigrate, and treat properly people such as Mr. Shcharansky who are now suffering from inhumane imprisonment? Is it also a condition that the Soviet authorities withdraw their armed forces from Afghanistan and, finally, that they should encourage Poland to revoke martial law and release those who are now in prison for

supporting Solidarity? Are these conditions for any improvement in relations on our part?

Right Hon. P. E. Trudeau (Prime Minister): Madam Speaker, I am not aware of the detailed mandate given to the high-level committee that went to Moscow. I cannot say if all or some of these conditions are included in its negotiating mandate.

INSTRUCTIONS TO DELEGATION

Hon. John C. Crosbie (St. John's West): Madam Speaker, the Prime Minister is the head of the Government and some seem to think the fount of its wisdom, such as it is. Is the Prime Minister telling the House that he did not instruct or have his Secretary of State for External Affairs instruct this high-level delegation that the three conditions I mentioned, and I will not repeat them, are essential to be met by the U.S.S.R. before we can resume a warmer relationship with them? Did he not inform them of that.

Does he know that the Deputy Minister of Foreign Affairs who headed the delegation is reported as having said in this morning's testimony that, "essentially there have been no visible signs of change in the Soviet attitudes in any of those three matters"? That being the case, will the Prime Minister inform the House whether we are going to proceed with this opening toward greater exchanges and the like, if there are no visible signs of any change in their position?

Right Hon. P. E. Trudeau (Prime Minister): Madam Speaker, if the Hon. Member is asking me whether I have seen the detailed mandate given to the delegation, the answer is I have not. As to the success or otherwise of the meeting that was held between officials in Moscow, I have no report on that. I imagine I will receive one as soon as the delegation returns.

Mr. Crosbie: Madam Speaker, surely the delegation did not proceed to the U.S.S.R. without instructions from the Prime Minister's Government as to what they were to seek to achieve, and what Canadian conditions are before we can have an improved relationship with the U.S.S.R.? Surely the Prime Minister cannot expect us to accept that?

PRIME MINISTER'S STATEMENT IN MUNICH

Hon. John C. Crosbie (St. John's West): Madam Speaker, my supplementary question to the Prime Minister is this. According to the Deputy Minister we had no prior consultation with the United States or our NATO allies in this matter, nor did the Soviets initiate this rapprochement. In Munich, on his recent trip, the Prime Minister said that because of the death of Mr. Brezhnev it was a good chance, and I quote the Prime Minister, "to try and turn a new leaf with the Soviet Union". Why is the Prime Minister suggesting that we, and not the Soviet Union, should turn a new leaf? Is it the fault of the West that they invaded Afghanistan, that the Polish martial law tragedy has occurred, or that there are human rights violations in Russia? Why should we be turning the new leaf and not the U.S.S.R.?

Right Hon. P. E. Trudeau (Prime Minister): Madam Speaker, the Hon. Member misunderstood my previous answer. I did not say that the committee had no mandate. I said that I had not given it any specific mandate. I had not seen that mandate before it left. Obviously I discussed the matter with the Minister in general terms. The Secretary of State for External Affairs is at this moment chairing a ministerial meeting of the GATT in Geneva. I am sure he could answer these questions. I am telling the Hon. Member that I was not involved in the specifying of that particular mandate.

As to consultation with our allies, there probably has been some. I do not know. I do know that our allies do not consult us every time they want to make even the slightest gesture. I know there is a constant stream of American businessmen going to Moscow. There is a constant stream of Congressional and Senatorial delegations in Moscow, and they have not consulted me on that. I just want to make it clear that Canada should not be the only country that does not have any kind of relations with the Soviet Union. When something like 150 United States businessmen are in Moscow this week to do business, I do not think Canadians should forever renounce the possibility of having commercial transactions for the benefit of Canada in that country.

• (1420)

Mr. Crosbie: This was a high-level delegation of the Government of Canada, not of Canadian businessmen who are quite free to go to the U.S.S.R. just as are American businessmen. This was a Government delegation trying an apparent new initiative in the East-West over-all relationship.

RESPONSIBILITY FOR INITIATIVE

Hon. John C. Crosbie (St. John's West): Will the Prime Minister deal with the question of who should turn the new leaf? Is it our responsibility to turn a new leaf with respect to the Soviet Union, or is it their responsibility, in view of their actions in Afghanistan, in Poland, with Mr. Shcharansky, with émigrés, with all of the other brutal, tyrannical acts they have been practising for the last several years? On whom is the onus to improve this relationship?

Some Hon. Members: Hear, hear!

Right Hon. P. E. Trudeau (Prime Minister): Madam Speaker, I think the Soviet Union should turn a new leaf.

TANZANIA—ENTRY DENIED TO CANADIAN JOURNALIST

Mr. Donald W. Munro (Esquimalt-Saanich): Madam Speaker, my question is also directed to the Right Hon. Prime Minister. I hope that he will not plead ignorance of this matter as he has pleaded ignorance of the instructions to the delegation to the Soviet Union. I refer to the incident in Tanzania, one of Canada's favourite recipients of aid, some $300 million

worth over the last 20 years. I am wondering whether the Prime Minister has been made aware of the refusal of Tanzania to accept a Canadian correspondent who was accompanying a CIDA official, to visit CIDA projects, and if he is aware, what action has he taken about it?

Right Hon. P. E. Trudeau (Prime Minister): No, Madam Speaker, I was not aware. If I had been, I do not think I would have taken any action.

NECESSITY FOR INFORMATION ON CIDA OPERATIONS

Mr. Donald W. Munro (Esquimalt-Saanich): I should have thought the Prime Minister would have been anxious to make sure that his friend, Julius Nyerere—I see he is passing the question on to someone else, Madam Speaker.

Some Hon. Members: Ask your question.

Mr. Munro (Esquimalt-Saanich): I would have thought that the Prime Minister would have been anxious to intervene, if only to keep in the eyes of Canada the good name of his friend, Julius Nyerere, and Tanzania, so they would lift this ban against Canadian newspapermen and so that Canada might know what does go on with CIDA's operations in Tanzania.

[*Translation*]

Hon. Charles Lapointe (Minister of State (External Relations)): Mr. Speaker, we are aware that Mr. Travers was unable to obtain permission to enter Tanzania with CIDA officers when the latest experts meeting on Canadian aid for Tanzania was held. We intend to express our disapproval and regret in this respect to the Tanzanian authorities. In most cases where we have aid programs, they must be reassessed regularly to consider any problems that may arise, and that is why a meeting of experts is being held in Tanzania to examine all aspects of our aid program in that country.

* * *

[*English*]

NUCLEAR ARMAMENTS

UNITED STATES DECISION TO DEPLOY MX MISSILES

Hon. Edward Broadbent (Oshawa): Madam Speaker, my question is for the Prime Minister. Last week he stressed the importance of what he said was the need for "curbing the arms race and affecting disarmament". Many military experts as well as politicians in the United States, as well as Members of this House who issued a report on the subject, contend that there exists rough parity in nuclear strength between the two great super powers. Considering that yesterday President Reagan took a significant and dangerous step toward escalating the armaments race in the nuclear field by the deployment of 100 MX missiles, will the Prime Minister take the opportunity to support his expression of concern by concrete action in attempting to persuade President Reagan to reverse this potentially very dangerous decision?

[*Translation*]

Hon. Charles Lapointe (Minister of State (External Relations)): Madam Speaker, in President Reagan's statement to all Americans last night, there were some encouraging signs when, for instance, he mentioned a wide range of cases where advance notice would be given of nuclear tests and all governments with nuclear arms would be notified of potential accidents and also of how the missiles would be deployed. So these are encouraging signs if we want to achieve a balanced reduction of nuclear arms throughout the world, and that is something Canada hopes will happen as soon as possible. As far as deploying the missiles is concerned, the Hon. Leader of the New Democratic Party is aware that President Reagan has decided to concentrate these new intercontinental ballistic missiles in a location where antinuclear missiles already exist, and I believe the matter will be brought before Congress, although the plan would not become operational before the end of 1985 or 1986, and then only if Congress gives its approval.

• (1425)

[*English*]

REQUEST THAT PRIME MINISTER ACT ON ISSUE

Hon. Edward Broadbent (Oshawa): Madam Speaker, my question is for the Prime Minister and I hope he will have respect for the House to answer it.

The Prime Minister goes around the world portraying himself as a man committed to disarmament and peace. I think his understanding is, if he would declare it openly to the House, that we now have a concrete example of one superpower significantly escalating the nuclear arms race.

Some Hon. Members: Russia.

Mr. Broadbent: I would like the Prime Minister to state on behalf of his Government that he will take public action opposing such action by the United States, just as he would—I say to my Conservative friends on the right—oppose the Soviet Union if they did the same thing?

Some Hon. Members: Oh, oh!

Mr. Crosbie: He would not oppose.

[*Translation*]

Hon. Charles Lapointe (Minister of State (External Relations)): Madam Speaker, I think that as far as the question of nuclear parity between the super powers is concerned, since we ourselves have no nuclear arms on our territory and have always supported negotiations aimed at a mutual and balanced reduction of nuclear arms, perhaps the Hon. Member's sources have informed him that nuclear parity has now been achieved. President Reagan has other sources of information, as he showed last night on television, if the Hon. Member was watching. The Hon. Member is asking us to make a value judgment which we are not ready to give at this time.

[*English*]

Mr. Broadbent: Madam Speaker, a former U.S. Secretary of Defense; George F. Kennen, a former senior U.S. diplomatic official; Senator Kennedy, as well as over 200 members of the U.S. House of Representatives take the same position that this party does, namely, that there is already in existence rough nuclear parity, and anyone who wants to show leadership in the world should be trying to de-escalate, not escalate, the arms race.

Some Hon. Members: Hear, hear!

REQUEST THAT PRIME MINISTER MAKE STATEMENT

Hon. Edward Broadbent (Oshawa): Madam Speaker, in that context I would like to ask the Prime Minister, since more than 20 municipalities in the Province of British Columbia have followed other municipal voters all across the country by voting in excess of 75 per cent in favour of calling for Canadian leadership in the disarmament movement, will the Prime Minister—I repeat for the third time—take this occasion, and not rely on another minister, to follow up on public statements he has made outside this House calling for disarmament, by getting out front here in the House of Commons and saying he will appeal directly to President Reagan to reverse this important decision?

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

Mr. Crosbie: The shrinking violet comes to his feet.

Mr. Trudeau: Not for you, my friend.

Mr. Crosbie: Do it for the people instead.

Mr. Trudeau: Yes. Well, if you let me talk, maybe the people will hear my answer.

Mr. Crosbie: Well, answer the question.

Mr. Trudeau: Madam Speaker, I think the Hon. Leader of the New Democratic Party is expressing a valid concern, one which has been expressed by this Party and by myself repeatedly. I have made speeches to the United Nations at the Special Session on Disarmament to that effect; I have made speeches in the United States and other forums. I want him to know that the Government has spoken in NATO as a member fo that Alliance and in favour of the two tracks; first, to make sure that there was reasonable parity on both sides and, second, to make sure that both sides were earnestly engaged in de-escalation or in reduction of nuclear arms. That has been the position of the Government, and it remains our position. That is the message I conveyed to the leaders in Moscow last week, and that is the message I have conveyed to our American friends when I have had occasion to raise the point.

• (1430)

Mr. Broadbent: What about this occasion?

Mr. Trudeau: The Hon. Member is referring to a speech made last night. I have not seen that speech. It seemed to me that the Minister responsible for External Affairs was very conversant with the speech that had been made, and he dealt with the questions. I preferred to let a man who knew what the President said deal with the subject. That is why I asked him to answer, not in any way because our policy is one of which we are ashamed. On the contrary, I think the position of the Canadian Government has been one of leadership.

The Hon. Member quotes these various American politicians and, indeed, some of the referenda. Basically I think when they talk of "freeze" they really mean that they want a de-escalation by both sides. They are not saying that automatically, today, the Soviet Union or the United States should stop building arms. They say they want both sides to negotiate seriously toward a reduction of those arms. That is their position, and that is also our position.

* * *

NATIONAL PARKS

BANFF LAND EXCHANGE—REQUEST THAT HOUSING PERMIT BE CANCELLED

Mr. Gordon Taylor (Bow River): Madam Speaker, my question is for the Minister of the Environment. How does the Minister justify swapping a beautiful park in Banff valued at $1,368,000, on which Judd Buchanan, a former Liberal Minister, wants to build an apartment building, for four residential lots located in the Cave and Basin residential area, with a maximum total value of $600,000 or lower, without public tender, without an environmental or impact study, thereby denying public input until about the time the permit was issued? Will the Minister, even at this late date, cancel the permit so that people can save what is left of this beautiful park?

Hon. John Roberts (Minister of the Environment): Madam Speaker, a variety of subjects are contained in the Hon. Member's question and I shall try to reply to all of them. He may wish to ask a supplementary question if I pass over one of them.

Several of the facts cited by the Hon. Member are not accurate. An environmental assessment of the proposal was made. Tender arrangements were not suitable for this particular situation because the proposal being made was for an exchange of terrain that was already in possession of the group concerned. The initiative for this exchange came from Parks Canada officials because they believed the original proposal on the site then considered would carry with it more difficulties and drawbacks from the point of view of Parks Canada and of the people of Banff, than the exchange which was suggested.

Mr. Taylor: Madam Speaker, as the development officer said when he resigned yesterday, the deal smells to high Heaven. The Minister's words do not make it smell any sweeter.

REQUEST FOR MINISTER'S RESIGNATION

Mr. Gordon Taylor (Bow River): Madam Speaker, my supplementary question is for the Right Hon. Prime Minister. Given that the Minister ignored and did not follow the environmental assessment and review process set out by Cabinet, and given that the negotiations between Judd Buchanan, the former Liberal Cabinet Minister, and company, and the Minister and Parks Canada were kept secret for two years until a leak brought the matter to the attention of the people, and then a permit was issued within three weeks, when it usually takes three months, and given that the departmental officer, a man with 35 years experience, resigned yesterday because he could not be part of the destruction of a beautiful park and could not stomach the Liberal patronage, and for several other reasons, will the Prime Minister ask the Minister of the Environment for his resignation? Otherwise he is going to be a lame duck Minister.

Hon. John Roberts (Minister of the Environment): Madam Speaker, the same answer is appropriate to the second question of the Hon. Member as to the first. The allegations he makes are not, in fact, true. The proper environmental processes were followed. There has been consultation with the public as far back as 1972—

Mr. Taylor: They came out on November 16.

Mr. Roberts: —and again in 1980. The environmental review was completed in 1981. The allegations which the Hon. Member makes are unfounded. He says such things as there is a smell surrounding the affair. If he has some concrete allegations to make about any impropriety, let him do so. There is no impropriety in this situation.

REQUEST FOR REFERRAL TO PARLIAMENTARY COMMITTEE

Hon. Erik Nielsen (Yukon): Madam Speaker, I have a supplementary question for the Prime Minister. In view of the involvement of a former Member of the Government and the apparent precipitous haste with which these arrangements were made to turn over valuable Government property to what appears to be a rather favoured company, Meteor Developments Ltd., in which Mr. Buchanan holds a significant interest, and in view of the fact that the Prime Minister is custodian of conflict of interest guidelines and the adherence to those guidelines by Ministers and former Ministers, would he cause this matter to be referred to an appropriate committee of this House as quickly as possible, in order that there might be a complete, thorough, and truthful examination of all the facts surrounding this transaction with Meteor Developments Ltd.?

Right Hon. P. E. Trudeau (Prime Minister): Madam Speaker, I am surprised at the Hon. Member for Yukon. He does not usually have to read his questions. He can generally ask them without referring to a prepared text. If that had been the case now, he would have been able to listen to the answers given by the Minister and then he would not have had to read the question. If there is nothing irregular, why should we set up a committee?

REPRESENTATIONS MADE BY BANFF RESIDENTS—OFFICIALS' STATEMENTS

Hon. John A. Fraser (Vancouver South): Madam Speaker, I have a question for the Minister of the Environment. Press reports indicate that the Minister received 1,200 letters or representations from the population of Banff, which numbers in total under 4,000. I should like to ask the Minister if he received those representations and, if so, why he did not act on them, given the fact that for some time now, as he knows, there have been constant requests and demands by residents of the Banff townsite for an increasing share in self-government.

The other question I would put to the Minister—in view of the resignation yesterday of a senior official and in view of the conflicting statements by officials, including the park superintendent—is just who is running Parks Canada?

Hon. John Roberts (Minister of the Environment): Madam Speaker, I think there are at least three different questions there. In answer to the first question, I would tell the Hon. Member that there was public consultation about the zoning of this property as far back as 1972. At that time the public was consulted and there was no indication of any objection to the zoning which took place at that time.

Mr. Taylor: Tell the whole story.

Mr. Roberts: In 1980 the public of the area was again consulted about the zoning of that particular property and, once again, there was no objection to the zoning.

Mr. Taylor: Tell the whole story.

Mr. Roberts: Subsequent to that, the Chamber of Commerce in the area sent telegrams supporting the proposal to the Government.

There has been a flow of a variety of coupons—I do not know the exact number, but certainly a large number—which have expressed concern about this transaction on environmental grounds. I have already indicated in past answers to the House that there was an environmental review which found that there was no significant environmental detriment from the project.

The Hon. Member's second question concerns the self-government status of Banff as a park site. I can inform him that in that regard, in conjunction with the Province of Alberta, I was prepared to put to the residents of the area the question of whether they wished to have Banff incorporated as an appropriate townsite under the municipal legislation of Alberta. The decision of the committee of the town which considered that suggestion was that it did not wish to proceed with the matter as a referendum to the people of the area.

I am afraid by the time I reached the end of the second answer, I forgot what the Hon. Member's third question was. I will respond, if he asks it again.

Oral Questions

AUTHORITY FOR ACTION—OFFICIAL'S RESIGNATION

Hon. John A. Fraser (Vancouver South): Madam Speaker, perhaps I can help the Minister. My last question was, who is running Parks Canada, and perhaps the Minister will answer that in a moment.

In view of the fact that 1,200 people objected recently, as I understand it, how can the Minister say that because there was no objection to this a decade ago, somehow or other it is all right? People suddenly realized what was going to happen. In view of all the development that has taken place over the last ten years, why did the Minister just go ahead and do this? Surely, when there is such a significant amount of opposition, the Minister has the responsibility to consult with his officials and, if necessary, go to the site and discuss the matter with the people concerned?

My last question ties in with the others. How does the Minister explain one of his officials being so dismayed at what has gone on that he has resigned, making very vituperative comments about the way the whole thing was done?

I come back to the last question again; just who is running the situation?

• (1440)

Hon. John Roberts (Minister of the Environment): Madam Speaker, perhaps the Hon. Member did not hear clearly or fully the response I gave earlier, that is, that not only was there consultation which took place ten years ago in 1972, but again the population of the area was consulted in 1980 over the zoning of that spot. Thus it is not a consultation which simply took place ten years ago. There has been consultation at a much more recent date than that.

Again I refer the Hon. Member to the telegram which we received indicating the support of the Chamber of Commerce for the proposal. The point the hon. gentleman raised about the resignation of an official is one which I am afraid I cannot answer because I am not aware of his resignation, nor am I aware, as the Hon. Member seems to be, of a statement which was made at that time. Of course I will look into it now that he has drawn it to my attention.

The answer to his third question is still as it was when he was minister, that the Minister responsible for Parks Canada is the Minister of the Environment.

* * *

FOREIGN INVESTMENT REVIEW AGENCY

STUDY OF TORONTO APARTMENT SALES DEAL

Mr. Ian Deans (Hamilton Mountain): Madam Speaker, my question is directed to the Minister of Industry, Trade and Commerce. Last week the Minister indicated that he would take whatever steps he could to determine the real owners in the recent apartment building transaction which occurred in Metropolitan Toronto, and that he would, if possible, have FIRA review it to determine whether there was any aspect of it that would yield significant benefit to Canada. It has now become apparent that this is not the only transaction being undertaken by foreign purchasers of apartment buildings across the country. Has the Minister conducted his review? Will he have FIRA review, it and, if so, when will the review begin?

Hon. Ed Lumley (Minister of Industry, Trade and Commerce and Minister of Regional Economic Expansion): Madam Speaker, my officials talked to the solicitors of the various parties involved in the transactions last week. There is another meeting which will be held tomorrow. At the present time the case is still under study by the Agency.

Mr. Deans: We all know the Minister's reluctance to support FIRA in the first place, shared incidentally by the Conservatives.

AGENCY'S MANDATE

Mr. Ian Deans (Hamilton Mountain): Madam Speaker, I am curious to know what is it that takes so long. What is it that requires a week and a half of study to determine, first, whether or not there indeed are foreign investors taking over apartment buildings in Canada and thereby forcing higher rents on Canadians? Second, is it within FIRA's mandate to investigate it and, if so, why has it not started?

Hon. Ed Lumley (Minister of Industry, Trade and Commerce and Minister of Regional Economic Expansion): Madam Speaker, with respect to the premise of the Hon. Member's question, on the contrary, I fully support FIRA. Despite the fact that I am one who supports the free enterprise system and one who supports that "profit" is not a dirty word, if the transactions as alleged in this case are indeed correct, I think the free market system is substantially undermined by transactions of this nature. However, the fact of the matter is that with respect to this case, it has not yet been decided as to whether it is reviewable under FIRA. We must abide by the law.

Mr. Deans: What is taking so long?

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COMMUNICATIONS

BELL CANADA TELEPHONE INSTALLATION CHARGES

Miss Aideen Nicholson (Trinity): Madam Speaker, my question is directed to the Minister of Communications. It concerns Bell Canada's proposed credit-screening system under which new subscribers may be required to pay substantial amounts to Bell Canada before having telephones installed. In view of the fact that this proposal will primarily affect lower income Canadians, including families with young children, single parents, and senior citizens for whom the telephone is a very vital communications link, would the Minister tell the House whether he has had any discussion

with Bell Canada regarding modifications to the proposal which, in its present form, will deny telephone service to those who need it most?

Hon. Francis Fox (Minister of Communications): Madam Speaker, I thank the Hon. Member for giving me notice of her question earlier today. Indeed I would be very pleased to raise the matter with Bell Canada. However, I would point out that there is a problem which the company must face, in that in the last year some 180,000 residential customers were disconnected for non-payment, and some 7,700 of these disconnections were permanent. Be that as it may, I will raise the issue with the management of Bell Canada in view of the very real importance of the question raised by the Hon. Member.

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[*Translation*]

AIR TRANSPORT

INQUIRY WHETHER QUEBEC LIBERALS SUPPORT MINISTER'S DECISION ON QUEBECAIR

Hon. Roch La Salle (Joliette): Madam Speaker, my question is directed to the Minister of Transport. Considering his decision regarding Quebecair, I would like to recall, Madam Speaker, that the Minister's attitude and proposal have aroused the consternation if not the disgust of thousands of Quebecers. Considering the fact that the Minister has achieved one goal, which is to kill Quebecair, could the minister inform us whether he has the unanimous support of the Liberal Members from Quebec for a decision that has put an end to Quebecair's activities? I would also like to ask the minister whether he is proud of the dirty work he accomplished yesterday.

Hon. Jean-Luc Pepin (Minister of Transport): Madam Speaker, I am very surprised at my hon. friend's consternation. In fact, this is not at all the impression I received this morning, especially from the press. If we really wanted to kill Quebecair, we are certainly going about it in a very clumsy way, by asking Air Canada to help reorganize that airline. Therefore, I think that my hon. friend is merely stating his own personal opinion.

INQUIRY WHY GOVERNMENT DID NOT ENSURE VIABILITY OF QUEBECAIR

Hon. Roch La Salle (Joliette): Madam Speaker, since during the past year alone, this government has helped various companies that were in financial difficulty, and since the minister, even in his new proposal, mentioned that he wants to rationalize air services, I would like to know why the minister has not offered Quebecair enough routes to ensure its profitability and viability? In the circumstances, I have the impression that the minister has no wish to ensure Quebecair's survival and is making a proposal which is my view is obscene, Madam Speaker.

Hon. Jean-Luc Pepin (Minister of Transport): Madam Speaker, I could not care less what the Hon. Member's impressions are of this proposal. As for reorganizing routes, if the Hon. Member would read the text I released to the press yesterday, he would see that it is an essential element of our present proposal. At my press conference I also said that Air Canada's routes were the first to be open to negotiation. If that is not a way to help Quebecair achieve its objectives, I wonder what is.

Mr. La Salle: What about Quebecair 1? What is the difference?

Mr. Pepin: Madam Speaker, well, what about Quebecair 1? One of the issues that is probably troubling my hon. friend is that yesterday, I refused, on behalf of the government, to take up all the commitments, debts and contracts Quebecair had made in the past. Why we did that? If we had not, thereby taking on the entire past history of Quebecair, we would have sabotaged any chance of success we might have. That is why we have refused to take over Quebecair's debts.

Madam Speaker, we are really trying to do a good job here. In general, reactions from the Quebec side are favourable. There are further details, and I am willing to discuss these if the Hon. Member is prepared to ask me some specific questions.

[*English*]

FUTURE OF NORDAIR

Mr. Geoff Scott (Hamilton-Wentworth): Madam Speaker, my question is directed to the Minister of Transport. Will he now tell the House what the future holds for Nordair? What is the status of the Minister's desire to merge Nordair with Quebecair, or will he now do it under the aegis of Air Canada?

Hon. Jean-Luc Pepin (Minister of Transport): Madam Speaker, the big project that we had in mind, the merger of Nordair and Quebecair, involved the presence of Air Canada. The reason for this is not simply the liking I have for the company or the fact that I am responsible to the House for it. Most people realize that Air Canada has an important role to play in the rationalization of air transportation in the central part of the country. Most people accept that, and this is why I have always thought that Air Canada should play the role of catalyst. What is the future of Nordair following the announcement I made yesterday? There is no change with respect to Nordair; it will continue as it is now.

Mr. Scott (Hamilton-Wentworth): Madam Speaker, I think that answer will be interpreted to mean that a merger between Nordair and Quebecair will be taking place. This is one of the underlying worries on the part of Nordair employees which is contributing to the length of the Nordair strike.

• (1450)

LABOUR CONDITIONS

DURATION OF NORDAIR STRIKE—GOVERNMENT POSITION

Mr. Geoff Scott (Hamilton-Wentworth): Madam Speaker, my supplementary question is directed to the Minister of Labour. How much longer does the Government intend to let the Nordair strike drag on? Will those airplanes be back in the skies on the East-West passenger routes before Christmas, or could the strike drag on until next April or May, as I have heard speculated?

Hon. Chas. L. Caccia (Minister of Labour): Madam Speaker, this strike, which of course is of great concern to the Government, could be ended in a very short period of time if both parties were willing to sit at the bargaining table and seriously mediate their dispute. The latest attempt took place on November 15. Unfortunately the meeting broke off within a matter of a few minutes, if not hours.

As I said last Friday, we are standing by to offer mediation services at any time or moment, as soon as the two parties indicate to us that they are seriously committed to resuming negotiations.

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[*Translation*]

CORPORATE AFFAIRS

ORIGIN OF BILL S-31

Ms. Lynn McDonald (Broadview-Greenwood): Madam Speaker, my question is for the Minister of Consumer and Corporate Affairs, the sponsor of Bill S-31. Last Friday, the President of the Montreal Stock Exchange, Mr. Pierre Lortie, stated that a bill similar to Bill S-31 had been introduced at a meeting of representatives of Canadian stock exchanges. Is this proposal really behind Bill S-31?

Hon. André Ouellet (Minister of Consumer and Corporate Affairs): No, Madam Speaker.

INQUIRY WHY GOVERNMENT DID NOT IMPLEMENT BUSINESS REQUESTS

Ms. Lynn McDonald (Broadview-Greenwood): Madam Speaker, my second question is for the same minister. According to Mr. Lortie, a few months ago, the minister refused to act on the requests of the business community in this area. Why has he changed his mind since then? Have other pressures been exerted? If so, by whom?

Hon. André Ouellet (Minister of Consumer and Corporate Affairs): Madam Speaker, I thank the Hon. Member for giving me the opportunity to say that these are two different matters. In fact, the Department of Consumer and Corporate Affairs has been considering for some time the possibility of introducing a bill on securities. This has been very badly received by provincial authorities that have traditionally held this field of jurisdiction for many years, while it could very well be held by the Canadian government. I have said that we would like investment corporations coming under provincial jurisdiction to abide by the laws of the market. One provincial corporation in particular, the Caisse de dépôt et de placement du Québec, does not follow the rules for securities, which has caused problems with securities in Ontario and has prompted my department to ask the Superior Court for an injunction to force it to make its intentions known. The Hon. Members will know that this matter is still before the courts since we have appealed a first ruling of the Court of first instance. On the other hand, in order to protect the interests of the Canadian Government as concerns interprovincial and international transport, we have introduced Bill S-31 which requires that all provincial financial institutions coming under provincial jurisdiction follow certain rules and prevents them from purchasing more than 10 per cent of the shares in interprovincial and international transport companies.

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[*English*]

AIR TRANSPORT

POSSIBLE MERGER OF NORDAIR AND QUEBECAIR—GOVERNMENT POSITION

Mr. Maurice A. Dionne (Northumberland-Miramichi): Madam Speaker, I have a supplementary question for the Minister of Transport. The Hon. Member for Hamilton-Wentworth implied that the Minister's answer suggested a merger between Nordair and Quebecair. I understood exactly the opposite. Would the Minister clarify the situation so that both the Hon. Member for Hamilton-Wentworth and I will know who is either deaf or obtuse?

Hon. Jean-Luc Pepin (Minister of Transport): Madam Speaker, this is exactly it. My hon. colleague speaks with the wisdom that he is well known to possess. The way to interpret it is that the Government is taking the Quebecair only approach. This should be the understanding. I thank my hon. colleague for expressing the common sense of the population in this matter.

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FINANCE

CONCEPT OF TAXING IMPUTED RENTAL INCOME—GOVERNMENT POLICY

Mr. Bill McKnight (Kindersley-Lloydminster): Madam Speaker, my question is directed to the Minister of Finance. As reported in *Hansard* on March 19, 1982, his predecessor stated in reply to a question from my colleague, the Hon. Member for Don Valley West in regard to imputing an income to a home owner:

I have attempted to allay the concern by stating categorically that the Government never had any intention, does not presently entertain any intention, nor will it entertain an intention in the future to tax imputed rent. That is the end of the matter as far as I am concerned.

Has there been a change in the direction of Government policy as a result of the change in Ministers, or is that still the publicly stated policy of the Government?

Hon. Marc Lalonde (Minister of Finance): Madam Speaker, it is both the publicly stated policy and the policy which has not been stated publicly. The issue raised by the Hon. Member was raised as a scare tactic previously by, I believe, an irresponsible insurance company in particular, and it had no foundation at that time and no foundation ever since.

ASSESSMENT IN CASE OF SASKATCHEWAN FARMER

Mr. Bill McKnight (Kindersley-Lloydminster): Madam Speaker, I am not sure about any irresponsible insurance company, but I think the Minister is being irresponsible in his answer to the question because, right now, in my constituency, there is an incorporated farmer who has been assessed $9,000 imputed income from rental on a $75,000 home. Why is the Minister standing in the House to say that the Government does not intend to impute rent or impute income to Canadians who wish to shelter themselves and provide housing? Why is the Minister not coming clean and telling us that the Government will raise funds by imputing rent and income to individual Canadians?

Hon. Marc Lalonde (Minister of Finance): Madam Speaker, I suspect that the Hon. Member does not adequately or appropriately represent the individual case to which he refers. If he wishes to bring the details to my attention, or to the attention of the Department of National Revenue, I am sure they will be very happy to look into it.

The role of the Department of National Revenue is to apply the law as passed by this Parliament. The laws are in the books for everyone to see. That is what the Department of National Revenue is called upon to apply. I suggest to my hon. friend that if he has a specific income tax case that he is concerned about, either he or his constituent can raise it with the Minister of National Revenue. It will be examined and dealt with appropriately under the laws of the land.

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AIRPORTS

ADMINISTRATION OF DUTY-FREE SHOPS

Hon. Elmer M. MacKay (Central Nova): Madam Speaker, some months ago the Minister of Transport told the House, on the important matter of duty-free administration, that the Government had learned something from the Sky Shops fiasco. In view of the recent mess caused by Sky Shops' successors, Thomcor, at Mirabel and Dorval, where they left the Canadian taxpayers or his Department holding the bag with about $6 million in bad debts plus a few hundred thousand dollars worth of missing liquor, and in view of the terrible mess in Toronto which the Minister is aware of, where administrative neglect at the La Belle Creole duty-free shop has cost the taxpayers at least $10 million more, when will the Minister get his act together to administer this potentially lucrative business properly? I ask him, very respectfully, if he will be good enough to tell the House what improvements he will make to remedy this situation which has cost the Canadian taxpayers nearly $20 million in these two instances alone.

Hon. Jean-Luc Pepin (Minister of Transport): Madam Speaker, my Department is human. Occasionally, mistakes are made. Occasionally, the people who operate these facilities in the airports encounter difficulties that were not anticipated. For example, the economic situation at this particular moment is creating problems for many. I agree that there are, indeed, problems, and we do our best to correct them.

Mr. MacKay: I say to the Minister, very respectfully, that perhaps the problem is that the Minister is not following his own financial criteria in administering duty-free concessions.

APPLICATION OF TENDERING POLICY

Hon. Elmer M. MacKay (Central Nova): Madam Speaker, the Minister must know that the tendering process traditionally calls for both percentage and minimum guarantees. He now appears to be fixing the percentages and allowing the minimum guarantees to float, contrary to his own policy. Had he followed the policy of his predecessor, the Hon. Member for Vegreville, and awarded that franchise in Toronto to the highest bidder, as should have been done, the Canadian taxpayers would have been $10 million ahead of the game.

Hon. Jean-Luc Pepin (Minister of Transport): Madam Speaker, we do practise the double standard with the minimum guarantee and—

An Hon. Member: A double standard?

• (1500)

Mr. Pepin: It may be a bad expression on my part, but two criteria are used for payment of concessionaires, that is, a percentage of the net revenue and a minimum guarantee. The two apply, and the Department gets whichever one is the highest, which is not a bad idea, is it?

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PETITIONS

TABLING OF REPORTS OF CLERK OF PETITIONS

Madam Speaker: I have the honour to inform the House that the Clerk of the House has laid upon the Table reports of the Clerk of Petitions stating that he has examined the petitions presented by Hon. Members on Friday, November 19, 1982, and finds that the petitions meet the requirements of the Standing Orders as to form.

Order Paper Questions

ROUTINE PROCEEDINGS

[*Translation*]

FINANCE, TRADE AND ECONOMIC AFFAIRS

PRESENTATION OF NINETEENTH REPORT OF STANDING COMMITTEE

Mr. Jim Peterson (Parliamentary Secretary to Minister of State for Economic Development and Minister of State for Science and Technology): Madam Speaker, I have the honour of tabling the Nineteenth Report of the Standing Committee on Finance, Trade and Economic Affairs.

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

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[*English*]

CRIMINAL CODE

AMENDMENT TO PREVENT FINANCIAL GAIN FROM CRIME

Mr. Arnold Malone (Crowfoot) moved for leave to introduce Bill C-664, an Act to amend the Criminal Code (profits of crime).

He said: Madam Speaker, this legislation is timely, although it was in preparation for some time, because it fits precisely within the framework of the comments recently made by the Hon. Member for Annapolis Valley-Hants (Mr. Nowlan) in that any criminal who is charged would not be able to profit from crime. The legislation also takes into consideration the concerns raised by the Minister of Justice (Mr. MacGuigan) who asked a question about freedom of speech, because it would still allow people to speak, to write and to publish. The Bill provides simply that all profits from any materials would be taxed 100 per cent and would go to a trust fund for victims of crime.

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

* * *

[*Translation*]

QUESTIONS ON THE ORDER PAPER

(Questions answered orally are indicated by an asterisk.)

Mr. Jim Peterson (Parliamentary Secretary to Minister of State for Economic Development and Minister of State for Science and Technology): Madam Speaker, the following questions will be answered today: Nos. 3,671, 4,078, 4,079 and 4,494.

[*Text*]

CONSOLIDATED COMPUTER INC.

Question No. 3,671—**Mr. Stevens:**

What is the total financial assistance that the Government has given to Consolidated Computer Inc. in terms of (a) loans (b) loan guarantees (c) grants (d) letters of comfort and what does the Government anticipate it will be able to salvage out of the sale of CCI to Nabu Manufacturing Corporation?

Hon. Ed Lumley (Minister of Industry, Trade and Commerce and Minister of Regional Economic Expansion): As of January 25, 1982, the reply for the Department of Industry, Trade and Commerce is as follows:

(a) Total loans extended were $12.9 million. Of this amount $.5 million was repaid and the balance was converted into common shares of the company.

(b) Total loan guarantees authorized amounted to $150.7 million. Of this amount the Crown was required to disburse a net amount of $96 million.

(c) Total contributions were $10.4 million.

(d) No letters of comfort have been issued.

Based on the business plan presented by Nabu Manufacturing Corporation, the Government anticipates a recovery of approximately $7.6 million during the five years following the sale of the Company.

FINANCECO

Question No. 4,078—**Mr. Blenkarn:**

1. Did the Government place Mr. Harold Melanson as a Director of Financeco and allow him at the same time to be a Director and Officer of Consolidated Computers Inc. and, if so, for what reason?

2. Did Mr. Melanson instruct Coopers and Lybrand, Chartered Accountants in Toronto, as auditors of Financeco at the same time as he instructed Coopers and Lybrand, as auditors of Consolidated Computers?

3. Did Financeco at any time have any employees to do any of its own bookkeeping or accounting or did it rely solely on the work done by Thorne Riddell and Company, through the partners assigned to the company to act as directors of the company, those being Messrs. Wright and Taylor?

4. What were the fees paid to Thorne Riddell for acting on behalf of Financeco in the year (a) 1976 (b) 1977 (c) 1978 (d) 1979 (e) 1980 (f) 1981?

5. Did Consolidated Computers Incorporated use its personnel to handle all the receipts of rents and the deposits of money for and on behalf of Financeco Limited and Finecomp Incorporated and to act as bookkeepers and agents for both companies?

6. What undertakings did the officers of Consolidated Computers Inc. give to Messrs. Cooper and Lybrand to indicate that Consolidated Computers Inc. had no financial interest in Financeco and Finecomp?

Hon. Ed Lumley (Minister of Industry, Trade and Commerce and Minister of Regional Economic Expansion): As of February 25, 1982, the reply for the Department of Industry, Trade and Commerce is as follows:

1. No. Mr. Melanson was a director of Financeco until July, 1980. He resigned when he was appointed Executive Vice-President of Consolidated Computer.

2. No. By the time Mr. Melanson was appointed Executive Vice-President of Consolidated Computer, Coopers and Lybrand were no longer that company's auditors.

3. Financeco relied solely on the services of Thorne Riddell for its accounting needs.

4. Fees paid to Thorne Riddell for administration, accounting and preparation of tax returns:

Year	
1976	$ 48,906
1977	94,566
1978	116,229
1979	142,646
1980	179,711
1981	230,245

5. Consolidated Computer collected lease revenue on behalf of Financeco and Finecomp which was immediately turned over to the respective companies. Consolidated Computer did not act as bookkeeper or agent for either company.

6. No undertakings were provided beyond the normal letter of representations provided by management to external auditors. From 1976 to mid-1979 Coopers and Lybrand were auditors of all three companies and were able to verify that Consolidated Computer had no financial interest in Financeco and Finecomp.

CONSOLIDATED COMPUTER INC.

Question No. 4,079—**Mr. Blenkarn:**

1. What percentage of the shares of Consolidated Computer Incorporated were held by the public and not by the Government, the Government of Ontario or Fujitsu of Japan in the year (a) 1974 (b) 1975 (c) 1976 (d) 1977 (e) 1978 (f) 1979 (q) 1980 (h) 1981 (*i*) 1982 to January 30?

2. In accordance with the agreement between Her Majesty the Queen and Nabu Manufacturing Corporation and others with the Government, did the Government agree to pay off the total bank indebtedness owed by Financeco and its subsidiary Finecomp leaving those companies with all of their assets but with none of their outstanding liabilities?

3. On January 30, 1982, what were the net assets of Financeco and Finecomp after payment of the outstanding amount to banks and bankers who had invested in Financeco by notes and debentures?

4. Does the Government have and will it supply an audited financial statement of Financeco and Finecomp for the period ending January 30, 1982 or, if this is not available, for the period ending December 31, 1981?

5. Did someone on behalf of the Government or did the Government through the Enterprise Development Board prepare an estimated cash flow coming to Financeco and Finecomp from outstanding lease obligations owed to those companies?

6. Is there a Declaration of Trust wherein the National Trust Company declared it held the one share in Financeco Limited on behalf of the Sick Children's Hospital of Toronto, the Mount Sinai Hospital in Toronto and St. Michael's Hospital in Toronto and, if so, will the Government produce a copy of the Declaration?

7. Did the hospitals understand that they were the beneficial owners of Financeco Limited and its subsidiaries in 1976 and, if so, on what date did the hospitals realize this?

8. Did the Government pay a certain amount to the hospitals to have them divest of the beneficial ownership of Financeco Limited in order to effect the agreement between Her Majesty the Queen and Nabu Manufacturing Corporation and others dated November 26, 1981 and, if so, what was the amount?

Hon. Ed Lumley (Minister of Industry, Trade and Commerce and Minister of Regional Economic Expansion): As of February 25, 1982, the reply for the Department of Industry, Trade and Commerce is as follows:

Order Paper Questions

1. Percentages of issued shares of CCI held by the public:

As at	Per Cent
December 31, 1974	57.2
December 31, 1975	57.2
December 31, 1976	12.4
December 31, 1977	12.4
December 31, 1978	12.4
December 31, 1979	12.1
December 31, 1980	12.1
December 31, 1981	12.1
January 30, 1982	12.1

2. No. The Government of Canada purchased the total bank's indebtedness owed by both Financeco and Finecomp from the lenders to the two companies for a total of about $43.2 million. Of that amount, the Crown is now owed about $20.4 million by Financeco plus about $8.2 million by Finecomp, and is to be partially repaid out of future cash flow of the two companies over the five years ending December 31, 1986.

3 and 4. January 30, 1982 financial statements of Financeco and Finecomp will not be prepared. Unaudited December 31, 1981 financial statement reveal that Financeco had consolidated negative net assets of nearly $28 million at that date.

5. Estimates of cash flow coming to Financeco and Finecomp from their outstanding leases were prepared on behalf of the Enterprise Development Board, (or its predecessor, the General Adjustment Assistance Board), at various times over the past several years.

6. The only issued share of Financeco was held (until late in 1981), by National Trust Company Limited. Both Financeco and Finecomp were set up in such a manner that all foreseen cash flow would be used to repay loans insured by the Enterprise Development Board, with any residual funds accruing to Consolidated Computer in the form of agreed collection fees. Because there existed a remote possibility that excess cash flow could be generated, the General Adjustment Assistance Board (GAAB) concluded that any such windfall benefits should accrue to charitable organizations and an agreement was entered into on June 15, 1976 to establish this arrangement.

7. Because no excess flow was generated by Financeco, there was never any distribution of funds to the charitable organizations. It is unlikely that they realized they might have benefited as a result of the June 15, 1976 agreement.

8. The Government of Canada paid $600 to National Trust Company, Limited to acquire the single share of Financeco.

CANADA SERVICE BUREAU

Question No. 4,494—**Mr. Siddon:**

1. What is the total annual budget for the Department of Supply and Services' "Canada Service Bureau" office in Vancouver?

2. What portion of the budget is for (a) staff salaries and benefits (b) office rental (c) advertising and promotion?

3. How many "Canada Service Bureau" offices does the Department operate in Canada?

Order Paper Questions

Hon. J.-J. Blais (Minister of Supply and Services): 1. $97,546 ('82-'83).

2. (a) $89,546. (b) Space rental is a DPW responsibility and that Department reports the total cost at $30,706.40. (c) There is no regional breakdown of advertising costs available. The national program for all initiatives was $400,000 for 1982-83.

3. There are Service Bureaux in 14 major Canadian cities and eight mobile or itinerant services serving an additional 75 cities and towns.

[*Translation*]

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

Madam Speaker: The questions enumerated by the Parliamentary Secretary have been answered.

[*English*]

Mr. Siddon: Madam Speaker, I would like to thank the Parliamentary Secretary for answering question No. 4,494 which I placed on the Order Paper on October 27. Could the Parliamentary Secretary tell me what has happened to question No. 4,053 which I placed on the Order Paper nine months ago? It deals with the shipment of Canadian uranium through the Soviet Union for reprocessing, and possible security aspects arising from the possibility that some by-products of this uranimum could be used for nuclear weapons. I wonder if the Parliamentary Secretary might give an undertaking to answer that question at the most immediate opportunity.

Mr. Peterson: I would be very pleased to give an undertaking to have this question answered at the very earliest opportunity. Within this context, I think it is important to point out to the House, however, that to date—

Mr. Nielsen: We heard that yesterday.

Mr. Peterson: —we have answered 3,788 questions during this session, which is 83.1 per cent of all of the questions asked by Hon. Members opposite.

Some Hon. Members: Hear, hear!

Mr. Peterson: I am very proud of the record on this side of the House.

[*Translation*]

Madam Speaker: Shall the remaining questions be allowed to stand?

Some Hon. Members: Agreed.

GOVERNMENT ORDERS

[*English*]

BUSINESS OF SUPPLY

ALLOTTED DAY, S.O. 58—CANADA POST CORPORATION

Mr. Bud Bradley (Haldimand-Norfolk) moved:

That this House, recognizing the importance of providing efficient, affordable, equitable mail service to all Canadians, and recognizing that Canada Post has reduced service while increasing its rates, condemns the Government for its failure to enforce the provisions of the Canada Post Corporation Act which require Canada Post to provide Canadians with adequate service at a reasonable cost.

He said: Mr. Speaker, I found it necessary to move such a motion and to speak to it because of the great concern felt by Hon. Members in my party and, I am sure, by those to our left for individual Canadians, Canadian charitable organizations, businesses and major corporations. Contrary to the beliefs of some Hon. Members opposite, we even have concern for the Canada Post Corporation. What is happening to the mail service in Canada is of great concern to those of us in the Progressive Conservative Party.

Let us look at the history of the Canada Post Corporation so that we will know where it came from. It was established in this House through the committee process to provide an adequate service at a reasonable cost. Its goal, to quote Mr. Warren and some of his executives, was to improve the postal service in this country. The Act which went through the House forming the Canada Post Corporation was agreed to by all parties of this House. All parties felt the need to remove this monster from the Department and the Government, and the need to form a new Crown corporation to handle the postal service in this country. We stand by our agreement today.

The definition of the term "letter" was not defined in the Act. It was also agreed by all parties in the House that that power would be given to the Canada Post Corporation to define what was mailable matter, what was not mailable matter, and what was a letter. The process agreed upon was that this definition would be arrived at by the Corporation. It would be placed in the *Canada Gazette* for an acceptable period and letters of representation from Canadians, organizations and businesses would be considered for a reasonable time so that amendments could be made and then referred to Governor in Council, and a final definition approved.

The rates for postal matters in Canada were also dealt with under the same format. It would be within the power of the Canada Post Corporation to determine what it felt was a reasonable rate in order to maintain the services of the post office in Canada. The procedure was the same. The rates would be gazetted, there would be a reasonable time in which to make representation and make amendments if necessary, and then a final decision would be reached by the Governor in Council.

That seems to be where the agreement between those of us on this side of the House and those on the opposite side ends. Certainly it is now a Crown corporation and it is being run as a

business. However, the Government of Canada must accept its responsibility as far as the post office and the country is concerned.

I do not think I must remind too many Hon. Members opposite that the sum of $660 million of taxpayers' money is going to the Crown corporation this year to assist it in its operation. It is not attaining its goal to provide adequate service at reasonable cost.

What has happened to the Corporation this year, in which it has been a fledgling? First, the rates were increased some 76 per cent to 30 cents for first-class mail, which was totally unacceptable after such a devastating strike just prior to the increase, devastating not only to individuals and organizations but most certainly to small businesses in this country, sounding the death-knell for many of them.

• (1510)

The definition of "letter" was brought forth, and it was an unbelievable definition. Saturday rural mail has been stopped in all but Prince Edward Island, where the question is now being studied. Christmas card rates were brought up to the first-class rate of 30 cents, devastating to the card manufacturers and to people who send cards, but with a promise that the situation may change next year. If the promise that it may change next year is there, why not this year? Then there is our final rate increase, an additional 6 per cent, in line with the six and five program, to 32 cents. That represents an increase in the past year or so of some 82 per cent in postal rates. What private enterprise has been allowed to increase their rates some 82 per cent?

What is next for our Corporation? There is discussion of Saturday wicket closings in the post offices. There is talk about lay-offs of post office staff and there is discussion about reducing letter carrier routes and even the closure of some small post offices throughout the country.

What we have, Mr. Speaker, is less service at more cost. That is not acceptable to this Party. We have called for review of the Canada Post Corporation many times. We have called for it in the House of Commons, in the press and in letters. I have asked the Minister responsible for the Corporation about it in the House; I have asked the Prime Minister (Mr. Trudeau) and I have even asked the Parliamentary Secretary to the Minister, trying to get someone to give an indication that this question would be referred to a Committee of the House to be discussed and considered, but to no avail.

I wrote a letter to the Prime Minister and perhaps I could read it into the record. I did not make it public and I did not release it to the Press. Because of the Prime Minister's concern and request for co-operation within the Parties, I felt that a letter directly to him with copies to the Minister and the President of the Corporation would be of some assistance and possibly get something done for us. I wrote as follows:

The Right Hon. Pierre-Elliott Trudeau, P.C., M.P.

Sir:

You may recall that on July 30th, 1982 I requested a study of the problems facing the Canada Post Corporation by a Committee of the House.

Mr. Warren has stated that the Corporation will be staying within the six and five per cent guidelines as far as an increase in rates is concerned. I feel this is a very commendable and responsible stand. However, since only wage costs are controlled under the six and five per cent guidelines, major costs of vehicles, vehicle maintenance, fuel, building maintenance, etc. will undoubtedly exceed 6 per cent, resulting in costs which surpass income.

This situation will most certainly place considerable stress on Mr. Warren and his attempts to streamline the Corporation and improve efficiency. As well, he has the responsibility of reducing the post office deficit by some $260 million in a limited period of time. It would appear to me that when costs outstrip income, at a time when it is mandatory to decrease a huge deficit, there is no alternative but to reduce service. Reductions in service as initiated by the Corporation in recent weeks, and which will no doubt continue in the months to come, can only be accomplished at the expense of the customers.

Possibly we are asking too much to expect Mr. Warren to reduce his deficit so greatly during such difficult economic times. Perhaps consideration could be given to allowing an extension of the time table for the reduction of the deficit.

I am very concerned that in order to meet his deadline Mr. Warren will be forced to cause irreparable damage to the operation of the system, and also create hardships to customers and workers alike.

I would greatly appreciate it if serious consideration could be given to this matter.

I received a response and I would like to read that into the record:

Dr. T.A. Bradley, M.P.

Dear Dr. Bradley:

On behalf of the Prime Minister, I am writing to acknowledge receipt of your letter of September 13.

Please be assured that it will be brought to Mr. Trudeau's attention.

I would have thought that a letter on a serious note to the Prime Minister of this country would have warranted a serious reply.

What has happened to this postal service and why has it happened? The deadline given to Mr. Warren when he took the job was that he was to reduce the deficit from some $660 million a year to zero within a time span of some four years, a totally impossible task. How many other Crown corporations are required to become self-sufficient in four years, or at all, of the some hundreds of Crown corporations owned by the Government of Canada? Could we consider the CNR or Air Canada or the CBC? If we look at each of those in turn, they are set up and established, as the post office was, to supply a service to all of the country, possibly subsidized if sufficient funds were not available. The CNR provides service to the north, to the east and to the west, with small branch lines throughout the Prairies, usually at a loss and usually subsidized. Air Canada provides service to the north, east and west and to the small strips, and quite often is subsidized. The CBC offers good programming and good listening to the areas of the north and all reaches of Canada, and it is certainly subsidized. Why not Canada Post?

It is the obligation of this Government to provide good postal service to Yukon, to Gravelbourg, Saskatchewan, to Corner Brook, Newfoundland. It is a responsibility and if it needs to be subsidized it should be subsidized. That is what Canada is about. That is what federalism is about. This is a great country, we should ensure that we work together with the Provinces in all areas to provide adequate service at reasonable cost.

If this $660 million reduction were to be removed from our national debt and it could be shown that it was removed from the debt, possibly the argument would not be so strong. Possibly Canadians could accept the extra cost, knowing that they are helping; but this is not going to happen. The Government would squander the money somewhere else, possibly buying licorice cigarettes for the Minister of National Health and Welfare (Miss Bégin).

What position has Mr. Warren been placed in in this fiscal year? He has a necessary reduction of some $260 million from his deficit; that amount must be trimmed this year. He has now been placed under six and five, in a very difficult economic time, where he has income of 6 per cent and most certainly expenses far in excess of the 6 per cent, possibly in the 12 per cent range.

What can he do, or, better than that, what must he do? What is he forced to do? He is forced to increase the rates, first to 30 cents, then to 32 cents. Why? Very obviously, to bring in money to reduce that deficit, to try to maintain the service that the Corporation has been providing. He has had to bring in a definition of a letter that is so tight, giving the Corporation such strict control over the volume of mail. Why? It was to bring in money and to improve the mail volume that has dropped off since the last mail strike and since the 30-cent stamp was brought in. He has had to reduce and in fact cut out Saturday rural delivery in order to cut the contracts of the rural carriers and save money. He has put Christmas cards at the first-class rate of 30 cents in order to glean an extra 10 or 15 cents a card to try to bail himself out of the pit. He is now looking at Saturday wicket closures, lay-offs, a reduction in letter carrier routes and the closure of small post offices in order to save wages, overtime and rental.

• (1520)

He is forced to do this in order to reach a goal that was set unrealistically by the Government in accordance with the Act passed by all parties in this House, but not with acceptance of that goal by all parties. It is being done with a reduction in service to the user of the post office. The rate increase was opposed by tens of thousands of individuals and businesses. That rate increase was soon after a postal strike which was devastating.

The definition of a letter is opposed by municipalities across this country such as Kitchener. Municipalities are being forced to deliver their municipal bills by Canada Post because of legislation by Order in Council.

Are we right? Are we as a Parliament right in telling the municipality which sends out municipal bills to municipal residents within the boundaries of that municipality for municipal goods provided by municipal staff that they must send those municipal bills to their municipal residents for municipal goods through Canada Post? We should take a long look at that because we are in the situation of forcing municipalities to increase their taxes to pay the extra cost for something they are being forced to do. The definition is being protested by charitable and non-profit organizations. First they opposed the stamp and then the definition.

Today I received two letters which are an example of that opposition. One was from Capreol dated November 16. I suppose seven days for delivery of these is acceptable. I quote from the letter:

Dear Sir:

The proposed postal legislation, as described in *The Citizen*, November 6, 1982, page 21, will cause great financial hardship to the charitable organization to which I volunteer my time, La Leche League. We depend on being able to group various pieces of correspondence into one packet of first-class mail in order to carry on many aspects of our activities.

I feel sure that other non-profit organizations, such as La Leche League, will also be hurt, and that administrators in these organizations simply are not aware of the implications of the proposed legislation for them.

I have expressed my concern to the Hon. André Ouellet and to my own Member of Parliament. I appeal now to you, as the Post Office critic for the Progressive Conservative Party, to use any influence you can to make the situation known to the public who will be affected through the volunteer organizations which they support, and to have the legislation withdrawn because of its unfairness.

Thank you for any help you can give.

Yours truly,

Patricia Fraser.

I was handed another letter by the Hon. Member for Winnipeg-Assiniboine (Mr. McKenzie). I quote:

Dear Sir:

I am strongly opposed to the new Canada Post definition of a letter. I hope you can dissuade them from putting this definition into effect.

Sincerely,

Rose Ryan.

Those are but two examples of hundreds of letters received from individuals, charitable organizations, businesses and companies throughout this country. There are over 300 businesses and corporations that oppose this definition. I wish to bring a couple to the attention of the House. In its letter to the Minister, The Canadian Bankers' Association said in part:

In our opinion, the task of properly defining the term "letter" and the scope of the Corporation's monopoly are of sufficient importance to justify careful consideration on the part of the Canadian public and corporate communities. We request that the Government consider the development of a special task force, or parliamentary committee to study the regulations, and the responses of interested parties, in order to satisfy the concerns that we feel and that we understand have been expressed by other interested persons concerning the effect that these regulations will have upon business and public interests in Canada.

I wish to quote from an article headed "Definition of letter held threat to small couriers":

General Motors Co. of Canada Ltd., Oshawa, Ont., uses private courier companies to move inter-office correspondence. The company has estimated that if the new definition becomes law, it would cost $3 million more a year to finance the system GM now has in place—

That $3 million is what it would cost General Motors to provide the same service being done internally. The couriers now carrying out this work would be unemployed. The money would not go to Canada Post because it does not have the facilities to provide the service required by General Motors. This would not only put men working in the courier system out

of work, but would be absorbed internally by General Motors. Canada Post would not receive any part of the $3 million.

These definitions were brought in in a package. Some amendments were then added. We now understand there are going to be more amendments, one to cover General Motors and one to cover security clearance. Still, an ad hoc committee has been formed to opppose this; these amendments are being opposed. Some of the members of the ad hoc committee which was formed on October 18 are as follows: the Consumers' Association of Canada, Canadian Federation of Independent Business, the Canadian Depository for Securities Limited, the Retail Council of Canada, the Canadian Manufacturers' Association, the Canadian Bankers' Association, Conseil du Patronat du Quebec, the Motor Vehicle Manufacturers' Association, the Canadian Life and Health Insurance Association, the Canadian Chamber of Commerce, the financial Executives Institute of Canada, the Insurance Bureau of Canada, the Association of Canadian Financial Corporations, the Direct Sellers Association, the Toronto Stock Exchange and the Automobile Parts Manufacturers' Association. I quote in part from their brief. They—

—request that the Governor in Council refuse to approve the proposed "letter" regulation and submit it to the Privy Council, in order to allow a constructive dialogue among interested consumer and business organizations, the Post Corporation and the Government.

These are not small organizations. They oppose the definition. The definition of "letter" is like the Liberal budget brought down on June 28 by the Minister from Cape Breton Island. You throw as much into the boat as you can, shove it out in the water and check the waves. If the waves come over the gunwales, you throw some back. If more waves come over the gunwales, you throw more back. When the waves stop coming over the gunwales, you let it float. That is similar to what we have had happen with the definition of "letter".

• (1530)

We are told, Mr. Speaker, that this definition will not come into effect until April, 1983 so that business can adapt to the regulations that it sets out. If this is being put forward to April, 1983 so that business can adapt, obviously the Minister and the Corporation are aware of the problems this will bring to small business. That alone is sufficient reason to refer this definition to a special committee of this House so that we can hear from small business and these other organizations, and from individuals and charitable groups.

Taking away the facilities of Saturday rural delivery is opposed, Mr. Speaker. The Christmas card rate is opposed, not only by the card manufacturers of Canada and North America, but also by the individuals who send those cards to friends. Saturday wicket closing will be opposed. Rural people who work their farms come in to town on Saturdays to do their shopping and to pick up registered letters and parcels, notification of which they received during the week. There are the individuals who work in a large community and live in a small one, who are not in their community during the day and who need the Saturday wicket service to pick up their letters and parcels. People working in one part of a major centre such as Toronto or Montreal but living in another part utilize Saturdays to pick up their registered letters and parcels.

Lay-offs will be opposed, as well as the reduction of letter carrier routes and the closure of some small post offices; and if one needs reinforcement of that, one could ask Mr. McGarry or Mr. Parrot as to the extent of the opposition to such a reduction of service. We on this side of the House are not saying that if we were still the Government we would not have given the same power and approved the same definition or thought the same rates to be necessary as this Government has, Mr. Speaker. But we feel that we would have had the foresight and the courage to say that possibly these things should be reconsidered and referred to a special committee of the House.

We applaud the task attempted by Mr. Warren, his Corporation and its workers. We applaud the honest effort, the realistic organization which has now been set up and the improved labour relations which have been initiated. We want to see that continued, Mr. Speaker, but it cannot under this Government's guidelines. It cannot carry on. We do not want to change Mr. Warren's direction. We just want it to be realistic.

This Government's policy towards the post office is off track and needs to be put back on the rails, headed in the proper direction. It is nice to be able to say it is a Crown Corporation now. It is independent of the Government. But that will not wash. It is not independent of the Government. The Government of Canada and the Minister of Consumer and Corporate Affairs (Mr. Ouellet) are responsible for the Crown Corporation and for the taxpayers' money. They are responsible to make sure we have adequate postal service in this country at reasonable cost.

We are, therefore, calling on the Government to refuse the definition as proposed to it by the Canada Post Corporation and to refer the whole post office situation, after a year now of its operation, to a special committee of this House for review to see where we can go and what we can do to help it. We can then re-establish the parliamentary input by elected officials of this country to get the post office back on track. We could establish reasonable deficit reduction guidelines and Government response. We could maybe slide the deficit laterally for a year or two. We could maybe allow a longer period for it to be paid off. We could maybe authorize a permanent subsidy program, if necessary, we could also come up with a reasonable rate which is fair to business and to the Corporation. We could come up with a reasonable definition of "letter", after discussions with individuals, corporations, organizations, charitable groups and small businesses. This would be a defintion, Mr. Speaker, acceptable not only to business but to the Corporation.

We on this side of the House support the concept of the Canada Post Corporation, its management and its workers, but we want—no, we demand—an adequate level of service at reasonable cost to Canadians. This Government is preventing that from happening.

[*Translation*]

Hon. André Ouellet (Minister of Consumer and Corporate Affairs): Mr. Speaker, it is a pleasure to speak to the proposal submitted by the postal critic of the Official Opposition. What struck me in the Hon. Member's speech is, that it is very easy for someone in the opposition to indulge in wishful thinking, without having to make difficult decisions. It is clear, Mr. Speaker, that the spokesman for the Progressive Conservative Party really has no solution to suggest, and that in fact, there are times when the Hon. Member is for the Canada Post Corporation and against the Government.

However, when the Corporation makes proposals under the Act that was passed here in Parliament and received the unanimous approval of this House, the Hon. Member no longer sides with the Corporation but with the businessmen and associations that have made representations to protest postal rate increases, just as he no longer sides with the Corporation but with those who objected to its definition of the term "letter". Clearly, the Hon. Member does not have the unanimous support of his own party, since what he is suggesting is that we increase the deficit and that Canadian taxpayers shoulder a greater share of the responsibility by taking on the deficit of the Canada Post Corporation. This is obviously not well received by his colleagues, the Members for York-Peel (Mr. Stevens), Mississauga South (Mr. Blenkarn) and Etobicoke Centre (Mr. Wilson), who are not in the House today, because if they were, they would object to what the Hon. Member has just told the House. And that is the beauty of being in the Opposition, the beauty of the Progressive Conservative Party, which is not in power and can afford to side with all parties at the same time, without having the responsibility for making important decisions.

Speaking of important decisions, I would like to announce that this morning, the Government of Canada made an important decision with regard to the definition of the term "letter". The House is aware, Mr. Speaker, that for several months the Government has been considering the draft definition of the term "letter" submitted by the Canada Post Corporation. To prepare this draft, the Corporation has been conducting consultations since last July with both individuals and a number of interested organizations. In the last few weeks, both the Corporation and the Government of Canada have received some excellent suggestions for amending the draft definition, especially in connection with bulk mail rates, handling of securities and the use of new technology in mail handling.

• (1540)

Since neither the Corporation nor the Governor in Council may amend the Act at this stage in order to incorporate the changes contemplated by the Corporation itself, and, of course, supported by the Government, it seems that now there is a preference for submitting a new draft definition that includes the desired amendments. That is what my colleague, the Minister of State for Small Businesses and Tourism (Mr. Rompkey) told me in recent weeks on behalf of many associations and small businesses that wanted a more precise definition of the term "letter". I got the same message from the Minister of Finance (Mr. Lalonde) who has received representations from many associations which were mentioned earlier by the Hon. Member. The same stand was taken by the Consumers Association, which made some interesting representations on amendments that would be desirable. So, since the Corporation is agreeable to amendments, and since the government is in favour, this morning Cabinet decided not to approve the wording of the draft regulation.

However, I wish to point out that the Government continues to support the concept of exclusive privilege for the Corporation, as well as the need to establish a precise definition of the term "letter" that will enable the Corporation to exercise that privilege. This is very important for the Corporation, because it must be able to provide a universal postal service throughout the country for all Canadians. This exclusive right is, in fact, the basis of all postal services throughout the world. It is not uniquely Canadian. The same exclusive right is shared by all postal administrations throughout the world. It is also one of the basic characteristics of public transit and public utilities. Thus, the Government is asking the Corporation to submit, as soon as possible, within the next few weeks, a revised draft regulation that could become effective on the same date as the first proposal was to take effect, that is, on April 1, 1983.

We hope that consultations will continue with major national associations, which have made known their views and submitted some excellent suggestions. As for the Hon. Member's proposal to refer the matter to a parliamentary committee, I may remind the Hon. Member that no such mechanism is provided under the Act. Besides, when we were discussing the issue during consideration of Bill C-42 to establish the Canada Post Corporation, I appeared before two parliamentary committees to talk about this. At one committee meeting, I heard the position taken by one of the Hon. Member's colleagues, the Member for Wellington-Dufferin-Simcoe (Mr. Beatty). At the other committee's meeting, I heard another of the Hon. Member's colleagues, the Member for Vancouver South (Mr. Fraser), who had a different view of the definition of the term "letter". In fact, after many discussions with both committees, it proved impossible to reconcile the views of all opposition Members, and especially those of the Progressive Conservative Members. And I do not think that if tomorrow we were to appear before a parliamentary committee, we would get a consensus on a definition of the term "letter" from the ranks of the Progressive Conservative Party.

I think that Parliament in its wisdom, by creating the Canada Post Corporation under Bill C-42, acknowledged that it was up to the Corporation to exercise its responsibilities, to take the initiative and to define what a letter should be. The

Government is supporting the Corporation in this matter, and it is open to recommendations and suggestions from the business world and the general public. It is in that spirit that we ask the Corporation once more to apply itself ingrudgingly to the job of finding a new definition that can be implemented in April 1983.

It would be appropriate in my view, at the beginning of this discussion, of the motion, to recall that Parliament attempted with Bill C-42 to create a social and economic base as much as a business entity when establishing the Canada Post Corporation. It must be remembered that the aim and duties assigned to the Corporation are complex, important and difficult. We should not underestimate the importance of this newly created corporation. Canada Post Corporation is the sixth largest employer in Canada, with some 60,000 employees, It operates 30 major establishments across the land and some 8,500 offices from sea to sea. Only one other Canadian company operates more trucks than Post Canada. The Corporation deals with no less that 20 unions and employee associations. Its turnover makes it the twentieth biggest business corporation in Canada. Therefore, Parliament established a highly important corporation when enacting Bill C-42 a few months ago.

It is much too soon in my view for the honourable member to take that corporation to task in this House. He is displaying a lack of tolerance and goodwill for the new corporation's directorship. Let us give them the time to prove themselves and then, if need be, we can criticize them. But for the time being, they are still entitled to the benefit of the doubt and should be helped over the next few months to reach the goals they set themselves.

[*English*]

I will say at the outset that I do not accept the premise of the Hon. Member for Haldimand-Norfolk (Mr. Bradley) that the Canada Post Corporation has blatantly reduced its services and raised its rates without full appreciation of the needs of Canadians. Indeed, the Government has not failed to enforce the Canada Post Corporation Act. The Government, Mr. Speaker, has observed the Corporation to be following a consistent, deliberate course of action to improve its service levels since proclamation day in October, 1981. It has also made considerable progress in reducing its expenditures base.

I would like to return to the remark I made in October, 1980 in this House, when I was speaking on second reading of Bill C-42. I said at the time that all the postal unions had been fully consulted in the development of Bill C-42. It was with very complete agreement that we proceeded with the transformation of the Post Office Department to Crown corporation status. I acknowledged in 1980 that we had managed through a decade of conflict in the Post Office Department, and that we were now hopefully entering a decade of harmony.

Things have not always been simple in the past year, but the management-labour relationships in the Corporation have improved substantially. The Corporation has consulted with the unions on every major policy decision. That consultation has been constructive and to good effect. I would remind the Hon. Member who just spoke that the President of the Corporation, Mr. Warren, has pointed out on a number of occasions that successive quarters since October of 1981 have shown the lowest number of days lost to work disruptions of any time in the unionized history of the post office. That is progress; that must be recognized by the Members on both sides of this House.

• (1550)

Bill C-42 was developed with the extensive participation of Conservative Members as well. Allow me to quote a comment made in this House by the late Hon. Walter Dinsdale, a former Conservative critic of the post office. In passing, Mr. Speaker, I want to pay my respects to this great Parliamentarian, a friend of the postal workers, and to offer my deepest sympathy to his family. He said:

> I have looked carefully through the information that is available in the Bill and it seems to me that it includes most of the recommendations this Party has made through the years, as well as the recommendations that were included in all the major studies done through the years.

Bill C-42 does provide a good framework of enabling legislation. It does not, however, nor was it ever intended to, spell out, prescribe, or detail exactly how the Corporation would carry out its day-to-day business. It provided the framework for the Canada Post Corporation Board of Directors and management to establish the service base required to maintain good, dependable postal service in Canada.

We asked the Corporation to maintain basic postal service, while improving and extending its products and services. Canada Post is also supposed to consider the role of its employees in reaching its goals to ensure commitment and dedication to the job at hand and to ensure labour stability. All this is to be done while rates are kept competitive and while a three-quarters of a billion dollar deficit is eliminated.

In its mandate, the Corporation's new management team is faced with competing objectives which will require time, co-operation, understanding and good management.

This "bashing exercise" which is in vogue today is not useful. I regret very much that the Conservatives have chosen to use this Opposition day to blame the Corporation for bad service and for increased postal rates. It is too easy to blame the post office and to refuse to see the progress that has been made. It is easy to espouse the popular habit of downgrading the post office. I would have hoped for a more responsible attitude on the part of the Official Opposition.

With the establishment of Canada Post as a Crown Corporation, the new management team was able to mould its legislative mandate into the first real business plan that the post office has ever had. The top three priorities which emerged from this business plan are easily stated. They are: to improve service; to promote and maintain better human relations within the Corporation; and to work toward financial self-sufficiency.

How has the Corporation performed on the first priority, to improve service? I would be the first to suggest that the Corporation must improve its service. There is no doubt about

that and I am sure every Canadian wants to see an improvement in the service. It is important, however, to make sure that this is a priority of the Corporation—and it is. Canada Post has made a commitment to its customers that they are of paramount importance.

The Corporation has set up a national service improvement group that is responsible for managing some of its most immediate service projects. One of its initiatives deals specifically with large-volume mailers and accords second-class mail a higher priority than it has ever had before. The service improvement group is also directing a variety of other project teams working on areas like new and better transportation networks. Another team is working toward the implementation of a program called the national integrated forward sort and dispatch system, and that, the President of the Corporation has assured me, is an imposing name for a national routine to move the mail from origin to destination in a way that is more reliable, efficient and economical. The Corporation has turned the spotlight on critical points in its network of processing plants and has added a substantially strengthened team of quality control experts to ensure that new service quality plans are properly applied.

[*Translation*]

If Canada Post is to become again a reliable and efficient organization capable of meeting all of the requirements in the field of communications throughout our country, it must obviously implement an extensive improvement program. That is what I am saying, Mr. Speaker, improvements are already being implemented. In that respect, the President and Chief Executive Director said recently in Winnipeg, and I quote:

> We have made organizational changes which have led to better mail service and lower expenditures through a more efficient use of our national network. We are in the process of developing and improving a system designed to better organize mail handling operations in all our major post offices with a view to beefing up co-ordination between staff, equipment and type of mail.

The Official Opposition is talking about reduced services. How can they say that service has deteriorated? Just what evidence do they have to make such a statement? They ought to know that Canada Post has a service quality control system on which it regularly reports to the public. I would remind the Hon. Member that our performance for first class mail delivered on time has reached 88 per cent last April as compared with approximately 80 per cent a year earlier. If we take a closer look, the results reveal that the April 1982 output with respect to first class local mail, that is letters posted in a city and bearing an address in the same city, is up to 94 per cent against 91.7 per cent the previous year. When it comes to first class mail sent to another city, commonly called forward mail, the performance rate has been 81 per cent for Canada as a whole, a significant improvement over the 66 per cent rate of the previous year.

I repeat, Mr. Speaker, since it was created on October 16, 1981, the Canada Post Corporation has made every effort to provide a better service to its clients. Changes in mail handling procedures, new transportation routes and improved controls over the national networks are just a few of the service initiatives that have been and are being applied. Consider the results of these initiatives. For August, 1982, on time delivery of first class mail was 88.7 per cent. This represents the highest monthly average that Canada Post has attained since 1976. The figures quoted fully demonstrate that Canada Post is working very hard to improve its services and that it has succeeded so far, no matter what the Member of the Official Opposition who spoke before me may think.

[*English*]

Let me turn now to a concrete example of improved service, Mr. Speaker. By the way, this improved service was made possible through the improving labour-management relationship that I spoke of earlier. Hon. Members will recall that the last major expansion of mail delivery service undertaken by the old Post Office Department occurred during the fiscal year 1978-79.

Mr. Orlikow: Just before the election.

Mr. Ouellet: On February 25, 1982 the Corporation announced that some 74,751 new homes and businesses would be served by some 170 additional letter carriers, beginning in April, 1982. These service improvements were made possible in large part by the increased postal rates which came into effect last January and by the introduction of productivity bargaining features in the 1982 contract reached with the Letter Carriers' Union of Canada. New letter carrier routes have been serviced in a number of cities across Canada.

• (1600)

It is worth taking a moment to recount the additional person-years which have been made available during a time of restraint. The union and management agreed to a number of productivity improvement measures, such as route restructuring and computerization of label redirection cards. The cost savings achieved from these and other productivity gains have provided some of the resources to meet service needs in other communities.

I take this major investment in improved delivery service as an early and concrete indication of the Corporation's commitment to its mandate and to its primary business objective, which is better postal service for all Canadians.

The Hon. Member briefly talked about Saturday rural delivery. He alluded to the question of the reduction of counter hours and espoused the idea that post offices will be closed. I do not know what he had in mind when he said this. Perhaps he was trying to scare people. One thing for sure is that the new Crown Corporation has a mandate to continue to give Canadians the type of services to which they have become accustomed. Not only will it continue this service but it will improve on it. This is what the Corporation is doing.

We will not involve ourselves in the day-to-day activities of the Corporation. I suppose the Hon. Member who saw his

Party voting in favour of the creation of the Crown Corporation would like to forget that this Corporation was given a mandate to administer in its best interests. We have ways to review and look at decisions taken by the Corporation. I have no hesitation in saying that in relation to Saturday services in small post offices, where there has been a tradition of providing counter services, nothing will be done in this regard without proper consultations taking place in the communities involved.

Also I assure the House that the Corporation does not intend to proceed with the plan described by the speaker who preceded me. Indeed, the Corporation is looking at many ways to improve services and to continue to give the level of service to which Canadians across the country have become accustomed.

I would like to turn now to another aspect of the motion which is before the House. It concerns the financial responsibility of the Corporation. The post office has been accustomed to deficits for many years. In 1982 we allowed a substantial postal rate increase. In fact, if that rate had not been approved, its deficit would have approached the $1 billion mark.

I understand that my time has almost expired. I should like to conclude my remarks with the indulgence of the House because the point I want to make is an important one. Is it agreed?

Some Hon. Members: Agreed.

Mr. Ouellet: The President of the Corporation indicated that instead of the deficit being around $1 billion without the 1982 rate increase, its deficit was now around $660 million. For the fiscal year 1982-83, the Corporation is committed to bringing that amount down to the $400 million range. This was made public in the statement of the former Minister of Finance when he discussed the plans of the Post Office Corporation. This is a substantial reduction with which the Corporation is prepared to live. The reduction of pressure upon taxpayers is in the range of 35 per cent to 40 per cent.

I am sure that some of the colleagues of the Hon. Member would be pleased to know that it is a relief on taxpayers, such as the Hon. Member for York-Peel (Mr. Stevens) who always talks about deficits, the Hon. Member for Etobicoke Centre (Mr. Wilson) and the Hon. Member for Mississauga South (Mr. Blenkarn). Surely they will welcome this initiative. We have to admit that it is a large reduction by anyone's standards. In fact, it is good news for Canadians who want to see their post office firmly on the road to lasting improvements.

I find it difficult to swallow the figures of the Hon. Member who spoke before me. He talked about 82 per cent increases in postal rates. It is misleading to relate the February 15, 1983 postal increase to the January 1, 1982 rate revision, as he did, without also bearing in mind the inordinately long period of time from 1979 to 1982 during which postal rates were not modified.

In reality, by February 15, 1983, when the proposed 32 cent rate will take effect, it will have been more than 13 months since the last postal rate revision, and it will have taken nearly four years for the price of a first-class letter to move from 17 cents to 32 cents. In this context, and considering the rise in the cost of such items as gasoline by more than 100 per cent and transportation by more than 60 per cent since 1979, the over-all increase in the cost of postage has not been excessive.

The framework for postal activities provided by Bill C-42 is a good one, but by the very nature of the business it operates, Canada Post is faced with a massive challenge. As I said earlier, it must improve its service performance and its human relations; it must attain financial self-sufficiency. I have no doubt that in due course they will be attained.

The Hon. Member suggested that perhaps the period in which to attain these goals should be a little longer. We will see as we go through the years. We know that the chairman and chief executive officer of the Corporation is ready to live with the objective of $400 million, the objective at which we are looking. I think there is no problem for the Government or for the Corporation to live within this objective. In the future we will see; we will cross the bridge when we arrive at the river. We are not yet there.

If the Opposition wants to be constructive, it can best do so with some tolerance vis-à-vis the Corporation, with the visible support of Hon. Members on all sides of the House, and with approval of and support for the worthwhile and needed initiatives taken by the new Corporation.

• (1610)

Every Member of the House recognizes the importance of providing efficient, affordable and equitable mail service to Canadians. But we must also recognize that a particular initiative can be criticized or condemned if one forgets the complexity of the challenge facing the Canada Post Corporation.

The Government has taken the most important first step in creating a renewed and vigorous Canadian postal system. It has created a postal Corporation and accorded it the legislative framework and mandate for it to do its job. We have appointed a representative, responsible and interested Board of Directors. We have watched as a very sound management team has taken over one of the country's largest businesses.

I am certain the Corporation will be able to stand on its own record of performance in the years to come. We must give it the chance to do so and Parliamentarians would be better to let it do its job. These people have been appointed to do the job. Give them the chance to do it and leave the politicking out of it.

I am sure that we all will be pleased to see the results when, in a few years time, this Corporation will again be a very proud organization serving the people of Canada well and being very appreciated by all the people of Canada.

[*Translation*]

Mr. Speaker, the efforts made so far by the Canada Post Corporation have brought results. The proposed objectives, I must admit, have not been reached, but I feel optimistic

because of the measures which have been implemented by the officials. The Canada Post Corporation is well on its way to achieving the goals for which it was established. Therefore I feel that not only should we give it our support but also the time necessary to fulfill its mission.

[*English*]

Mr. Lyle S. Kristiansen (Kootenay West): Mr. Speaker, I rise to speak on today's motion which reads:

That this House, recognizing the importance of providing efficient, affordable, equitable mail service to all Canadians, and recognizing that Canada Post has reduced service while increasing its rates, condemns the Government for its failure to enforce the provisions of the Canada Post Corporation Act which require Canada Post to provide Canadians with adequate service at a reasonable cost.

This is a motion which I, and I believe the people of Canada, welcome.

I would first like to say to the Minister, in particular, that my colleagues and I in this Party will be responsible. In being responsible, we will not attack the Canada Post Corporation nor the new management of that Corporation. Unlike the irresponsibility shown by Liberals and Conservatives in the House and across the country, irresponsibility which they have shown in numerable occasions, we will not attack the employees of the Corporation, whether they be inside workers or outside workers. We in the NDP want the Government, the Official Opposition and especially the Minister also to be responsible. In this respect I could not help but think that he sounded like the Minister of Employment and Immigration (Mr. Axworthy) who, during a recent debate in the House, appeared so sensitive to attacks on his poor administration that he tried to pretend that Opposition Members, whether Tories or from the NDP, were attacking the employees of the Unemployment Insurance Commission instead of the policies of the Minister. Similarly, this Minister's policy towards the post office has left it with little alternative but to do the damage that is being done.

The result of the entire administration of Canada Post today has been some improvement to urban services, while there is a reduction in service, poorer service and I would suggest almost a sabotage of service in rural Canada. The effect the Government has had on the Canada Post Corporation as a result of the Minister's policies is typical of what happens when you give any city slicker lawyer the responsibility for essential services to rural Canada.

This is similar to the problem which was faced by VIA Rail after its services were separated. It was given an impossible mandate, starved of funds and resources and the passenger service was separated from the freight service which financially carried it. This same situation is happening to the post office, whereby the Government will likely eventually decide that the service to rural Canada has become uneconomic. It will build up a large public blacklash, especially from some of the private sector, which will then demand to be allowed to cream off those portions of the postal service which are profitable and then leave the remaining Canadians, particularly those in the hinterland areas of Canada, with no service or with service at excessive cost which they cannot honestly be expected to bear.

I admit from the outset that there have been improvements in the Canada Post Corporation. One of these improvements has been an increase in mail delivered "on time" from approximately 80 per cent to 89 per cent during the last year. That is a significant improvement over a relatively short period. That is one of very few improvements. We have also seen many other basic services threatened.

I want to express my consternation and surprise at the Conservative Party for proposing a motion such as this. It takes a lot of nerve and even more hypocrisy for them to do this. The Conservatives have given their support to, and in fact called for many of the policies that the Government has agreed to follow—since the Government is acting like Tories so often—and that are causing the problems that exist within the Canadian postal service. I am amazed at the gall shown by those who proposed this motion when I consider what they have done previously.

Only a year ago we in the NDP, along with most Members from all Parties and certainly the vast majority of Canadians, were at least hopeful, if not optimistic, that the birth of the Canada Post Corporation, which had been demanded by so many for so long, could be a genuine rebirth of a once proud and efficient servant of the Canadian people. I say "hopefull" and not "optimistic" because we had some grave doubts due to what we believed to be the straitjacket of the unrealistic timetable of total and early self-imposed restraint and financial self-sufficiency which was demanded by the Government and supported by the Conservatives. The Government and those Members of the Official Opposition who sponsored the Government's policy were not satisfied with shackling this infant Corporation with the impossible demand of short-term self-sufficiency. They proceeded to starve it and batter it with the six and five program while hypocritically demanding that this infant Corporation rush to premature maturity and provide proper service to Canadians.

Let us examine what exactly was done. Michael Warren, President of Canada Post Corporation, has continually spelled out the three primary goals of the Corporation, as provided for under the Canada Post Corporation Act. The first goal is improved service; the second is improved human relations; the third is financial self-sufficiency. In the budget of November 12, 1981, a couple of budgets and one economic statement ago, the then Minister of Finance very clearly laid out the Government's expectations for financial self-sufficiency. From 1981-82, the Government expects the Canada Post Corporation to reduce its deficit of $620 million to zero by the year 1985-86. That is quite a demand at a time when the Government, the Official Opposition and this party are also apparently and hopefully committed to at least providing efficient and improved service across the country.

• (1620)

The Minister, in speaking during consideration of the Canada Post Corporation Act on October 24, 1980, laid out his own objectives. He said:

> Mr. Speaker, I do not intend to explain the legislation in great detail here this afternoon. However, I wish to mention a few points. First, I should like to speak about the mandate of the new corporation as described in clause 5 of the act, and I quote:
>
> 5. (1) The objects of the corporation are to establish and operate a postal service . . . within Canada—

That is nice. I agree with that. He went on:

> (2) While maintaining basic customary postal service, the corporation, in carrying out its objects, shall have a regard to:

—four other factors. And this sentence, Mr. Speaker, is essential to make hon. members of the House and particularly the Canadian public understand that the creation of a Crown corporation does not mean a reduction of services usually assured to the public. We wanted to write down this guarantee in the act so that Canadians, particularly in remote areas of the country and rural sectors which are often affected by decisions made by large Canadian corporations, would not be penalized by the creation of a Canada Post corporation which would operate in the Canadian capital and that would become insensitive to the aspirations of those Canadians, particularly in the rural and remote areas of the country. So I say that clause 5 guarantees that the same level of essential services will be maintained and this is one of the objectives of the legislation for which the new corporation will be responsible.

That is not what has happened. A few moments ago the Minister outlined the fact that in some areas of urban and western Canada, and particularly in the City of Calgary, people have finally been given the household delivery routes to which they have long been entitled and for which they have waited a long time. That is good. As I also said earlier, and as did the Minister, there has been an improvement in the time it takes to receive delivery of first-class mail.

However, in the meantime what are some of the drastic reductions in services that we have seen? There have been the closings of small rural post offices when single operators are unable to work and threatened Saturday closures of many rural post offices; the discontinuance of Saturday delivery to areas in rural Canada; and the current attempt by Canada Post to cancel carrier delivery on residential routes whenever a letter carrier is ill, which matter is now before arbitration. Even if a carrier who reports sick is a carrier on a business route, a carrier will be taken off a residential route to fill his place, which means that people in residential homes across Canada will not get the service to which they are entitled. In order to do this, the management of Canada Post is being forced, by the financial straitjacket imposed by the Government and the Official Opposition, arising from the six and five provision and the Canada Post Corporation Act, to abrogate many sections of its collective agreement. Again, there are several key arbitration cases presently pending on that matter. That is a sure-fire way of recreating exactly the kind of nightmare in industrial relations within the postal service which is one of the things that I believed all of us in the House were trying to get over. And you guys are wrecking it.

Mr. Nielsen: Honourable guys.

Mr. Kristiansen: Those honourable guys are wrecking it. I sometimes wonder.

The suggestion has been made in a number of quarters that these moves not to replace carriers who are sick and to deny people the residential route services and delivery to which they are entitled is simply testing the waters for what is called "alternate day delivery". That would mean that one would get one's mail only every second day, except on the weekends, when one would not get it at all. At one time we had six-day delivery in this country, but will it now be reduced to delivery every two and a half or three days?

What is the design? City slicker lawyers are in charge of rural services again. There is also a current attempt to eliminate 1,500 jobs as a budgetary cutback and that will not do much for service, either. If it is found that those employees are redundant, not necessary in order to carry on the legitimate functions of the post office, that is something that everyone can realize, and one can sit down and negotiate that problem with people. However, there should not be a speeded up, forced cutback in the way that the Government's policies and those of the Official Opposition are forcing the management of the Post Corporation to do. At the same time, we are seeing a constant, stubborn refusal to initiate carrier service in many other new communities which are being forced to resort to group boxes instead. Of course, while all of this has been going on, the cost of this reduction in service has been going up and up, both for group boxes and post boxes in the various post offices across the country—that is, when people can get into them, because some of the rural post offices are being closed on Saturday, too.

There has been an increase of 82 per cent or 92 per cent in the cost of a postage stamp to mail a letter over a period of just the last year. First, the cost was raised from 17 cents to 30 cents and now, by another 2 cents, to 32 cents. That is the present end of what has been an increasingly sad story for the past many years. Some 20 years ago I worked in this city in another capacity and had to do a fair amount of mailing from an office here in Ottawa to reach people out on the West Coast, amongst other locations. At that time I could pretty well count on the fact that if I dropped a letter in the mailbox prior to two or three o'clock in the afternoon, someone in downtown Vancouver, even someone receiving residential mail, not just business mail, would get it the next day. There was about an 80 per cent chance. Certainly, if that person did not receive it the next day, he would receive it the day after that. However, now we hear the Minister bragging because the amount of delivery time has been reduced and that, on average, mail will cover that same span of territory, with all the increases in technology and science, in four or five days. That is called a great improvement.

In the last 20 years what has happened? Even more recently, in 1968, when the Prime Minister (Mr. Trudeau) took office, we had 6-cent delivery. It was raised to 7 cents, then to 8 cents, 10 cents, 12 cents, 14 cents, 17 cents, 30 cents and now 32 cents. There has been a 540 per cent increase since the Prime Minister took office. Instead of getting delivery across the country in one day or, at the most, two days, the Government

brags about the fact that we will get it in four or five days. Certainly the imposed financial restrictions, the demand for unrealistic and early financial self-sufficiency which was demanded and implemented, and is still being implemented by the Government, creates an unrealistic pair of handcuffs for a post office management which is desperately trying to come to grips with the problems it has inherited in its attempt to provide better and improved service.

Next we had Bill C-124 and the six and five solution, another heavy-handed attempt to find scapegoats for the problems that that bunch over there created, and again the Government was supported by the Official Opposition, the Conservative Party, which has the gall to put this motion before us today. In the Standing Committee on Miscellaneous Estimates which was studying submissions on Bill C-124, the six and five Bill, one of the Directors of Canada Post Corporation, Mr. Ron Lang, gave testimony. I asked him specifically what the likely impact of Bill C-124 would be on the post office, and I want to quote from Mr. Lang's response:

• (1630)

Let me be quite frank with you. Since this Bill has come down, it has not only thrown into question all the objectives of Canada Post Corporation, because the five-year plan which had been drawn up and the financial targets which are to be met are now all thrown into jeopardy, both on the receipt side and on the expenditure side—it is very, very doubtful whether the Crown corporation, if the Government pursues its Bill C-124, particularly on the price increase side but also on the labour relations side, is going to be able to meet its financial commitments or the financial stringencies this Government has placed on it. In other words, if it cannot meet them, what it is going to mean, in my opinion, as a director, is that the Crown corporation is going to have a larger deficit, and that is going to have to come out of general revenue.

So the Government puts it in handcuffs and then starts to kick it around. Then it complains about us, over here, being irresponsible because we say that it is not providing the service, that those city slicker lawyers over there do not care about what is happening to postal service in rural Canada. You call us irresponsible? That is really a laugh!

Again, these Members to my right are every bit as culpable because they set in place many of the backlashes and demands for early restraint, particularly the Member for York-Peel (Mr. Stevens) in his crusade that has made this Government act like Conservatives and do what they are doing.

I would just say that the Government must have an evil design, which they are masquerading or they are fools. It is their choice and they now have a chance to show their real hand once and for all. I and my Party urge them now to change course, to be flexible, to remove the impossible early target of total financial self-sufficiency and to urge Canada Post to extend the principle of industrial democracy in the management of that Postal Service in order that it be given room to act and deliver the goods on time, and at reasonable cost to the people of Canada whom we serve.

PROCEEDINGS ON ADJOURNMENT MOTION

[*English*]

SUBJECT MATTER OF QUESTIONS TO BE DEBATED

Mr. Deputy Speaker: It is my duty, pursuant to Standing Order 40, to inform the House that the questions to be raised tonight at the time of adjournment are as follows: The Hon. Member for The Battlefords-Meadow Lake (Mr. Anguish)—Public Accounts—Auditor General's certificate. (b) Government response; the Hon. Member for Esquimalt-Saanich (Mr. Munro)—Canadian Transport Commission—Severity of penalty imposed on Air B.C. (b) Commission's powers; the Hon. Member for Mississauga South (Mr. Blenkarn)—The Economy—Government policy affecting private sector. (b) Interest rate levels.

GOVERNMENT ORDERS

[*English*]

BUSINESS OF SUPPLY

ALLOTTED DAY, S.O. 58—CANADA POST CORPORATION

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

That this House, recognizing the importance of providing efficient, affordable, equitable mail service to all Canadians, and recognizing that Canada Post has reduced service while increasing its rates, condemns the Government for its failure to enforce the provisions of the Canada Post Corporation Act which require Canada Post to provide Canadians with adequate service at a reasonable cost.

Mr. Albert Cooper (Peace River): Mr. Speaker, I am pleased to have this opportunity to enter into this debate on the motion that has been filed by my colleague the hon. member for Haldimand-Norfold (Mr. Bradley), a motion that a number of us have wanted to have a chance to discuss. We have certainly wanted to have a chance to look at the postal facilities in Canada.

Today I want to look at basically three areas that are of concern to people in my riding. The first would be the monopoly aspects of the postal Corporation; the second would be the reduction of services that we are experiencing; and the third would be the lack of adequate facilities in many parts of my riding.

Dealing first with the monopoly aspects of the Corporation, we know that in the past there was a historical justification for this monopoly, simply because no one wanted to deliver the mail. Today there is no longer that justification. Private firms can provide the service, and there have been changes in technology that open all sorts of horizons for the delivery of mail.

In the past that monopoly was not strictly enforced, because it could not be. There was really no legal definition of a letter

that allowed them to enforce that monopoly. That situation existed from the beginning of the postal service in Canada up until today.

Suddenly we are finding that private firms and other Governments can be competitive with the postal service in both price and service. The result of that is that the post office is now feeling a little threatened, so rather than look to improvements in service and competitiveness it has moved to expand its monopoly. How did it do that? It was in the area of redefining a letter. I understand that as of this morning it has decided to pull back that definition and reconsider. I am glad to see that, but certainly it is a little coincidental that it happens to be on the same day that we are going to debate that very issue. That definition was designed to close out competition and to guarantee the postal Corporation's market share, regardless of its competency or its efficiency.

If we look at the definition that had been proposed, I think we will see why. It is this:

> Mailable matter in any form, the mass of which does not exceed 500 grams, whether or not enclosed in an envelope, that is intended for transmission to any destination.

That definition was obviously very broad and very sweeping. We know that there were to be some exceptions to it, but they were few. What we found with that definition was that anything that could be sent was classified as mail. One of the aspects that caused me so much concern about that and about the monopolistic attitudes of the Corporation is that those powers can be defended and implemented simply by regulation, that is by Order in Council and so on. They do not have to come before the House of Commons.

This Crown Corporation can and is, and certainly was, in the terms of that past definition, willing to show its willingness to manipulate the marketplace to its own advantage, instead of really honing itself or working to improve its competition or to improve its efficiency, and essentially to create a better opportunity for itself in the marketplace. Instead of becoming the preferred route to the preferred option, it was gambling on closing the doors and forcing out its competition. What we saw in fact was that electronic mail would come under the jurisdiction of the post office. We found that courier service charges could go up and would be at a rate three times that of first-class mail. Couriers would have to charge triple that rate. We found that hand-delivered bills, whether by a municipality or by a corporation, would become illegal. They would now have to be delivered through the post office. All of this was brought about simply by publication in *The Canada Gazette*, and that was considered significant notice of change. That is how that definition was brought in.

Just to get an example of how that works, I think we should take a closer look at the definition process and how it came about. The information that that definition must be changed was placed in *The Canada Gazette* which, I am informed, has a circulation of approximately 2,700 people in Canada out of a total of 20 million who would use the postal facilities.

The only other thing that I understand was done was that a kit was sent to the media describing these changes. There was no kit sent to industry or to major users of the postal service. In fact, what happened is that opposition to that definition came about almost by accident. It was almost by word of mouth. It almost slipped by because there was not any great amount of publicity about it.

It would seem from that and from the previous definition that what we were going to see was that Canadians would be expected to pay inflationary prices simply to guarantee the profitability of Canada Post. We know that those cost increases are going to contribute to inflation, whether by adding costs to municipalities, to utility companies or to other corporations, because they cannot hand deliver their mail. All those things are reflected back into the spiral.

• (1640)

Something else that would have been affected by that definition would be the fact that we would have been looking at increased courier costs simply because there would no longer be the option of using bulk mail. They would charge for every individual envelope rather than using the bulk mail rate. Also there was to be charges on electric mail.

The defence for that definition was that Canada Post would never use the extreme power it had or the full, broad range of the definition. My question is, why in the world would they want to put it in? My question now is what kind of definition are we going to be looking at? Will it be significantly improved or will there be a bit of juggling and have much the same comeback?

These broad powers seem to be more and more a bad habit of this Government. We saw that reflected in Bill C-48 and in the National Energy Program. We see it also in Bill C-10. All the time we see the Government reaching out for power over large areas of territories and saying they will never use it. My theory is, if you don't need it, don't put it in; and if you do put it in, you are dealing with bad legislation.

The last concern I have with the monopoly approach to postal service is what it does toward eliminating competition. What happens here is very simple. If we end up in a strike situation in this country, as we have in the past, Canadians will be left in a very vulnerable position. Had the definition we had previously tabled gone through, much of that competition would have disappeared. Municipalities would not have been able to deliver their own mail. Therefore, we are left in a very vulnerable position.

I want to emphasize that I essentially grew up in the postal service in a lot of ways. My father worked in the post office virtually all his life. I know that the vast majority in the postal service are competent, efficient and hard-working. My question is, why does not Canada Post try to capitalize on those natural assets rather than try to protect its inefficiencies by going for a monopoly, increasing its territory and cutting out its competition? It should be capitalizing on what it has going for it. I believe it has a great deal going for it.

I want to move to the second area of concern, reduction of service. I relate that to rural Canada because in rural Canada the post office has historically had and today has a very special

significance. It has become a vehicle for virtually everything, including shopping, regular mail, magazines and so on. It has become a very large part of rural life. However, there has been a steady deterioration of service in rural Canada. Now that service will be reduced even more.

This time it is going to be reduced with a double-edged sword. The first edge of that sword is no Saturday delivery. The second is that no postal stations will be open on Saturday. That may not be particularly significant in downtown Toronto, but it is in rural Peace River, rural Grande Prairie, Valleyview, Debolt and so on. Saturday is a very significant day for our farmers. It has long been the traditional marketing day, the day when farmers come to town to purchase their parts, get their groceries and, of course, pick up their mail. Suddenly we find that generations of tradition will come to an end, all this after rural customers have been suffering delivery problems in the past. Many have been driving five, ten, 15 or 20 miles or more to pick up their mail. Now there will be no Saturday delivery and the offices will not be open on Saturday.

The third area I want to touch on is facilities. That certainly is a very big concern in my part of the country. Not only do we have areas without delivery, which complicates things because it creates long waiting times in post offices simply because there are no boxes, but people are forced to pick up their mail in general delivery. That again complicates the process and again there are long lines. On top of that we find that many postal stations are in a poor state of repair with little room, poor light and heat, a shortage of staff, no parking space and so on. All of this is being provided by a Crown Corporation that wants to guarantee "that all Canadians have access to a basic level of service".

I want to give a few illustrations of that. In the City of Grande Prairie the post office is 20 years out of date. There is a shortage of boxes, both in the physical building and in the neighbourhood surrounding the town. There have been long delays for mail because of the huge line-ups for the general delivery service and lack of facilities. That City was promised a new post office building, with construction to begin in 1982-83. I met with senior officials of the Crown Corporation to discuss that. I now find that it has been delayed. How long, I do not know. I do not yet have any answers. It could be next year or the year after. There are no specifics. That area desperately needs new postal facilities.

McLellan has a post office facility which was built as a house in 1940. It is expected there will be considerable growth in that town next year with two major industries moving in. The postal facilities are already out of date for the existing population. In the Town of Grimshaw the post office is approximately one-half the size that is required. Again improved facilities have been promised, going back three years, but still no results.

In the small community of Debolt the postal facilities are so bad that they cannot even lock the door. It does not fit. It is propped shut by cans, garbage and so on. We have a lot of promises but very little tangible action in terms of providing facilities in rural Peace River where these facilities are so desperately needed.

Coupled with this we are now going to have a reduction in delivery service. That will cause even further delays, longer line-ups, more unsorted mail and more angry customers. Still the postal service remains intent on protecting its monopoly, protecting itself and cutting off competition. However, the problems will continue because the basic problems we are faced with are not being solved.

In his speech today the Minister gave a couple of definitions of the Crown Corporation. One was with regard to price increases. He said we have to be fair, that the price of a stamp has only gone from 17 cents to 32 cents over four years. That is still more than a 25 per cent a year increase. That is the justification of a Government which so loudly and provocatively talks about the six and five regime; it says 25 per cent is not bad.

The Minister spent a great deal of time saying that the post office is making improvements and a lot of progress. I say to him that the bottom line in improvements never comes from the manager or management, it has to come from the customer. Recently a survey was done among small businesses with regard to postal service in Canada. I understand it involved about 9,000 people. Approximately 67 per cent said there was no change in service; around 24 per cent said it was worse. Only 2 per cent said it was improved. Therefore, there is still a lot of work to do, certainly in terms of service and facilities.

We should continue to press for those improvements. I know they very much affect the riding of Peace River. It is something that I still get more mail on than almost any other issue.

• (1650)

[*Translation*]

Mr. Carlo Rossi (Parliamentary Secretary to Minister of State (Multiculturalism)): Mr. Speaker, it is a pleasure for me to have this opportunity of expressing my views on this motion. When we hear Hon. Members of the Opposition criticize alleged reductions in postal service, it soon becomes clear that the real target of their criticism is the Government. However, in this case, they missed their target. In fact, the legislation passed by the House on April 14, 1981 was approved by all parties, and no one can deny that. Thanks to this legislation under which the Canada Post Corporation was created, Canadians have enjoyed vastly improved, more consistent and faster postal services, a better job environment and all without increasing the deficit and the burden on the Canadian taxpayer.

It would be useful to recall the objects of this Crown corporation. The reason for entrusting a corporation rather than a department with responsibility for establishing and operating a postal service is that this was an opportunity for renewing the Canadian postal system and making it a source of pride for all Canadians.

So what has Parliament asked the new corporation to do? While maintaining basic postal service, the Corporation shall improve and extend its products and services, it shall provide a standard of service that will meet the needs of Canadians and that is similar, and I emphasize this, with respect to communities of the same size, and it shall utilize the human resources of the Corporation in a manner that will both attain the objects of the Corporation and ensure the commitment and dedication of its employees to the attainment of those objects. But that is not all. There is also the requirement to do all of this while maintaining rates that are both competitive and sufficient to help reduce a very substantial deficit.

At first glance, these objects seem to be so many constraints and by the same token, impossible to achieve, but nevertheless, if we take a careful look at the Corporation's first year of existence, it is clear that Canadian postal services have already made tremendous progress. The Corporation's management is to be praised for having translated the objects defined by Parliament into a management plan. I may add that the unions were also involved in this process as well as many of those who in the past have tried to introduce changes in our postal administration. Concentrating on three main elements: service, human relations and financial self-sufficiency, this management plan, which some people are anxious to criticize—I am sure I do not know why—has throughout 1982 given us a level of postal service we have not experienced for some time. I realize that much remains to be done, but the fact is that the Corporation is off to a head start and has a very good chance of being a winner.

The Canada Post Corporation has made service its number one priority. Service has not been interrupted. In fact, we have consistently had better and better quality service. There seems to be an atmosphere of openness in contacts between the Corporation and the unions representing its employees. Here again, Mr. Speaker, the Corporation has become more reliable as an enterprise, and less susceptible to work stoppages whenever there is a difference of opinion between parties in the collective bargaining process. The Corporation has managed to cut spending substantially without resorting to massive lay-offs that would have raised an already high unemployment rate during our present economic recession. The Corporation's objectives have all been met, and it is surprising to hear people talking about reductions in service, while the opposite is true. Keeping a steady course while at the same time keeping all three objectives in line is no mean feat, and it should be recognized that both directors and employees of the Corporation are doing an excellent job.

The question is, where was the Corporation to get the money it needed to improve services, while it had to reduce its deficit of $200 million or $300 million? How could it maintain industrial peace when it had to change many of its procedures, which would inevitably result in major changes as far as the employees were concerned? The objects that formed the basis for this new Crown Corporation were and still are essential to the renewal of our postal service. A start has been made, and it is a fact that the infant is in pretty good health, Mr. Speaker.

If Canada's postal service is to maintain the course set out for it by the Members of this House, the Corporation's directors must have the authority to make adjustments to the manner in which, services are provided. The Corporation must be given the tools it requires to carry out its mission. The Corporation's board of directors has specific powers with a view to managing Canadian postal services. Although, as in other areas, Parliament must maintain a healthy vigilance, it would be unfortunate and contrary to the spirit in which the legislation was passed to make this debate some sort of trial based on incomplete and biased evidence.

Mr. Speaker, I am convinced that thanks to the provisions of our legislation, the objectives of the Corporation and the professionalism of its directors and its employees, Canadians will be provided with a better postal service. We have already witnessed a promising initial step. This is a start, it should be encouraged, and Members on both sides of the House should be prepared to do so.

• (1700)

[*English*]

Mr. Stan Darling (Parry Sound-Muskoka): Mr. Speaker, it is a privilege to be able to take part in the debate on this motion by my colleague, the Hon. Member for Haldimand-Norfolk (Mr. Bradley), which states:

> That this House, recognizing the importance of providing efficient, affordable, equitable mail service to all Canadians, and recognizing that Canada Post has reduced service while increasing its rates, condemns the Government for its failure to enforce the provisions of the Canada Post Corporation Act which require Canada Post to provide Canadians with adequate service at a reasonable cost.

I have had the privilege of serving as a Member of our Party's post office committee for a number of years, Mr. Speaker. I also had the distinct privilege of serving under the former post office critic, the Hon. Walter Dinsdale, who, as we are all aware, is being buried this afternoon in his home town of Brandon. Walter had a special and wonderful way of communicating with those with whom we had considerable differences.

As we are aware, the post office had, I believe, 28 unions and it was hoped that with this new Canada Post Corporation that number would be reduced, thereby reducing the possibility of strikes. I recall when we were meeting with the unions, in particular with CUPW, we had to deal with that flamboyant Scotsman, Joe Davidson, and Walter was able to reason with him, and then later on with Jean-Claude Parrot. I see the former Postmaster General smiling. Mr. Parrot was not as easy to deal with, nor as flamboyant, as the great Joe Davidson but he was a pretty tough nut, too. I also recall the many meetings we had with the Letter Carriers' Union and Bob McGarry and Bill Finley. Certainly that union has been a very reasonable one. Let us hope that both unions are now well aware of the serious situation with which the Canada Post

Corporation is faced, although I think all Members would agree that CUPW is still not the most popular union on the ratings scale across Canada.

Now, we on this side of the House had long urged the conversion of the then post office to a Crown Corporation. We were moving in that direction in 1979. I can only say, therefore, what a crushing disappointment it has been to us all to see the direction which the new Corporation, launched with such hope so short a while ago, has now taken. Years ago the Royal Mail moved swiftly, surely, efficiently and cheaply. It operated as a virtual monopoly because it did its job so well that it was unchallenged. People trusted the post office. They had such confidence in it that they paid it the ultimate compliment; they took it for granted. They did not even consider the possibility that articles in its care might be lost, delayed or damaged, things that we assume will happen today and do happen today.

I do not want to suggest that we felt its conversion to Crown corporation status would magically bring back the good old days; far from it. But we felt by providing a corporate framework, semi-autonomous from the cold hand of the cabinet, with a thrust into the icy waters of the competitive world of private enterprise, that we were giving it the best chance to work out its own salvation. So far it has not worked, for a number of reasons.

In my estimation, Mr. Speaker, the root cause of the Corporation's difficulties is the mandate with which this Government cast it adrift in the first place. Specifically, what other Crown corporation has ever been created and then told, concurrent with efforts to get its feet firmly planted in a new environment, to eradicate a massive operating deficit? It had been saddled with that deficit, I might add, by policies of the very Government that was wishing it bon voyage. So as the direct result of an insane repayment schedule the Government sends it off with a little christening gift of a 76 per cent increase in postal rates.

Everyone in the country, it seemed, was highly upset but the duplicity had worked; they were not upset at the Government, who had not only authorized the new rates but by its policies had made them necessary. No, they were upset at the new postal corporation. What a parting gift from its loving parent!

As a result of the framework within which it was forced to act from the very beginning, the Corporation was forced to take some very hard and unpleasant decisions. The most unsavoury of these is its quest for a monopoly in its area of operations. The very idea is repugnant in a society which likes to think of itself as still retaining some semblance of free enterprise orientation. This organization has been declared to be a genuine corporation, just like in the private sector. It has been sent out into the world with an utterly unconscionable price increase, the likes of which no private sector entity would ever be able to impose. Then, to prevent the public from registering its disapproval in the time-honoured free enterprise way, its competition is forced to charge three times whatever Canada Post charges, whether or not it is necessary from a business standpoint. Whatever Canada Post chooses to charge, the competition is forced to price itself out of the market. It is breath-taking. It is what Karl Marx warned us about, only he thought it would be the private sector that tried taking the ordinary people to the cleaners.

Mr. Ouellet: You were at the committee and voted for it.

Mr. Darling: Most certainly I was at the committee, and we felt anything would be an improvement. Certainly I voted for it along with other members of the committee, but we felt the Corporation would be an improvement and we were guaranteed by the Postmaster General that it would solve a great many of the problems. I would like the Hon. Minister to refute that.

When the rest of the business community, Mr. Speaker, must compete for the patronage of the public by offering better service and greater value for money paid, I find it offensive that a Crown corporation can effectively legislate its competition out of business. The Minister, when queried in committee about couriers, sort of sidestepped the issue a bit and then finally said that, well, couriers would be tolerated. Of course, we now know they are being tolerated but this is certainly going to change, I understand. It is interesting, Mr. Speaker, that in today's *Toronto Sun* there is a heading which says: "McGill Prof Says Feds Show: Anti-combines Flaw". It goes on to mention the Department of Consumer and Corporate Affairs and amendments to the Combines Investigation Act, and then finishes off with this:

> The Government is one of the biggest offenders in competition, he adds. "Canada Post (run by Michael Warren) is a case in point. In mail delivery, would-be competitors are warned off by the prospect of fines and jail sentences."

• (1710)

We are well aware that a good many municipalities are feeling the pinch because of the great demands on their services and, of course, municipal taxes have been increasing drastically. Some municipalities are endeavouring to save money by having their water or hydro bills, and even their tax bills, delivered by members of their staff. In my village of Burks Falls a good many bills are delivered along the main street within a few minutes, just by handing them to the people concerned. Canada Post Corporation is trying to take this matter to court because it wants to extract its pound of flesh and its 30 cents for every bill. I hope something can be worked out so that the municipalities can continue to save money in this way.

There is no problem with the small rural post offices because anything within their radius of operations is delivered within 24 hours and sometimes even less. It is when monstrosities such as the Gateway or South Central termini and the huge sorting depots in other metropolitan areas are involved that the problems begin.

I find it rather threatening that the Government sees nothing wrong in permitting this kind of competition, and I find it frustrating that by deliberate actions it has made it necessary for the municipalities to take such steps. Years ago

there was no thought of such a thing. Bills went to the post office and were delivered at nominal cost.

There is another aspect to this matter of monopoly which I find worrisome, Mr. Speaker, and that is that in the event of a postal strike, the monopoly is not lifted. That gives not only the Canada Post Corporation but the postal unions a stranglehold on the Canadian economy. Is that what the House wants? It is not what I want and it certainly is not what the businessmen and citizens of Parry Sound-Muskoka want. We are all aware of the tragic strikes that have taken place in the past. One lasted 48 days, bankrupted a good many firms and imposed a great financial burden on others.

The Post Office Corporation has announced that rates are to be increased by two cents on February 15. To add contempt to the offence, the press releases announcing this increase were actually being distributed while the Prime Minister (Mr. Trudeau) was using postal rates as an example of Government restraint, in one of his famous fireside chats. If governments were elected on the basis of gall instead of competence, the present one would be all but unbeatable. On the other hand, if they were elected on the basis of competence instead of smoke and mirrors, it would long since have gone the way of the United Reform Party, the Bloc Populaire and the Liberal Progressives.

Counting the 13 cent baby bonus with which it was launched then, that means that the Canadian public will have been asked to pay postal rate increases of over 88 per cent in less than a 16-month period.

Six and five is a big laugh, Mr. Speaker. The Canadian public is not blind. It knows full well that in times of inflation, prices will rise. All it asks is a little something in return. It asks for increased productivity.

To put it even more bluntly, it asks for better service. Canada Post Corporation officials trot out all kinds of statistics to show that, indeed, the service is getting better. They tell us that 88 per cent of mail, or whatever the current figure is, is delivered on time. Of course, no one has ever defined what "on time" really means. From the standpoint of the businessmen in my area in particular, it is easy to suspect that the definition of "on time" is being adjusted, rather than the service being improved. What we see from Huntsville, or from Burks Falls, is an average 11-day delivery time for a newspaper from there to Ottawa. We see the cancellation of rural Saturday deliveries and a bare-faced attempt to do away with Saturday wicket service as well. We now have a five-day rural mail delivery service. As has been mentioned by my colleagues, a great many farmers make it a point to go to town on Saturday and may want to register a letter or buy a money order. If the wicket service is reduced to five days, it will mean a hardship on them.

I hope that the Postmaster General will look at this aspect of postal service again. He should tell his colleague, Michael Warren, to keep his cotton-picking paws off closing small-town post offices on Saturday. He has done enough damage already by taking away Saturday delivery.

It is also worth mentioning that when the Prime Minister assumed office, the first-class postal rate was six cents. By the standards the Government has set in its management of the rest of the economy, I suppose a 553 per cent increase in rates in 15 years is not out of the way; but it is by the standards of every other Canadian Government in history. In return we have a service that, if it did not affect the profitability of every other business in the country, would be a joke.

By profession I am a real estate broker and insurance agent. In all truth, Mr. Speaker, I can tell you that today no one would expect an offer to purchase to be put in the mail and delivered within a reasonable time. They are all sent by special courier. My sons, who now operate the business as I no longer participate in it, have their salesmen drive 100 or 200 miles to deliver an offer. All across the country insurance offices no longer depend on the post office but use a regular insurance courier. The mail is picked up at the offices and delivered to Toronto within 24 hours. If it were sent through the post office, who knows how long it would take?

These are the things that worry a great many people, Mr. Speaker. Of all the Departments of Government, this is the one about which Members receive most complaints. Weekly newspapers carry advertisements complaining about the post office. When I found out that it took 11 days for delivery of the newspapers, I wrote to one paper asking it to make sure the papers were mailed on the date which appeared on the masthead. Most newspapers are sent out on a Wednesday. I checked with the post office and found that they are sent out in bags on the Wednesday but take 11 days to travel 250 miles.

I have received letters and petitions from groups of senior citizens who are incensed by the proposed two-cent increase in the cost of mailing a letter. Many other constituents have written about delays in delivery and damaged letters.

We expect much better service than this, but it does not seem that we are getting it. The motion presented today by my hon. colleague should induce the Government to pay attention to this very important service. We hope that the Canada Post Corporation will try to do a better job in the future than it has in the past.

• (1720)

Mr. Robert Daudlin (Essex-Kent): Mr. Speaker, it gives me some pleasure to join briefly in this debate today, a debate which was instituted by the Hon. Member for Haldimand-Norfolk (Mr. Bradley) and just entered into by the Hon. Member for Parry Sound-Muskoka (Mr. Darling). I should like to refer to some of the comments of the Hon. Member for Parry Sound-Muskoka because I think they invited comment. I am sure he would be surprised if I did not respond, at least in some way, to some of his comments.

I, like he, have been contacted over the last weeks by a number of utility commissions, small-town services and municipalities which have considered over the last few months the possibility of direct delivery of their utility bills, tax notices and so on. I think every Hon. Member of the House has been subjected to some kind of lobby with respect to this sort of

delivery, because obviously municipalities are concerned about costs and whether or not the extra two cents or indeed the current 30 cents will create problems for them.

By the same token, it seems to me that Hon. Members opposite are suggesting that a decision has been taken to reject all submissions made by municipalities and all those made by utility companies. I do not believe that could be further from truth. The Hon. Member for Parry Sound-Muskoka must know that indeed discussions were entered into which would permit some flexibility and would in fact understand, recognize and permit a mechanism whereby the delivery of such mail could take place in a preferred way. Indeed, I believe an announcement was made just this day in response to the request for an amendment of the definition of "letter" to deal with, among other things, bulk rates, bulk mail, the movement of securities and the use of new technology. This has been responded to, in that the new bulk rates will be payable based upon the number of letters contained in containers or given to couriers, and upon their pre-sort before delivery to Canada Post.

In addition, provisions have been made for special rates with respect to the movement of securities.

Finally—and this is of particular interest to me—organizations such as Union Gas and Consumers Gas, which have been working very closely with Canada Post, are very concerned about the new technology. I am sure the Hon. Member for Haldimand-Norfolk must be aware of the new teleprinter technology which would allow a gas meter operator to go from home to home delivering a bill to the occupant. In recognition of this, an agreement has been reached with the postal Corporation to provide for the use of this new technology. To suggest today that there is total inflexibility, that in fact a monopoly is being sought, and that there is no possibility for relief from additional pressures of added cost, quite frankly is not correct. I am sure my hon. friends would want me to put those comments on the record, particularly if they were not aware of them.

Whether these comments take a bit of the sting out of what they attempted to say today or whether it changes the complexion of what the Hon. Member is trying to do with his motion, I do not know, but there is no question that these comments had to be put on the record. I, for one, am particularly pleased to have been able to respond to constituents such as the Union Gas Company that have written to me and entered into negotiations directly with the postal Corporation. They are finding that it is not a great monolith, unprepared to listen to them, but is prepared to respond to the recommendations of private entrepreneurs. In fact, they are finding that the Government and the Corporation can meet their demands and concerns.

I should like to spend a few moments looking at the motion before the House, specifically as it deals with service improvement or the lack thereof, according to the Hon. Member. If the world were perfect and we had all things, I suppose all of us could have voted to have the new postal Corporation somehow wipe out all its debt, to continue to deliver mail at the rate which created the debt, to improve its service and profile as well as the reliance upon the Corporation which people should have. I suppose we could have indicated that if it proved itself we would give it an increased rate, but this is not the kind of world in which we live. The House voted to send the postal Corporation its mandate. The time not to do it was when we had the vote. It is too late today to say that we voted to do it but we really did not want to, that we were kind of forced to and thought things would be better. I cannot accept such reasoning. We all voted as reasoning persons. We recognized that indeed we were imposing a great difficulty upon the postal Corporation, but we asked it to deal with its debt. It seems to me that Canada Post is dealing with it reasonably and that it is continuing to try to provide a service. Also it seems to me that we are not asking for the payment of that service by very difficult and expensive methods or in a disproportionate way.

If we asked people in the remote areas of Canada to pay the true cost of the delivery service, which I agree they have the right to expect, would they use it or be able to pay for it? Does it not seem reasonable that if we are to demand a service in remote areas, the beneficiaries of mail delivery elsewhere should somehow be required to pay for a portion of the cost of remote distance delivery?

In addition, I ask Hon. Members whether they truly believe that there has not been an improvement in service. After only a few months of officially gaining its status as a Crown Corporation, a status which permits Canada Post to operate as a business and without the trammels imposed by several Government Departments, it announced that 74,751 new homes and businesses across Canada would be served by some 170 additional letter carriers. Many of these calls became operational by April 1 of this year. This increased service represented the first major expansion of mail delivery service since the Government tightened financial controls in 1978-79. The improvement in mail delivery represented a $5.5 million investment in the provision of faster and more accessible mail services.

I and many Members of the House argued with some validity that there were many areas in our constituencies that by any criteria deserved increased service. At the same time we argued that somehow it had to be found within the confines of restraints. This was done. To argue today that this is not an increase in service, which should be lauded as having been accomplished by the postal Corporation, is not to acknowledge what has truthfully taken place.

The expansion of mail delivery took place right across Canada. It was not isolated to only one or two communities. Also it took place with due regard for the public purse, and the financial bottom line is a key to further progress in the mails. Canada Post's No. 1 priority is to improve service; I think the chairman of the Corporation indicated that. Its aim is to provide a service second to none in the mails.

Accordingly, one of the first things it did once it became a Corporation was to set up six action programs called "quick starts". It staffed teams with some of its best managers and

told them to attack immediately six critical areas where Canada Post had to intervene quickly in straightening out operations and moving the mails more expeditiously. These quick starts have paid off handsomely in boosting over-all performance.

I should like to offer Hon. Members some evidence as to where they have started to pay off. A user's guide for large volume mailers was produced and distributed. By working more closely on pre-sort and make-up requirements, Canada Post now saves time and money, which is reflected throughout the system. A turnaround team dealing with mis-sorts and mis-sends has been auditing 371 mechanized plants and postal stations. Quality control teams are checking very carefully to ensure that these miscues are corrected as quickly as possible.

• (1730)

Several new transportation routes have been set up to move the mail faster between high density centres. If the mail movement between my constituency and Ottawa, for example, is any test of whether or not this is working, then I have to suggest that it is.

These initiatives and others are all directed by a special body called the Service Improvement Group. It has taken over the implementation of the quick start programs and it has been charged with the responsibility of seeing that the work continues on schedule.

Canada Post also set up another group that combines senior executives from both marketing and operations to tap the ideas of first-line supervisors and managers. Canada Post was swamped with letters and memos from its own employees who really want to contribute to service improvements. They are sending in their ideas, and management is acting on many of them.

Let me cite a few specific examples of changes that are now taking place. In Calgary, a special project team is improving delivery times for processing mail from large volume mailers. In Vancouver, Canada Post adjusted the times when letter boxes are cleared to provide earlier processing at the plant. Parcel delivery in Edmonton has been reorganized, improving service by about 25 per cent. In Quebec, Canada Post redesigned some of its special delivery routes. It is beginning to improve performance in mail going to the western part of that Province. In the Atlantic postal region, sales territories have been redrawn to ensure maximum sales initiatives at minimum cost.

All of these initiatives, the quick starts, the longer term projects and the response they have generated from managers, have given the Corporation a good beginning. Canada Post is moving on a wide front, and its success so far is due to many people working a little harder or a little more smartly to improve service. Canada Post will not become a success overnight, which I do not think any Member expected, but I believe that the turnaround has begun. I suggest that the evidence is there for all of us to see.

During the past year, Canada Post has also decided to take on its most formidable competitors in the courier business. Exploiting its great advantage of having more outlets than most, 8,000 across the country, Canada Post expanded Priority Post, its premier courier service, in major cities across Canada. Businesses are learning that important mail can and will be delivered on time and reliably. Canada Post takes pride in the growing success that this premium courier service is enjoying.

Incidentally, I might just tell the House that only last week, one of my constituents who was leaving the country and required his passport very quickly, requested—not because he particularly distrusted Canada Post but because he wanted to ensure quick delivery—that a specific courier, whom he named, be used to have his passport delivered from my constituency office. The fact is that the courier service on which everyone relied lost the passport, and we were required to do special duty in order to obtain another passport for him.

This just proves that notwithstanding the fact that far fewer pieces are sorted and delivered by that courier service, they also have miscues, misdirections and misdeliveries. It is unreasonable to expect that there will not be these misadventures.

When one looks at the number of pieces that Canada Post has to deal with each year versus the number of pieces that, in fact, do get misdirected, I do not think that any reasonable person can do anything but suggest that Canada Post is doing a very good job. I want to stand here and compliment them for what they do right, while recognizing that they are also there to receive my complaints when they do something wrong and, better still, are prepared to correct it.

Let us examine the performance of the less esoteric types of mail that almost every Canadian receives or sends out. Since becoming a Crown Corporation in October of 1981, Canada Post has focused most of its efforts on its top priority, which is to improve postal service to its customers. Changes in mail handling procedures, new transportation routes and improved controls over the national networks are just a few of the service initiatives that have been and are being applied. Consider the results of these initiatives. For August, 1982, on time delivery of first class mail was 88.7 per cent, compared with 80.4 per cent in the same period in 1980. This represents the highest monthly average that Canada Post has attained since 1976. It is true that we would like to see figures of 95 per cent or 98 per cent, but the fact is that there has been some improvement. I suggest that this proves my point that the suggestion in today's motion that there has been no improvement in services does not reflect what in fact has been happening.

Local first class mail, letters mailed within a city for delivery within the same area, had a success rate of 94.6 per cent. Forward first class mail, letters mailed for delivery in a different city, improved by 13 points. In most of the other areas sampled, mail service showed a substantial improvement over the levels of the previous year. I wonder whether, if other private sector corporations had shown that type of improvement in productivity and delivery of their goods or service, they would not just be a little proud of that and also somewhat concerned about critics still saying that they are doing it wrong.

Indisputably, Canada Post's performance has improved, is improving and shows every sign of continuing to improve. Improvement means change, and this is not brought about by the fainthearted. Daring and refreshing changes are taking place in Canada Post, which accounts for the mails being moved more expeditiously and with greater dispatch.

The new mail handling techniques are not the only explanation for improved mail delivery. Not only has Canada Post taken a fresh look at how to improve service and productivity, but smoother and more cordial labour relations are leading to a new pride among the 60,000 employees. They are beginning to realize that they belong to a class organization that is vital to the economic well-being of the nation and vital to the strength of its social fabric. A renewed pride and spirit is not the least of Canada Post's achievements and performance over the past year.

Let me reassure you, Mr. Speaker, that despite progress and achievement, Canada Post has not become smug. It fully realizes that innumerable challenges lie ahead, that only unstinting daily efforts by both management and labour can bring about a truly superlative mail service. That is the aim of the Corporation, to provide a truly superlative mail service that does not rely on the public purse. Even though the results still fall short of the standards set by the Corporation, it is clear that the revitalizing of this essential national service is well under way.

Canada Post has also made a commitment to the public and to the House. It will continue to release reports on mail service, such as the one I cited above, on a regular basis regardless of the results. I think that reflects a lot of confidence in the future by this Corporation.

The survival of Canada Post as a business is not just a concern about daily operational realities. Canada Post, while it has entered the space age, still has to look at the mails of the future. It is well aware that this is the age of the microchip and electronic wizardry that is revolutionizing communications everywhere. Canada Post recently established a business development division which is keeping the Corporation attuned to the latest developments in technology.

Canada Post is also well aware of the fact that it has to reposition its parcel services and to explore all the avenues opening up in electronic mail. It realizes that it has to find new ways to better use its more than 8,000 branch offices if it is to increase revenues substantially.

Canada Post is examining the introduction of a proof of delivery feature to telepost messages. Incidentally, telepost is that electronic mail service operated jointly with CN and CP Telecommunications. This proof of delivery feature would provide accurate records without sacrificing efficiency. The Corporation is also studying ways of providing a two to three hour delivery service across Canada to the approximately 50 communities where telepost facilies exist.

I must refer to Canada Post's approach in expanding its business and improving its performance. It has adopted the attitude that it must aggressively compete in the marketplace for more business and revenue. This attitude that it must be aggressive and competitive underlies the record of increasing success that I have mentioned before. While some Members may hark back to the golden age of perfection in the mails, Canada Post knows full well that in terms of superior performance it cannot go forward unless it adopts the methods and attitudes of its most formidable competitors.

• (1740)

In conclusion I might suggest that some of my questions are addressed to that stance. I think much of what is at stake here is a continuation of the universal mail service in Canada. Such universal mail service is jealously guarded by governments of all countries, and it gives one pause to wonder just a bit why, in fact, this particular Government and this particular country should be different.

Canada Post has often been criticized with the same adjectives that are used to criticize business. I consider that to be a sign that the mails are now operating as a business, and I welcome it. Such criticism augurs well for the future of improved mail performance in Canada.

Mr. Ron Stewart (Simcoe South): Mr. Speaker, it is a pleasure to rise in support of this motion brought forward by my colleague, the Hon. Member for Norfolk-Haldimand (Mr. Bradley). It is also very nice to see just what an impact he had on the Government today when it had to bring in amended regulations today so that we could get another shot at the Government and so that we would not have such a terrible definition of a "letter".

Mr. Ouellet: It was done before.

Mr. Stewart: It does not say that. It says November 23. I think the Minister must have suffered a little trepidation when the notice came out today.

Mr. Kristiansen: You buccaneers have had your chance again.

Mr. Stewart: In today's press release Mr. Warren stated: "In the preparation of most government regulations, there is no requirement for a process of public consultation". The press release went on to state:

> This will require that the revised regulation be regazetted early in December 1982. "This way, a minimum of sixty days will be available to obtain any further public reaction to the revised regulation", the President of Canada Post said.

I wonder if the government would seriously consider changing the regulation so that it makes some sense. The Oxford Dictionary tells us that the definition of a letter is, "A written or printed message addressed to a person, or persons, usually sent by post or messenger, and fairly long". The definition of a letter, which we hope will be withdrawn, states that it is "any mailable matter, in any form, whose weight does not exceed 500 grams, whether or not enclosed in an envelope, and intended for transmission to any destination or delivery to any addressee in Canada".

Mr. Malone: Don't send a note across the House.

Mr. Stewart: I had prepared a long dissertation in opposition to exactly what that definition said, but, hopefully, it will not be required. We have all heard the little, old adage:

A tisket, a tasket
A brown and yellow basket,
I sent a letter to my love
But on the way the post office lost it—
And it cost me 30 cents.

We have all experienced this on a regular basis. In my offices, both here and in my riding, I personally get more mail with regard to the faulty post office service than with regard to any other item which crosses my desk.

In October of last year, when the Canada Post Corporation came into being, the president of the new corporation, Michael Warren, listed three goals for the following five years. The first was the aim of having the mail delivered on time. I am sure he said that with tongue in cheek. Second was the plan to place the Corporation in a financial break-even position. That was the first time I had ever heard of anyone who wanted to run a corporation and just make it break even. That is not the way the free enterprise system works, in my view. I just received a letter the other day which stated:

Dear Ron:

Here's another little s-disturber for you. I certainly wouldn't mind paying the postage in Canada if we had the service. The last letter I received from Bruce took three weeks. It used to take a week. We get one down here in five days.

That letter came from Florida with a U.S. postage stamp. Mr. Warren said that the second plan was to break even. I might add that the clipping which was attached to the letter came from a Florida newspaper, the *Sun-Sentinel,* dated November 3, 1982 and the by-line is Los Angeles. It states:

The U.S. Postal Service made money in fiscal 1982 and a postal rate increase projected for late 1983 will be put off until 1984, Postmaster General William Bolger said.

Letters in the United States require only a 20 cent stamp, yet the U.S. post office makes a profit. That is a little different from what we are asked to accept here by Mr. Warren. Third, he hoped to establish a closer relationship with the Corporation's eight unions. I am sure that every person in Canada wishes him well and, as has been pointed out by my colleague, the Hon. Member for Parry Sound-Muskoka (Mr. Darling), both with CUPE and some of the others, he has his work cut out for him, but we do wish him well. These goals of efficiency and self-sufficiency were admirable, but right from the beginning it was recognized that the attainment of these aims would result in internal upheaval and in additional financial burden on the users of the postal service, because when costs outrun revenues by that much, then things do not run on time and service must suffer. Thus, the fact that both these problems have surfaced should come as no surprise to any of us.

What has been a surprise, a most unwelcome surprise, I might add, and an unwarranted one at that, is that the factors contributing to the creation of these problems led to a reduction and not an expansion of the existing services as was expected. We are now paying more for something and getting less. We are paying First World price for service, but we are getting Third World class in service.

Mr. Ouellet: That's not your quote.

Mr. Stewart: Mail delivery on Saturday, in rural areas, which is considered an important and vital service to those involved, has been eliminated. Despite official claims that on time delivery of first class mail has improved, senders and receivers right across the country, and everyone who spoke here have a litany of horror stories. We all know better than to think that service has been expanded. News stories of mail taking days to reach its destination in the same city remain frequent and have led to public frustration, and the continuing annoyance and anger of the public is not without substance. Proof of this attitude can be found in the Corporation's own figures which reveal that the usage of the service has dropped noticeably. Canadians who had expected improvements and should have seen improvements, have now had their hopes dashed again and, in disgust, have turned to alternative services where possible.

What has been the Corporation's response to those defections? It chose to legislate rather than to entice. It sought to expand upon its monopoly rather than to improve its service. I hope this announcement will give the Corporation its second sober thought that we hear so much about. It has sought to expand its monopolies rather than improve its services, and then it redefined "a letter" which we have already gone through.

That redefinition of "a letter" upsets so many Canadians that it actually alienated them even further, and the response to this arbitrary definition was predictable. Strong and angry opposition was heard from the financial community, from business, consumer groups, the municipalities and the public in general. The Minister responsible for Canada Post, who is seated across the aisle, has received over 300 representations since the last I heard, and I would bet there are many more by today, concerning the complete matter. Therefore, there could have been no doubt in the minds of Government Members opposite when this was brought to their attention today that they had better do something about it, and do it quickly.

The first intimation that the Corporation was looking to grab extra bucks where it could, came when the proposed definition of "a letter" was published in the *Canada Gazette* on July 3. The public was given 60 days to respond, as we are aware, and will now have 60 more days. This is the first time since the issue came to public attention in over four months that the Government has had the decency to respond, prompted, I presume, by today's opposition. Only today, when forced to speak to the issue because the Official Opposition selected the topic for debate, did the Minister responsible for the Corporation finally get around to ending the form and climate of uncertainty which has existed since the definition was announced. It has taken the Government four months to come to its senses and agree not to support this disastrous definition. I wish it had done the same with regard to metric.

For this tardy yet welcome response, we can be grateful. However, the Minister has stated that the Government itself will be bringing forward its own regulations on the issue some time in the spring. Knowing the Government's penchant for dipping into people's pockets on even the barest pretext, I am not so sure that the Government's own definition of "regulations governing the Corporation's mandate" will not result in an equally odious proposal. Let us hope not.

It is to be hoped that the Government will take serious note of the obligations raised over the definition of "a letter" when it begins to form its own rules. It should pay attention to the fact that the business community has taken strong exception to any further penalties being placed on it in connection with the use of courier services. In the case of my own business, I would have had to break the law to continue to deliver my statements of account to my customers. The business community is absolutely beleaguered by a chaotic economic climate, and it relies on rapid transit of its transactions to remain current and solvent. There seems to have been no consideration of that fact taken into account. In the absence of reliable public postal service, many businesses have turned to private couriers for this vital asset of their operations. The Government, when creating the Corporation, was aware that if it banned couriers or made their use prohibitive, it would face an absolutely embarrassing revolt by business. All the letters we have received have affirmed that. Therefore, couriers were permitted to operate, but it was stipulated that the fee involved had to be at least three times the cost of sending a letter by mail, which has been pointed out by my colleague, the Hon. Member for Parry Sound-Muskoka. The fact that thousands of Canadian businesses chose to accept this exhorbitant rate, rather than use the mail, attests to their lack of confidence in the postal service. The Corporation, with its back to the financial wall, instead of improving service to entice such users back into its fold, sought to further penalize those who out of necessity turned to other services.

• (1750)

Now we come to the matter of electronic transmission, which I am sure must come up again. While electronic mail is exempt during transmission, the proposed definition which we had before us appeared to mean that once a paper copy of the transmission had been made, the paper copy was then considered a letter, and postage had to be paid. Absolutely idiotic. Anyone could realize instantly just what was happening, and what a financial nightmare this would become, for businesses to have to pay for services that were not rendered. One wonders about the mentality responsible for this type of thinking. It reminds me of the metric issue. The Government was right finally to refuse to accept such a dumb definition of a letter. I wish that they could reconsider the metric question.

Some Hon. Members: Hear, hear!

Mr. Stewart: The refusal was appropriate on many counts, not the least of which was the regulation involving punishment for non-compliance. Mandatory definition of a letter at this point, mandatory use of metric, and the threat to Canadians of something not debated properly in the House of Commons, not gone to committees, is the threat of imprisonment. That is something we have to keep in our minds, that by Order in Council it is legal now in the wonderful country of Canada to have internment camps.

There was a provision which stated that any violator could be prosecuted by indictment or summary conviction and given anything from a fine to five years in prison. Is that not really something for us to believe in that in this country of Canada you could actually get a prison sentence for violating such a simple thing as a letter. It is interesting to note that any time the Government or its agencies introduce new legislation it seems, lately, there is always inserted that threat of imprisonment. This is quite possibly one of the reasons why the Government laid the groundwork for the establishment of internment camps under the Emergency Measures Order, as it was passed by Order in Council.

This Government is becoming famous, or infamous, as the case may be, for threatening to put Canadians in jail if they do not do what the Government orders. Mandatory imposition has become the rule, not the exception. Canadians do not deserve to be behind bars. The people who consider that they had to use that threat maybe should take their place.

The very fact that the regulation was proposed in the first place should indicate to the Government that something is terribly wrong with the direction being implemented by senior officials of Canada Post. The goals I first reiterated are commendable. The methods being used to obtain those goals are not.

There was a time when mail delivery in Canada was the envy of other nations around the world. The words, "Royal Mail", on trucks, street boxes, uniforms and buildings seemed to signify a type of treatment being given the transmission and delivery of letters and parcels. For a few pennies at most, our mail was delivered swiftly and intact. The post office then had a well-deserved reputation. I worked as a postman at Christmastime, as a youth in high school, and as a summer job, and I know how important that oath was to all of us and how we would scamper all over that post office when we could not ascertain where a letter should be delivered, to make sure that it got to its rightful owner. The "Royal Mail" was given "royal" attention. Why do we then find ourselves in the mess we are in today?

It is perhaps no coincidence that our sorry lapse into the present state of affairs began when this Government, in an effort to stamp out all references to the word "royal", included the Post Office in its fevered and foolish rush to establish a hyphenated Canada as the questionable mark of our national and independent identity. Small wonder, then, that the Government exhibits no alarm over the arrogance of Canada Post officials. When you abandon tradition, you also turn your back on the values such tradition engenders. These values, and the result of attempts to live up to such values, provided the nation with services in many areas which were second to none. The handling of our "royal" mail was a prime example. When the

Government eliminated the word "royal" it seemed to signal an abandonment of the type of service implicit in the word.

Thrust into the void, Canada Post has created new types of service, priority post, intelpost and telepost, all designed simply to generate more money for the Corporation—not better service, only more money.

The price increase in stamps is the next thing I would like to look at for a moment. When the Prime Minister (Mr. Trudeau) came to office stamps were 6 cents. At the end of 1981 the price rose to 30 cents a stamp, up from 17 cents, an increase of 88 per cent. We did not get a corresponding increase in the quality of service. Another increase, to 32 cents, is set to take place this coming February 15. We have four more years to go before the goal of self-sufficiency is achieved. You don't have to be a mathematician to realize how much higher the price of postage stamps will have to go before this goal is realized. The President of Canada Post has said that the next increase would have been much higher, but he was forced to remain within the Government's six and five guidelines. In the meantime I understand Great Britain's post office is running at a profit, and you have just heard that the United States is actually postponing a price increase.

Two years down the road the President of Canada Post will undoubtedly find a way to make up for the loss resulting from the period of imposed restraint. By that time the five or six people left using the service will be faced with a postage stamp worth more than the dollar it costs to buy it. Mr. Warren is not worried, why should he be? No single person, in my view, is worth a salary of between $100,000 and $150,000, who does not generate productivity. I would suggest that if Mr. Warren wants to be a winner he should set aside his personal goal and give his undivided attention to the manner in which he pursues the three goals which he stated for the Corporation.

In *Hansard* on July 19, 1982, at page 19439, under Standing Order 43, I was referring to the difficulty of mail delivery to one of my constituents. The suggestion I made then was that the cost of each registered letter not delivered within 48 hours be deducted from the salary of the President of Canada Post, and perhaps he would recognize the plight of Canadians with regard to their postal service. That still stands.

Relations between Canada Post employees and management have deteriorated to a point of almost constant confrontation, and the public has borne the brunt and the cost of this conflict. To dwell on the labour-management issue at this point would serve no purpose. The issues of contention are well documented and widely known. What we are looking for are answers and improvements.

By implementing policies which would create confidence in the service, by delivering the mail on time and intact, the management of Canada Post and its employees would certainly earn the respect of Canadians. To ask this Government to appreciate the necessity of public respect is perhaps asking too much. The Post Office, on the other hand, was once a respected institution. I would suggest to officials that too much time and effort has been wrongly directed to the definition of a letter, and that in the ensuing time that we have, when this goes back for a change, that it be struck from their minds.

I would further suggest that they study very carefully the dictionary definition of "service". The Oxford Dictionary tells us that service is the work done to meet a need. The need exists. I defy any Member of this House to go out on the street tonight and ask 20 Canadians what they think about their post office, and to tabulate the answers and bring them back to the House.

Someone must ensure that the work to meet this need is done. That someone is this Government. Because this Government has failed miserably in its effort to provide this service, I wholeheartedly support the motion before us today.

[*Translation*]

The Acting Speaker (Mr. Blaker): Order, please. I have the honour to inform the House that I have received the following communication:

[*English*]

I have the honour to inform the House that a communication has been received which is as follows: "Dear Mr. Blaker: Amongst birthday greetings headed your way, may ours add its bit towards a wonderful day. Hoping that your birthday joys will last the whole year through". It is signed by several Members.

I have to indicate that Hon. Members who have not taken the trouble to sign these greetings, such as the Minister for Consumer and Corporate Affairs (Mr. Ouellet) or the Hon. Member from Winnipeg North (Mr. Orlikow) or the Hon. Member from Bow River (Mr. Taylor), will of course not be recognized for the purpose of debate until the year 1983.

Mr. Malone: Mr. Speaker, on a point of order. I want you to know that I mailed your greeting a year ago, on your birthday, for this year.

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

At 6 p.m. the House took recess.

AFTER RECESS

The House resumed at 8 p.m.

The Acting Speaker (Mr. Blaker): When the House rose at six o'clock, the Hon. Member for Winnipeg North (Mr. Orlikow) was expected to have the floor and does now have the floor for 20 minutes.

Mr. David Orlikow (Winnipeg North): Mr. Speaker, when in 1980 the Post Office was changed—

Mr. Berger: Mr. Speaker, I rise on a point of order. As I recall, prior to the adjournment of the House this afternoon, a

Member of the Official Opposition was speaking. Earlier this afternoon I was speaking to the Deputy Speaker—I am not sure whether it was the Deputy or the Assistant Deputy Speaker. He said that after the first round, the order was to go back and forth between the Opposition and the Government. We are of the understanding that after the Official Opposition it is to be a Member of our Party who is to speak first this evening.

The Acting Speaker (Mr. Blaker): The Hon. Member for Laurier (Mr. Berger) is quite correct. At six o'clock I did not in fact recognize the next Hon. Member to speak, although I expressed every intention in that regard because the Hon. Member for Winnipeg North was on his feet. At that time the Hon. Member for Welland (Mr. Parent) was not in the Chamber. While it is not the regular order of speakers, I do not have a choice but to accept the fact that the Hon. Member for Winnipeg North stood in his place at that time, and in good faith I have to recognize him. After him I will be recognizing the Hon. Member for Welland.

Mr. Orlikow: Mr. Speaker, when in 1980 the Government finally brought in legislation which turned the Post Office from a Government Department into a Crown corporation, that proposal had almost unanimous approval from all Members of this House. That consensus came about because the experience of a dozen or more years with the Post Office being run as a Department of Government was so bad that the public and Members of Parliament recognized that a very drastic and fundamental change would have to be made.

What were the reasons of the decline of the popularity of the Post Office? There was, of course, a tremendous increase in the amount of mail which the Post Office was called upon to move. The Government decided on the advice of some so-called experts that the way to handle this tremendous increase was to mechanize and computerize the system. Instead of trying the new system in a smaller city to find out whether and how it worked, the Government installed the new system in the Toronto area where 40 per cent of all mail originates.

It was several years after the computerized system was installed before all the bugs were found and the difficulties eliminated. Indeed, they may not have been eliminated until now. For a long time we had a situation where Toronto mail was shipped by truck to Peterborough to be sorted by hand, brought back to Toronto and then sent on to its destination. People became very angry. One could not blame them. They were justified in their anger, but they vented it on the wrong people. They assumed that the difficulties and failures were somehow due to the Post Office workers, when in fact they were the responsibility of management which had made such fundamental errors.

Besides that we had management backed by a Government which simply refused to deal with its employees in a twentieth century way in face-to-face discussion, looking for solutions to the difficulties and differences which arose. Over the years there were a number of strikes, some legal and some not.

A number of studies were commissioned by the Government. Judge Montpetit, Stewart Martin and several others all reported that the difficulties were as a result of bad management practices in the Department. Then, Mr. Speaker, there was the added difficulty that the Post Office Department, and its Minister, could not negotiate with the unions. That job was given to the Treasury Board, which was always concerned about how a particular improvement or concession would affect other people. After many years it was decided that the Post Office should be transformed into a Crown corporation, and, as I said earlier, that decision was endorsed by virtually all the Members of Parliament. Our Party supported that change because we believed then, and we believe now, that it was a change which was needed. We believe that the people of Canada want and have a right to expect an efficient, affordable and equitable mail service. We consider the post office should be a national public utility supported by the people of Canada. We are dealing with the deficit by constantly increasing the price of mailing letters or magazines and newspapers. This is wrong in principle. One might as well say, Mr. Speaker, that if the people of the cities or the rural areas cannot afford to pay for health services directly, they should not have health services, and if the people of an isolated community, for example, in northern Manitoba, cannot afford to pay for the cost of teachers in their schools, they should not have schools. The delivery of mail, letters, magazines, books, newspapers, is a right of all Canadians and the cost should be borne equitably by all Canadians. The price for delivery of a letter within the City of Winnipeg should not be any higher than the price for delivering a letter to the Northwest Territories, a difference of thousands of miles, nor should the price be lower.

• (2010)

We recognize that as a part of the improvement in service an increase in rates was necessary, but we feel the amount of the increase since the change-over to the Crown Corporation has been unfair and violates the Corporation's duty to provide good service to all sectors of Canadian society at reasonable rates. I point out that the cost of mailing a first-class letter in Canada has risen in two years from 17 cent to 32 cents. That is an increase, Mr. Speaker, of almost 90 per cent. At the same time service to individuals has been reduced.

We have heard mention of closing some rural post offices on Saturdays, and there are rumours about a three-day service instead of five-day service, and I could go on and on. We know, for example, that letter carriers have been cut back on overtime, which means, of course, that service to individual homes is reduced. We are told it has been recommended in the post office that no substitutes be provided for sick or otherwise indisposed letter carriers. This recommendation is widely believed to be the first step toward ending the five-day delivery service and a consideration of an every-other-day delivery service.

We know that the average family who may send and receive only a few letters per week pays the highest rate as first-class mail costs go up, but the level of their service is gradually being reduced. On the other hand, Mr. Speaker, the Canada

Post Corporation is bending over backwards to encourage corporate mailing by offering more services and proportionately passing on lower rate increases for first-class service. If it were not against the rules of the House, I would bring into the House the mail which comes to my office, and which comes to every Member of this House of Commons every day. It would take a very large cardboard carton. And I know, as well as the Minister, that 95 per cent of the mail which we get goes into the garbage.

Mr. Deans: Because half of it comes from that Minister.

Mr. Orlikow: My colleague, the Hon. Member for Hamilton Mountain (Mr. Deans), says that half of it comes from that Minister. I will not blame him for that much, but there is a great deal of junk mail received, and not only by Members of Parliament. Every household in Canada receives advertising, flyers and catalogues which they do not ask for. All this junk mail received by Canadian citizens is largely financed by the taxpayer, involuntarily through subsidization given by the Canada Post Corporation, with the approval of the Government and the Minister, while the cost of first-class mail, which is so important to the ordinary citizen, has been increased by almost 100 per cent.

The people who work for the Canada Post Corporation, or for any Government Department or agency, have been asked to accept wage increases well below the cost of living. The postal workers have been directed by the Government, through passage of a Bill supported by Hon. Members of the Conservative Official Opposition, as well as the Liberals to accept a 6 per cent maximum increase in their wages this year and 5 per cent in the next year, while the cost of living is still rising by 10 per cent. It is not likely that the cost of living will come down below 9 per cent in the next four of five months, therefore, the workers in the post office have been ordered to accept a reduction in their real take-home pay. At the same time as they have had imposed on them a maximum 6 per cent increase in their wages, first-class mail rates have increased by over 75 per cent. Point out that first-class mail represented losses of just 23 per cent on the cost of providing service at the same time as business bulk mailing represented losses of 42 per cent for third-class mail and 130 per cent for fourth-class mail.

• (2020)

I would like the Minister at some time, if not today, to explain to Members of this House and the Canadian public why they should be forced to pay an increase of almost 100 per cent. I suppose within the next year we will reach or exceed the magic number of 100 per cent. At the same time, business mail, most of which is unsolicited and most of which I classify as junk mail, is showing the kind of losses and getting the kind of subsidies from the Government and the people of Canada which it does.

Mr. Deans: All written off against taxes.

Mr. Orlikow: Mr. Speaker, in the current period the Canada Post Corporation is announcing a set of rates for corporations. Our position is that more attention should be focused on the need of individual Canadians and small businessmen. What is a more efficient postal service? Our response would be a service which provides a basic customary postal service to the greatest possible number of Canadians, whether they live on the prairies or the far North, or an individual in northern Manitoba.

Let me digress for a moment, Mr. Speaker, to deal very briefly with some of the arguments advanced during this debate and earlier in committee when we were passing the legislation to establish the Crown Corporation.

We have the argument that the Government and the post office were being too restrictive in their definition of a letter. The argument was advanced that we should not restrict the definition of a letter; we need more competition. Those people who say that, Mr. Speaker, are doing a great disservice to Canadians, particularly to Canadians who live in the bigger cities of this country. If you got the so-called competition which some of the banks and other commercial organizations want, Mr. Speaker, you would have those organizations skimming off the easy and cheap to deliver mail in the big cities. What would be left for the post office? All the difficult mail, all the rural and isolated areas where the cost to deliver mail is very expensive. Then you would get the argument that the Postal Corporation could not afford to provide the kind of service it has been providing until now. You would get further cutbacks in service in the rural and isolated areas, as we have had cutbacks in VIA rail service. So we say that we want the post office to be efficient and able to deliver mail quickly, without the mistakes which have happened before.

However, Mr. Speaker, we do not believe that efficiency means subsidizing corporate business structure, which is interested in selling its goods by getting a subsidy from the people of Canada. We believe that a step in the right direction for the kind of program I have talked about would be a clear definition of what basic customary postal service really means. I say to the Minister that it means, in the cities and suburbs of Canada, door-to-door delivery. It does not mean delivery to letter boxes in suburban areas which may be a mile or more from where people live. We had that situation right into the 1979 election. The fact that an election was looming is what got the Government to agree to the hiring of more letter carriers. I do not know whether it is going to need another election, but we need to get the kind of door-to-door service to the suburbs that the cities have had for many years. If we do, then we would have a much better basis for judging proposed cuts in delivery service, the refusal to provide home delivery in certain areas, the closing of post offices in smaller centres and outlying areas, and the increasingly inflated costs for first-class service.

That is the kind of approach we need, Mr. Speaker. What we need is for the Government and Parliament of Canada to give that kind of directive or objective to the Crown Corporation, to let them know what we expect from them. What we expect is that they meet the needs of ordinary citizens and

their right to mail and receive ordinary letters quickly, efficiently, and at a reasonable cost, rather than the staggering increases we have had in recent years.

Some Hon. Members: Hear, hear!

Mr. Gilbert Parent (Welland): Mr. Speaker, I would like to address myself to a few statements made earlier in the debate by the Hon. Member for Simcoe South (Mr. Stewart) who sits across the aisle. He said that this Government will be tabling a definition of "a letter" in the very near future. The fact is that it is the Corporation which will be tabling this definition. Not only that, there will be 60 days for the public to respond. If they have any problems with the definition, then there is still time for change at that time.

The Hon. Member also said that the Cabinet is probably making a decision about the definition because of the debate taking place today. I suggest to you, Mr. Speaker, that this is not so. The Cabinet has been having extensive consultations across Canada, and this is the latest possible time Cabinet could make the decision in order to hear all possible views and get all possible input from all the people across Canada. I would suggest in turn that it is quite possible that the Members of the Conservative Party probably chose this topic to coincide with the decision taken by Cabinet. That is a possibility, in fact even a probability.

It was also mentioned by the Hon. Member that the post office lacked flexibility. Well, Mr. Speaker, the post office has been negotiating with industry's bulk mailers, and I would like to read a quotation from Friday's wire services which says:

> Manitoba Hydro will save about $100,000 a year because of new Canada Post Corp., rates for bulk mail, Hydro spokesman Verne Prior said Friday.

Another one from Toronto says that:

> Proposed rates for bulk mailing recently approved by Canada Post Corp. could save utilities in Ontario about $2 million next year—

That is right, $2 million. You shake your head in wonderment, Mr. Speaker, and no wonder indeed because $2 million is surely nothing to be sneezed at. Charlie Macaluso, a research officer with the Ontario Municipal Electrical Association says:

> I think we've developed probably one of the better understandings and co-operative arrangements with the post office ever.

That Association, Mr. Speaker, represents more than 300 of Ontario's 324 municipal utilities. Not only that, Mr. Speaker, we had people who were in times past greatly affected by the mail strikes of the post office. But now we see that the Canada Post Corporation and the greeting card industry have undertaken a joint study to look at an appropriate rate for Christmas cards for next Christmas. This recommendation will be brought forward by January, 1983 to assist the greeting card industry.

So quite contrary to what the Hon. Member was saying earlier about the inflexibility of the Post Office, I suggest to you that the Post Office indeed is adjusting to the problems of the times. It is not only giving better service for the money but is also taking greater care to ensure that the mail is being delivered on time.

• (2030)

I should like to address myself to the improved labour relations at Canada Post Corporation and the improved reliability of delivery of mail. The Opposition motion states that there is no proof that service has improved since the post office became a Crown corporation a year ago. I beg to differ. There is one very tangible way in which service has improved over 1980 and 1981.

In 1980, the Post Office suffered a two-month strike which not only crippled our Canadian postal system and sent business scurrying for emergency arrangements to move mail, but which cost the Department a loss of more than 660,000 person days. In 1981, work disruptions of various kinds, short of a general strike, cost more than 14,000 person days. In 1982, I am happy to report, there have been less than 100 person days lost through work disruptions to date.

Now, Mr. Speaker, no single factor contributes more to service deterioration than work disruptions or strikes. Therefore, we can certainly say that it is with service improvement in mind—or more precisely, with an improvement in the reliability of service—that management at Canada Post, with the support of the Government, has pursued a very creative approach to union-management relations. The purpose is to improve those relations, and the dramatic drop in person days lost through either a strike or work disruptions certainly points to the efficiency of the approach.

These improved results are not the product of a fluke. The Corporation's management set out to balance its three basic objectives of improved service, improved human relations and the achievement of self-sufficiency in such a way as to avoid situations which could escalate into work disruptions. When we consider the climate under which the Corporation is operating these days, with volume drops from the recession, wage guidelines and stressed labour relations all around, we can appreciate the delicate balancing act which is required.

The extensive cost-cutting and savings operations which Canada Post has had to pursue in order to meet its mandate which calls for a reduction of its deficit, have added a great deal of stress to the working environment. And yet, the Corporation is ending its first year of operations with a loss of less than 100 person days. I think this is a phenomenal achievement, when compared to the 660,000 person days lost in 1980.

The present situation is that about 97 per cent of employees at Canada Post are unionized, and this includes most supervisors and managers. In the last decade, the post office was the scene of some intense union-management discord. The result is that there is now a public perception that this counterproductive environment is standard operating procedure. One of the toughest jobs at Canada Post, therefore, is to follow a program which addresses the problems honestly and which works towards changing attitudes and practices. It is these attitudes and practices which must be attacked. There must be a change in the way employees and employers work, so that efficient mail delivery can be achieved.

Why the situation developed in the first place is not an easy question to answer. However, Mr. Speaker, it is obvious that the Canada Post Act, which all Members in this House supported, was meant to change past practices dramatically. I stress that virtually every Member voted in favour of establishing the Canada Post Corporation.

Until October 16, 1981, there were three employers dealing with the unions in the negotiating process at the post office. The Department of Finance, which set fiscal policy for the country and had the over-all financial mandate for negotiations; the Treasury Board, which did the bargaining and was, in law, the employer; and, finally, the post office which ran the business from day to day. Each of these three employers had different objectives and the process was, to put it mildly, awkward.

Moreover, the bargaining process was extremely formal; it was almost quasi-judicial in nature. Under the Public Service Staff Relations Act, the normal conciliation services designed to facilitate freely negotiated settlements in the private sector were not available to the post office. In their place came imposed settlements, made by arbitrators, Parliament and even the courts. Even after some of these imposed agreements, the issues often remained as points to be squabbled over within the organization.

The Corporation now can negotiate directly with labour representatives. This new climate has already affected the spirit at Canada Post. The Corporation has begun to cast off some of the counter-productive emotional baggage of previous negotiations, such as removing or brushing away the long-standing problems of cumbersome grievance procedures, salary inequities, lack of co-ordination in safety programs and other things.

The Canada Post Act gave the post office a new lease on life. It would seem that the fresh start provided by Crown status is showing some results. Certainly, Mr. Speaker, there are still a lot of problems to be resolved, but at least they are being discussed without the acrimony which leads to work disruptions and strikes.

Another example of the new atmosphere which is beginning to develop at Canada Post is that a letter of understanding was signed in January 1982 with representatives of the nearly 23,000 members of the Letter Carriers' Union of Canada.

That understanding is particularly noteworthy because under a new, more streamlined bargaining process, both parties accepted their responsibilities to settle differences together, without resorting to a third party to make the tough decisions. The understanding was reached without undue delay, because both sides recognized the implications for customers and consumers of the 1980 strike. This particular set of negotiations led to the successful introduction of productivity bargaining, a system whereby people work a little harder to get more pay.

Canada Post worked with the union to identify a variety of cost savings associated with the delivery of mail. Both parties then negotiated a sharing of these savings between the union and the Corporation. The union directed its share to financing additional wages and benefits for its members, of course, while the Corporation directed its share to reducing the over-all cost of the settlement and helping to finance future letter delivery service improvements.

These service improvements took place, Mr. Speaker. Thousands of new homes have benefited from service where there was none before.

Productivity bargaining is a key to this and it has helped the Corporation to identify, in just this one agreement, many millions of dollars in savings that can be made over the next few years. it is therefore ironic, Mr. Speaker, that news of the best efforts of the Corporation and the Letter Carriers' Union of Canada did not reach the public. It certainly did not reach Members opposite.

Another change in the working environment which has been brought about by a creative approach to human relations is reflected in the interest employees are taking in improving service. The Corporation has already published two reports which clearly show a steady 10 per cent improvement in service for first class mail across the country over the year. Large customers have, through their own survey, confirmed this trend, as have independent businessmen. This shows that the employees at Canada Post, to use a popular phrase, are being "turned on again". They are taking pride in their work, and we in Canada are also taking pride in their work and in our postal service. Otherwise they would not have ensured the success of the Corporation's program called "quick starts", which were designed to bring about steady service improvements.

• (2040)

The old structure when the post office was a department was not favourable to good human relations; neither were the internal procedures in such areas as job classification and grievances. These were frustrating and merely increased the feeling of despair among employees. When the Crown Corporation was created, the new management found that two-thirds of the huge backlog of grievances should never have left the shop floor, that is, they could have been settled by first-line supervisors and not made their way into the huge vat of stale grievances to be left to fester.

These problems are being addressed today in a whole new way. Canada Post's business plan, its first ever, lists improving human relations as a top priority. It ranks second after service, but this does not mean that it is dealt with after service has improved enough to allow management to turn its attention to it. No, both these goals along with self-sufficiency have to be addressed without faltering. Some of the rules Canada Post is using in an effort to improve the working environment are the same for any business. They boil down to dealing with people with respect, so that they, the workers, enjoy self-respect.

The Corporation is leaving behind the days when union members or leaders could think they had a right to disrupt a business for questionable goals, but it is also leaving behind practices which disregarded employees as people and treated

them merely as bodies to shift, names on a chart or merely in statistics. The stewardship of the Corporation rests with management. It cannot shirk its responsibilities, and it does not want to do so. There is also a very important ongoing dialogue with the unions, as well as a sharing of decisions with labour. This is why Canada Post Corporation has two labour leaders on its board of directors. They share in the decision-making and they serve to communicate to management what motivates the unionized work force.

These board members can pass on to membership in the unions the message that real job security can only come from a thriving competitive business. No business can be competitive, let alone efficient, if its life is constantly interrupted by work disruptions or by strikes. There is no job security no matter what iron-clad contracts exist if the business, that is the employer, goes under.

In conclusion, Canada Post's first business plan was prepared in consultation with all the unions. They are all aware of the Corporation's priorities. The participation of unions on the board of directors does not ensure lethargy on the part of the unions. Of course it does not, but some people tend to confuse good labour relations and the absence of strike with complete sweetness and light. This is not the case. The reality is quite different. It must be remembered that unions are political organizations as well, and that they must often be perceived by their membership as being in conflict with management to ensure their survival, in some instances. Therefore, successful bargaining is a skill. It is not something a person is born with; however, it can be learned and improved.

The real essence of the exercise is practising the art of the possible, and this is what the management of Canada Post has been doing with success, as we can see from the resulting low work stoppage figures for 1982.

Some Hon. Members: Hear, hear!

Mr. Arnold Malone (Crowfoot): Mr. Speaker, thank you for looking to that side of the House when you recognized me. We intend to be there soon.

Some Hon. Members: Oh, oh!

Mr. Malone: I will not dwell too long on the comments of the Hon. Member for Welland (Mr. Parent). He told us that there was a dramatic improvement in shifting from the post office department to the Crown Corporation. If that is the case, it is the same as the situation where a person trades in his or her car for an Edsel. I submit that the improvement is not there, and I will give some facts to back it up. Also the Hon. Member for Welland gave a great litany of all the wonderful things happening in Canada Post. I challenge him to insert his speech in his householder to his constituency. If he is of the view that there is a great revelation, a turnaround, and that everyone is happy, I would tell him there is one person, John Bulloch, President of the Canadian Federation of Independent Business, to convince. He surveyed thousands of small-business people and discovered that 64 per cent thought there was no improvement with the new Crown Corporation, 34 per cent thought that the situation was worse, and 2 per cent thought it was better.

In early 1980 a person in Canada said, "Here come the eighties; welcome to Canada". I would like to tell the House about Canada. It is the land where the stamps lick the people rather than the other way around. We are into a situation where our mail delivery is so undependable and inconsistent—and I emphasize the word "inconsistent"—in terms of regularity of service that it simply means in some cases a cost to business at the gain of Canada Post. If this Crown Corporation were running the pony express, it would probably issue riders with sawhorses on the basis that they were efficient and that mail delivery would be as fast as it is at present.

I accept the challenge of the Minister of Consumer and Corporate Affairs (Mr. Ouellet) this afternoon. He said that we should recognize the challenge facing Canada Post. He and others in the Government should recognize the challenge facing the Canadian business community. Approximately 30 years ago delegations from other nations came to Canada to study our postal system. They are not coming any more. Interestingly enough, by contrast, in Switzerland today any letter mailed at night is in the addressee's mailbox the next morning. People will ask, how crazy can we be to use such a comparison, recognizing that Switzerland is a small country. Anyone who knows the mountain terrain and the separation of communities in that country knows that despite its smallness, the delivery of mail up and down the mountainside is every bit as difficult if not more so than in Canada. Yet Switzerland has dependable and assured overnight delivery.

There is a six and five slogan in the country. This program applies to Canada Post as well—six days for delivery of first-class mail, on the average, and five days if one is lucky. We simply do not have an adequate, dependable system. Let us look at a number of examples. One I should like to put forward is that of a Rotary Club in my constituency which passed a motion that it should send out a little reminder notice the day before its meeting indicating that the meeting will be the next day and the name of the guest speaker. The Rotary meetings were held at noon on Tuesdays. Therefore, they wanted to depend on receiving a notice on Monday that would remind them of their Tuesday meeting. When these notices were mailed on Monday, of course they did not arrive on time. That is acceptable. They decided to back up to Friday. Again, they found that on many occasions the message did not arrive until after the meeting. Therefore they backed up once again to Thursday, only to discover that there were cases of notices not being received until the meeting was over. They decided to back up one more day, to Wednesday, but sure enough, on a regular basis there were cases of some people getting the notice the next day, on Thursday. In other words, what good is a notice on Thursday for a meeting to be held the next Tuesday?

• (2050)

I have given this example to explain one of the problems in the post office. Sometimes you receive brilliant service and at

other times you do not. There is no consistency in Canada Post.

Canada Post must take into consideration the fact that the success of many businesses depends upon the predictability of delivery. The situation as it concerns newspapers in the country is appalling. I had occasion to visit one of my constituents. He had a bundle of Edmonton journals on his table, and I asked him why he did not receive the newspapers. He proceeded to give me a speech about Canada Post. He said that he had not received one newspaper for a whole week and then received six newspapers in one day. What can any household do with a bundle of old newspapers after the $75 a year subscription has been paid? I suggest you would have an information overload if you were to attempt to read those newspapers.

The post office cannot simply make excuses for delays such as this. The fact of the matter is that the service is inadequate. That example gives us an idea of what is happening with daily newspaper delivery. This happens regularly in rural areas where subscribers do not receive papers for several days and then receive a flood of them on one day.

The same situation is true of the delivery of weekly newspapers in this country. It may take as long as ten days for a weekly paper to be delivered through the postal system. Of course this means that the newspaper is of no value as far as its announcements for the coming weekend are concerned. People in rural communities want to know when the next bingo is, and they expect to receive that information in the newspaper for which they have paid a subscription. This delay means the newspaper will only be delivered after the events have taken place.

I challenge any Member to dispute the fact that there are many publishers and editors of weekly newspapers who are complaining that they are losing subscriptions from those people who have moved away from their rural community but want to keep in contact with their home town because their papers are arriving 14 days after being mailed. That is the situation which exists with weekly newspapers being sent through our mailing system.

I would like to talk about the costs being incurred as a result of the late deliveries in the postal system. Again, I will single out publishers. There are 22 weekly newspapers in my riding. The publishers of those newspapers are saying that they are losing advertising dollars because the advertisements arrive for printing only after the paper has been published. I am sure Hon. Members can appreciate that some of those advertisements are time-sensitive. The initial result of this delay is a loss to the advertiser. As well, there is the loss of revenue to the newspaper because it does not receive the advertising dollars, and finally there is the loss of opportunity to the person who may have wanted to take advantage of the goods and services being advertised. But what about the post office? Canada Post gets paid for its postage stamp for the mailing even though the service to the customer was nil. It gets its money while the rest in the chain end up paying. That is unacceptable.

Newspapers in the community of Provost, Alberta, leave at 4.30 p.m. for delivery in Edmonton. They arrive by bus in Edmonton at midnight on the same night. Interestingly enough, it takes approximately five days from then for delivery to homes in Edmonton to the former residents of the community of Provost. The publisher complains to the Edmonton Post Office and the answer he receives is that this is normal service. That is not acceptable service, normal or otherwise.

If we examine the whole question of what is happening in rural Canada, I submit that rural Canada is rapidly coming to the conclusion that it will no longer tolerate the condition of having to negotiate sales of $100,000 combines over party line telephones while our neighbours in the cities can have private lines for the same price. We will no longer tolerate the fact that people in the cities have cable television while television programs are beamed into the rural villages that deal only with issues in those small towns and villages, and the farmers receive the same inadequate service. Rural Canadians will no longer tolerate the fact that there is door-to-door free postal delivery in the cores of our major cities while farmers have the privilege of renting a mailbox for $12 a year so that they might have the services of Canada Post. Discrimination between rural and urban communities is unacceptable in this country on national services such as television, communications and the post office.

Even in some of our smaller communities it takes as much as 10 or 11 days for the circulation of mail. I have examples of this as well. There is no other description for the Calgary central Post Office located in my Alberta constituency but that it is outlandishly horrible. The Edmonton Post Office ranks slightly above that. I can quote one newspaper editor who recently said to me, "I can no longer rely on postal service for time-related messages." He sent for a sign in Calgary. After waiting for one month he phoned to find out where his sign was. The company manager told him that they did not have an order for a sign. Therefore, he stayed on long distance telephone and ordered his sign that way. This shows that the post office still gets paid for its stamp when the service is inadequate while that individual has to pay more and suffer the delay as well. Again, this is unacceptable.

We now have a situation where the post office tells us that we have to bag our own mail for weekly newspapers. That is not necessarily a bad idea, and most of the publishers are not opposed to it. The exception is that they even have to bag one newspaper that is to be delivered to a single subscriber in another community. The offices of these weekly newspapers are cluttered with mailbags, a situation which legitimately makes them angry. To add to this frustration, they find when, they carry these bags to the post office, that they are faced with the audacity of the postmaster saying, "We like this bag in that corner and this bag in that corner." These private entrepreneurs are in the post office doing postal work. I submit that this is an absolutely intolerable situation. There is something vitally wrong if this Crown Corporation, with the subsidies which it receives, is still calling upon people to do its work while making a profit on its unacceptable service.

• (2100)

I have just touched on something that I would like to express with an example. I said that they are making a profit on their unacceptable service, and here is the example. On October 21 of this year, a professor at Camrose College, in Camrose, Alberta, wanted a book. He ordered the book from Toronto, a great and lovely city here in central Canada. The book did not come. So, as recently as November 18, a few days ago, he phoned Toronto long distance from central Alberta, wanting to know where the book was. He was told by the company that it did not know where it was. He was told that it was shipped the same day as they received his order. He said, "I must have the book". The company said, "We will send you another one by first class special delivery". Yesterday he got both books. The agreement is that he will send one of the books back.

Let us consider what has happened in that situation. There should have been a deal whereby he sent the book back and paid the postage, or else the company sent the book and paid the postage and the post office received its money. What did happen was that the post office got its money, plus it got paid when it sent the book by special delivery, first class, at a higher price, and then it got paid again when the book was returned, plus the customer had to pay the cost of the long distance telephone call. So there has been damage to the publisher and to the person who has had to pay the postage more than three times. What happened to the post office as a result of its poor service? It got paid more than triple the amount it should have been paid, and I say to Hon. Members that that is absolutely unacceptable service.

Mr. Darling: That is nice work, if you can get it.

Mr. Malone: All I say is that if the Canada Post Corporation ran the nation's maternity wards, then we, too, would soon be having every other day delivery.

We have the notion that this group dealing with the business community will give us some kind of service. In fact, the post office makes a profit on its poor service, while costing more and more and causing losses to people in small businesses through time-related problems. An example is a company in my constituency which receives very lovely printed wedding invitations. It is a local printing company which does its own printing, but they get high quality ones from Stratford here in Ontario. The fact is that once it used to tell couples planning to marry that they would have their invitations within two weeks. However, now it takes anywhere from three to four weeks, and occasionally longer. Young couples are getting very nervous when their wedding invitations are not arriving on time for their planned wedding date. Out of panic, they are saying to the local company, "Print us up some wedding invitations". About the time they come off the press, here come the nice ones out of the nice Ontario printing plants. Now they have two sets of weddding invitations. The post office is not out of any money, but the people in communities are certainly out of money because someone has to pay for an extra set of printed invitations, and people will not get married twice, nor does anyone give old wedding invitations to another couple and say, "Here, use my wedding invitations for your wedding". The post office says, "We wash our hands of all of that. We have been paid our money." Sometimes they get paid twice, but the people get poor service. What other company in the country can get double pay on the basis of poor service? I simply say that this is a pack of nonsense.

There is another situation I would like to consider with respect to cost. Some people try to give us the impression that the increased cost of a postage stamp does not hurt very many people that much. A small college in my constituency, Camrose College, has only 600 students, but because it is a private college, it totally depends on donations for its operating budget. This is what it mails out in a year. Two times a year it has mail-outs to 600 students; six times a year it has mail-outs to 6,000 alumni; four times a year it has mail-outs to 2,000 parents; two times a year it has mail-outs to 2,000 corporations; and one time a year it has mail-outs to 2,000 foundations. When the postal rate went up from 17 cents to 30 cents it meant an increase from about $5,500 to $11,000 in just the postal budget of that college. This small college took almost a 45 per cent increase in costs just to get money in order to run its institution. The costs involved in such a situation are obviously prohibitive when we have no service such as that in the United States. I refer to the bulk mail service. Surely, institutions such as that, especially charitable organizations, should be able to profit from bulk mail rates, those which have such a large amount of mail to send out.

In another community called Hanna, there is a newspaper called the Hanna *Herald*. On a Wednesday the mail would go to communities about 40 miles away. Only a couple of years ago, they would get it the next day, on a Thursday. Finally, it ended up that those people did not get it on a Thursday any longer but, rather, on a Friday. I checked with the editor this morning and found out they are now getting their weekly newspaper on the following Monday. The newspaper is printed on a Wednesday but does not arrive in homes until Monday of the following week, even though it must be delivered a distance of only 40 miles. I say to any people connected with the post office that that is a speed of less than eight miles per day. Mr. Speaker, I can walk eight miles an hour. In other words, I could deliver that newspaper in four hours. However, the post office takes five days to go 40 miles.

I see, Mr. Speaker, that you are giving me the signal that my time is up. I want Your Honour to know that it is my time that has expired, not the issues about the post office, and that I will mail those to you, Sir. If they are not in *Hansard* tomorrow, we can presume that it is the post office again that is so inefficient that you have not got them.

Some Hon. Members: Hear, hear!

Mrs. Ursula Appolloni (York South-Weston): Mr. Speaker, I am absolutely overwhelmed by some of the remarks of the Hon. Member for Crowfoot (Mr. Malone). He tells us he is capable of walking eight miles an hour. My goodness! Our speedy colleague from Crowfoot! Before I came into the House

this evening, I was with another of my colleagues. I was honoured by an invitation to a reception held by His Excellency the American Ambassador. I mention this not only because it was pleasant, but because it was also informative and brought home to me, from the various topics that we discussed, one of the fundamental differences between Americans and Canadians. I envy Americans because they have an absolute gift for being able to be positive about themselves and even show pride in their institutions, however, fallible those institutions may be. Canadians, on the other hand, have an absolute penchant for negativism and absolutely destructive self-criticism. We have a reluctance to acknowledge improvements, and yet there have been vast improvements in postal service in Canada. We have an honest, congenital inability to feel pride in any of our institutions.

Let us compare the difference between American and Canadian approaches to the post office system. When I came back from that reception I did a little research in the Library and found out that the American post office system also has its problems. It has had a tremendous amount of labour problems and a growing deficit for years and years. Congress is constantly faced with the problem of how to tackle the deficit. But do the Americans sit and gripe constantly about their mail service? No, they do not. Obviously they have some legitimate complaints, which they voice through the proper channels.

Now, although the post office department did not have an official motto, it put an inscription over several of its buildings throughout the United States. It became so well known that many people felt it was the motto of the mail carriers. It says:

• (2110)

Neither snow, nor rain, nor heat, nor gloom of night stays these couriers from the swift completion of their appointed rounds.

This quotation comes from the Greek historian, Herodotus.

How do we treat our mail carriers? Certainly we do not write any poetry on our mail buildings and, frankly, I believe that most of us even forget to thank our mail carriers when they do their jobs extremely well indeed.

The Hon. Member across the way, the Hon. Member for Crowfoot, mentioned that sometimes the postal service is splendid or brilliant. I wonder if he has taken the trouble to tell the officials that it was splendid or even brilliant. We are so very anxious to criticize.

In my life I have managed to spend several years living in four different countries. Perhaps that gives me a very different perspective on many things from that of my other colleagues in the House. I can tell you, from my experience in four countries, that the Canadian postal service is by far superior to any of the other three.

An Hon. Member: Even in England?

Mrs. Appolloni: Even that. I would like to take this opportunity, if I may, to place on the record my own personal appreciation of the present officials of Canada Post for the courtesy and tremendous efficiency with which they deal with complaints or inquiries. On occasion I have voiced a complaint on the part of my constituent, and the post office itself sent investigators right to the scene. I do not think you can quarrel with that kind of service. I think it behooves all of us to admit that there are a lot of good things going on right now in the postal service. Certainly it can be improved, and I think it will be.

If I can continue now to speak about the post office of the future, let me say that when Canada Post became a Crown corporation on October 16 of last year, it began an important job that will affect all Canadians: to improve the efficiency of the post office and to make it behave as a business, with a corresponding emphasis on cost-cutting and efficiency. That is a tall order and it cannot be completed overnight. Years of deterioration and unrealistic procedures have left a legacy of disappointment and unpredictability. But the job of remaking this national processing and distribution giant into a responsive and worth-while organization has already begun. And Canada Post Corporation is now attacking a host of problems with enthusiasm and commitment, and for that I believe we should all applaud them.

One of the distinct differences between the status of Canada Post as a Crown corporation and its previous role as a Department of Government is its business orientation. Canada Post is the twentieth largest business in the country, but to survive and grow it must be increasingly relevant to the communications and goods movement industries. That means planning for the future as well as the present, and it is one of the objectives of the Corporation that were set out in the Canada Post Corporation Act.

The Corporation has established a business development division that will give it the entrepreneurial drive that it needs to maintain that commitment. One of the projects this division is investigating relates to the more than 8,000 branch offices, more than all of the chartered banks combined. The Corporation has post offices in more than 2,000 communities where there are no banks. But the breadth of transactions taking place in those offices is not large enough in relation to their capital costs. Canada Post could well provide any number of services that would benefit from a widespread retail network—perhaps an indirect banking role for the chartered banks on a "fee for service" basis. It could also have a part to play in the catalogue sales business, or in travel or maybe insurance.

The Corporation has a service called Priority Post that is the fastest-growing courier business in the country. Recently Canada Post announced substantial improvements to this operation that will give it even more flexibility and responsiveness. These changes will offer Canadians a new capability that is specially tailored to the changing marketplace.

Canada Post's two electronic mail services, Intelpost and Telepost, currently move about a million and a half messages a year. But the Corporation is looking much further ahead to position itself aggressively in this growing business. Other countries are experimenting with electronic mail, and Canada Post wants to work with them to open vast new possibilities for its customers to communicate electronically both here and

abroad. The Corporation wants to build on an already useful service, to make it that much better and that much more accessible to its customers.

Carving out a segment of the high technology business is one of Canada Post's strategies for achieving higher productivity in the future. Canada has a tremendous economic potential, partly as a result of our natural resources. Our proximity to the large and potentially lucrative U.S. market can also be used to advantage. The Corporation is determined to work harder and smarter to make these potential assets bankable.

New technology also provides a challenge and a solution to the productivity struggle. Doing things smarter also means taking advantage of new technological advancements which are increasing all the time. And this need not mean a threat to job security. It simply means that Canada Post can replace low-productivity jobs with more rewarding and productive ones.

I believe that Canadian managers, including those at Canada Post Corporation, must learn to use new technology much more competitively. And though our traditional expenditures on research and development have been low, that situation appears to be improving.

We have to increase public awareness of the value of technology as a competitive weapon. Canada Post marketing and production people are already pointing the way. Employees in general have also learned that they have a stake in technological change. Doing things smarter through better use of new technology can bring more meaningful and more rewarding jobs. People understand what such programs can mean to their quality of life as well as to productivity.

It has taken some time for some employees to relate to Canada Post's new structure and business emphasis, but most of them have now begun to feel a personal sense of pride and achievement in the operation. They have started to make their own decisions and to realize that they will rise or fall on their own judgment and on their own initiative.

They realize that survival as a business is not just a day-to-day concern, that the post office must look to the future, and that they are an indispensible part of that future. It may be difficult to envisage today, but Canada Post can become a leader in communications in the 1990s providing customers with a combination of some traditional services and some very new ones. It has that potential.

The future of the business will not be decided in Ottawa in isolation. It will take continuing dialogue between Canada Post's employees and management, the unions, the customers and the shareholder, which is the Government of Canada. This dialogue must be backed up by a commitment to strive for excellence.

Canada Post Corporation has made a good start, and I believe that it will sustain it through the post office of the future. Meanwhile let us remember that we have a lot of good things now in Canada Post. I, for one, am grateful for them.

Mr. Nelson A. Riis (Kamloops-Shuswap): Mr. Speaker, I am very pleased to have this opportunity to speak regarding the Canadian postal system and to be able to communicate to the Minister a number of concerns that have been brought to my attention over the last number of weeks.

I think it is fair to say as a Member of Parliament that if you were to walk along the main streets of any small village, town, urban area or rural area of Canada and ask people what was on their mind about the federal Government, what kind of a message they would like one to take back to Ottawa, you can be assured that the topic of the post office would come up sometime during that discussion. People will recall that for many years the service provided by the Canadian postal service was nothing less than first class. Canadians were proud of the postal system. As a number of speakers have indicated, Canada was often held up as the model for postal systems which other countries could initiate. They came to Canada looking for guidance.

• (2120)

Unfortunately, that has changed somewhat over the years, unquestionably for the worst. It is interesting to identify some of the reasons why that has taken place. I will come to that eventually.

I want first to look at the mandate of the Corporation and identify two or three areas of that mandate which deserve some comment tonight. One of the areas taken on by the Crown Corporation was to improve postal service in Canada. There are a number of areas where it has done just that. Recently we have seen a new postal code for sending letters to Santa Claus. For the first time one can identify that in our postal history as a major step forward.

Seriously, the delivery time of the postal corporation has increased for first class mail. Over the last number of months it has improved from 80 per cent to 89 per cent in terms of meeting on-time targets. There has been an expansion in some of the urban areas of Canada. Some of the newly emerging landscapes of Canada now receive door-to-door mail service as they find themselves contiguous to existing urban areas. Service is being applied to those areas that certainly ought to qualify.

People still criticize the line-ups in the post office. They are concerned about the level of service. Those people might recall visiting one of the most sacred corporations in this country which is often held up as the best example of corporate efficiency, namely, the Canadian banking system. Notice the long line-ups forming there as you patiently wait to get to a teller or wait at the counter to be served. Before criticizing the services given today by employees in the postal service, let us look at it in comparison with other services being provided.

When looking at the reduced services being experienced in the Canadian postal service over the last number of years, there is one group we ought not to blame. That group is the workers who carry the mail, provide the essential services at the counter and run the thousands of small postal operations across the country.

These people are dedicated to their task. I see them time after time throughout all seasons bring the mail to my door in a courteous and serious way. When I visit the small post offices in the rural parts of my constituency, I see dedicated workers. They provide a very positive and useful service to those small communities and rural areas.

Look at the services provided by the people who deliver along the routes in rural Canada. They do more than simply deliver the mail. Their contribution is quite outstanding, particularly in the season we are now approaching.

When we talk about the reduced or decreased services of our postal system, it is important to identify the true cause of that reduction in service. Like any other organization, it has to come from the top. The reason for the difficulties today is that the management of the postal system leaves a great deal to be desired, including both the Conservatives and Liberals which provided the general mandate and down through the senior levels of the post office. Therein lies the critical problems which face us. I will have more to say on that in a moment.

I now want to deal with the human relations that make up another mandate in the postal Corporation. When you look at the record, you find that time lost due to industrial disputes has decreased over the last number of weeks and months. The reason for that is that the whole process of free collective bargaining has been removed from the postal system. As a result of the imposition of the six and five program by the Liberals and Conservatives, free collective bargaining, which is certainly the very basis of labour-management relations in a free country, has been removed from those who work in the postal system. On looking at the whole realm of improved human relations in the postal system, one realizes that a great deal of improvement is possible there. Hopefully, we will see improvements in this area over the next couple of months.

I want to concentrate tonight on the self-sufficiency aspect of the mandate. This is the component which the Liberals and Conservatives feel very strongly about, that the postal system in Canada should break even. In fact, some speakers from the Progressive Conservative Party have indicated that it should make a profit. I wonder whether those same persons feel that the armed services, universities, elementary schools and hospitals in Canada should also make a profit.

There is a certain amount of hypocrisy when individuals in this House demonstrate that they are able to talk out of both sides of their mouth at exactly the same time, on one hand saying that the postal system should make a profit or break even and on the other hand that it should improve the level of service. This blind acceptance by the Government and the Progressive Conservatives that the deficit must be reduced at all costs has resulted in some of the following problems in the postal system of Canada.

Let us look at the increased rates that we have experienced. In 1968 the cost of a first class postage stamp went up to 6 cents, in 1971 to 7 cents, in 1972 to 8 cents, in 1976 to 10 cents, in 1977 to 12 cents, in 1978 to 14 cents, in 1979 to 17 cents, in 1982 to 30 cents, and soon it will go up to 32 cents.

If we look at the increases we find that since the postal service was turned into a Crown corporation, the number of letters mailed increased by 88.2 per cent. If we look at the period since the Prime Minister (Mr. Trudeau) came to power in 1968, we see an increase of 540 per cent. During a time of restraint, an increase of 88 per cent in a two-year period is something we should question, especially when we consider the impact this has on certain groups in society. I refer in particular to our senior citizens. Most of the mail I receive about the cost of postage originates with this group. These people look forward to writing letters and sending parcels to their family and kin across this vast country. They count on the mail. At 32 cents a letter, that will create a very serious hardship for many senior citizens in this country, particularly when we consider that most senior citizens live below the poverty level.

We will also want to recognize that in the attempt to reduce the deficit of the postal service, certain merchants have been subsidized. Bulk mail, which has often been referred to as "junk mail", is subsidized by those people paying 32 cents a letter. In other words, we are saying to the senior citizens of our country, or to the rank and file citizenship across Canada, that we want to increase the cost of their letters in order to enable bulk mail to be delivered at lower rates. Somehow that situation has to be recognized and certainly criticized, that once again the taxpayers of Canada, the rank and file citizens of Canada, are being asked to subsidize the corporate operations of the country.

• (2130)

We have heard a great deal about Saturday closing of wickets in the rural areas of Canada. I suspect that for most Canadians who live in urban centres that does not cause much concern. There is little sensitivity, I suspect, among the people making those decisions, of what it is like to live in small communities or in the rural parts of this country. In my own constituency of Kamloops-Shuswap, for the cattlemen, farmers, miners, loggers or tradesmen who are forced to work out of town, Saturday is often really the only day when they are able to get to the wicket to do their postal business. Saturday, closure, Mr. Speaker, is problematical for these people, indeed.

Also we see the closure of the small rural post office when the single operator is ill. Again, this is a reduction in service. We see the discontinuance of Saturday delivery in the rural areas of Canada. We see that if a carrier is ill no service is going to be provided for that area, and if that carrier who is ill has a business route, someone from a residential route will be taken off, and not replaced, in order to enable that business mail to be delivered. Again this is an obvious reduction in service for Canadians.

We also note that consideration is now being given to alternating daily delivery service. That service will not continue on a Monday through Friday basis in Canada but will likely find itself moving to mail delivery on alternate days only. We hear a great deal about the threat of cutting 1,500 jobs from the postal system. We hear that consideration is being given now to eliminating carrier service to new communities, asking

people to rely on the boxes at the end of the street. We notice that since the six and five program has come in, the rates for mail boxes have gone up substantially more than 6 per cent and 5 per cent, Mr. Speaker. This betrays the true commitment to the six and five program by the Government, resulting in increased costs, and in many cases reduced service to Canadians as a result of its commitment to reduce this deficit.

I think if the situation is described accurately, Mr. Speaker, we will find that the postal system is being curtailed in an effort to reduce the deficit to zero by 1985. When we consider the difference in service that rural Canadians face in terms of their cable television, power lines, availability of fuels, telephone service, radio service, or most recently the cutbacks in VIA Rail service, we realize that we must guard against any further cutbacks, particularly now as the Government attempts to rationalize the postal Corporation.

Back in October, 1980 we listened very carefully when the Minister responsible for postal services in Canada promised Canadians from the floor of the House of Commons that the Government would ensure that existing levels of service would be maintained. That is not taking place today. We are seeing services curtailed in a full variety of areas. What I would ask the Minister responsible to consider this evening is whether we should not attempt to phase this deficit reduction attempt over a longer period of time. Our rush to make the Crown Corporation a break-even operation, or preferably, as someone said, a make-money operation, results in reduction in services, which is something that Canadians ought not to accept. In a country as vast as Canada where the effort to overcome distance and to increase communication between people ought to be receiving much greater attention from Members of this House, exactly the opposite is taking place. We are making it more difficult for Canadians to communicate and to overcome the distances of our vast country.

In closing, Mr. Speaker, I would ask that the Government give some attention, in this commitment to have the deficit reduced, to maintaining the level of potential service that Canadians once knew and would certainly like to see once again.

Mr. Ralph Ferguson (Lambton-Middlesex): Mr. Speaker, just for a few brief moments tonight I would like to make some comments on the Canada Post Corporation which came into effect October 16, 1982, following debate and agreement in the House of Commons, supported by all three parties of the House. I believe that, by and large, we have a very dedicated group of people in Canada Post. I am speaking of the people in the local post offices and the rural mail carriers, and those carriers who do the letter walks in the community in all kinds of weather. I believe there has been a tremendous improvement in some sectors over the years, but as Canada grew, there were changes which developed, and the system was not able to keep pace with changes, not only in our society and in our business within Canada, but changes in automation, in methods of handling mail, in transportation within Canada.

I believe there are areas where we can cut the costs and improve the service. If we reflect back a few years, perhaps some of the deterioration of the present service came at the same time that the mail cars in which we used to sort the mail between cities and towns, were removed from the trains. I believe this is why some of the problems started. If we look at the volume of mail delivered each day between Toronto and Montreal; for example, this mail is loaded on vans, taken to the railway station, loaded on the trains, up to six carloads at a time. You can imagine the number of letters that are there to sort. You have six carloads of mail arriving at the destination at once in these huge postal terminals.

• (2140)

In spite of the automation we have in place, I believe perhaps the time has come to look back to that old system where the mail was loaded in mail cars and the employees sorted the mail between cities so that it arrived at its destination ready to go out to the district offices. Those employees knew when they left that a certain volume of work had to be completed. It was a good system. There were many instances of letters mailed in Toronto in the evening and delivered in Montreal the next morning. As it is now, particularly for some of the smaller communities, the post office trailers are held up longer than they should be, waiting for their load to arrive, waiting to be filled, and consequently we are faced with delay.

At the time the railway service was discontinued we built the huge postal terminals, and perhaps this is when the service started to deteriorate. Not because of the workers or automation but because of the sheer volume which had to be handled out of those areas of concentration. Now in areas such as the Quebec-Windsor Corridor, where we have a large number of passenger trains such as the LRCs, the working conditions on those trains are much better than in years past.

Another area I want to touch on very briefly, Mr. Speaker, is that of small towns and villages, and our rural mail delivery. I believe the Hon. Member for Kamloops-Shuswap (Mr. Riis) touched on that matter briefly when he pointed out how important the mail service was to farmers and small-businessmen who come into the small communities on Saturdays to do their business. Although we are trying to cut costs and we have reverted to the five-day per week delivery in many areas of Canada, I would like to suggest that perhaps we should look at this again. We have very little business conducted in the business community on either Saturday or Sunday. As a result, the mail load on Monday is very light. Therefore, I would suggest we examine the feasibility of reinstating Saturday mail delivery in the rural areas and discontinuing the Monday delivery. Not only is there a lighter load of mail on Mondays as it is on the week's news which is carried in the Saturday papers. Most rural mail carriers deliver Saturday's paper which provides the weekend reading for families, and it is sorely missed in communities across Canada.

I believe if we were to re-examine this situation from the standpoint of discontinuing delivery on Monday rather than on Saturday, it would be a very positive step. The cost-cutting concept is accepted, but it is unfortunate that we did not do

more research into that particular sector before we made the decision.

I would also like to comment on the determination of rural mail carriers who go out in all types of weather conditions in their dedication to serving the people along their routes. Many of them have a second source of income because quite often the contracts for those rural mail routes do not provide them with an adequate living. Consequently we find many older people delivering mail in rural areas, and while I do not want to see them deprived of a long weekend, most of them do finish their routes by approximately 10.30 in the morning, or at noon at the latest. So, Mr. Speaker, I believe that if we could look at these two areas, it would be a very positive step which would be welcomed by a majority of the people of Canada.

Mr. Gordon Gilchrist (Scarborough East): Mr. Speaker, I am very pleased to be able to join in this debate tonight on the important matter of good postal service. I am pleased the Minister has seen fit to withdraw the definition of a letter, even if that may only be temporary. I hope it will not. I do not want to re-state many of the well presented arguments by my colleagues and others on such things as cutbacks in service or the many examples of poor postal service, but I would like to refer to the Minister's mid-1982 letter in which he declared that the new regulations provide clarification of our social responsibility to ensure that all Canadians have access to a basic level of postal service at a standard cost. I want to deal with these two points, particularly the basic level.

Historically, Mr. Speaker, the basic level of postal service has included the ability of one person to transmit a simple message to another elsewhere in Canada, or in the world for that matter, in time frames consistent with the technology of the day. As technology advanced, packet ships were replaced by coal steamers and stage coaches were replaced by trains. Later those trains and ships were replaced by planes for long distance transportation, and trucks for short-haul. Delivery time frames shrank but costs remained low as volume increased. But always the transmitted article was the same, a simple message, personal, and secure, if desired, in an envelope. Although the speed of mail increased, it was for average or regular mail, and few reasonable people would disagree with that. However, for items requiring extraordinary consideration because of speed or shape, fragility or bulk, or for any other reason, other methods had to be devised. Wherever such special considerations entered into the mail service, trouble followed. It was because of special considerations that special delivery was devised where people could pay extra for extra service.

• (2150)

Couriers, of course, came into being to provide faster, specialized delivery for parcels and letters. It was because of the special considerations of bulk, size, weight or speed that the instrusion of these considerations became a cause of postal decline. Although postal codes and highspeed letter processing machines were designed and installed, volume and special requirements continued to break down the system. The efforts of the post office to handle and improve the system were laudable. No doubt Canada Post will continue to work on solutions to provide a basic level of postal service at standard cost.

While it worked on special techniques in the past, this at no time precluded the provision of such special services by private, competing companies which could do the job better. These companies bought high-speed planes, special delivery vehicles, special wire services and now, even satellite and optical message transmission services.

Not many years ago when the post office was approached by Canadian banks to develop a high-speed means of handling interbank transactions so that bank customers could be given much better banking services, consistent with the modern age, the post office declined to provide such service and the banks had to proceed on their own.

Now that EFT, electronic funds transfer, and other highspeed banking services have become established techniques, the Government wishes to pirate this private and efficient system. It wants to attempt to superimpose it or fit it into the basic level of postal service, with the obvious consequence of reducing efficiency and further complicating an already overloaded and inefficient system where specialty services are concerned. A bank transaction is not a letter, be it 500 grams or not. A bank withdrawal made in Calgary from an account in Vancouver is not a letter, even if a paper printout is made. Similarly, a recapitulation of all the day's transactions, when processed electronically, is not a letter or a number of letters.

Would Canada Post plan to charge 30 cents per line for the number of transactions in a day? If so, we can think of what such costs would add to bank charges.

If the monopoly enjoyed by Canada Post is to be used to pirate this service, reduce its efficiency and raise its cost, then clearly such monopoly must be opposed. The continuing preoccupation of the Government with state, bureaucratic, noncompetitive services will surely retard the development of modern communication services compared to those of other countries.

The dictionary defines a letter as a "written or printed message addressed to a person or persons, usually sent by post or messenger and fairly long". But then, any reasonable person knows what a letter is. What is the new definition of a letter which the Minister is promoting? It states that it is "mailable matter in any form, the mass of which, if any . . . ". Clearly, a letter is no longer a letter. The world can call a letter a letter, but Canada Post and the Government know better. They can ignore reality and extend bureaucratic monopoly to the homes and offices of the nation.

What is this "massless" communication, and when will it come into being? It is here now, Mr. Speaker, It is not a thing of the future. It is simply the sending of a message from one point to another without it ever having been transcribed on solid material. In other words, it was entirely energy from start to finish—not mass or substance.

An example of such communication would be sending a message by computer, through electrical or optical means, to a receiving computer which would not print it out on paper but would, rather, display it on a CRT, a television screen.

What jurisdiction or control should Canada Post, which the Minister says is mandated to provide a basic level of postal service, have over such privately sent, privately funded, privately designed and never "posted" communications?

The exclusive privilege granted Canada Post was intended to allow it to provide basic services for simple "letters" so that private business would not skim off the lucrative trade between such cities as Toronto and Montreal while leaving costly, small rural communities unserviced.

The definition of a letter—which has been withdrawn—described it as "mailable matter in any form, the mass of which, if any . . . whether or not enclosed in an envelope . . ." leaves the power-hungry Government and bureaucratically obsessed Minister with all the latitude necessary to eliminate private, confidential, speedy, modern, world-class communication in Canada.

Also, when the absolute monopoly has been established and all the competition eliminated, we will have "Communi-Can", the PetroCan of communications, where the taxpayer will pay far too much for letters, just as he now pays far too much for gasoline.

I hope that the Minister has now really taken to heart the seriousness of the myriad representations made by responsible, non-partisan, greatly involved organizations and companies such as the Retail Council of Canada, General Motors of Canada, Canadian Tire Corporation and over 300 others, which have different motives from the Government. Their motive is to reduce the cost to taxpayers, not to increase it. They have clearly outlined the unacceptability of a definition which includes "massless" excludes the privacy of envelopes, and indicates no limit to the horrendous cost of Government intervention and possible censorship.

At a time when Canada is actively promoting Telidon, the world's best videotech system which will, one day, include electronic mail to every home that has an outlet, we have one bureaucratic, antediluvian Minister erecting roadblocks in the way of another who is trying to "sell the future" and develop Canada's skills in high technology.

If we had a Prime Minister (Mr. Trudeau) who understood the complexities and opportunities offered by advanced thinking instead of revelling in stultified, restrictionist ideology, such retrograde legislation would never have been introduced in the first place.

Canada has been suffocated in research and advance-job creation by the neglect of creative thinkers and the elevation of its socialist dinosaurs to positions of power.

While I would encourage Canada Post to get on with its attempts to generate efficiency in the basic postal system for handling regular, everyday dictionary definition letters, I totally oppose its dabbling in areas which are far beyond its competence, particularly when it has not yet solved the basic problems that lie within its simple mandate.

The plundering of productive businesses, large and small, to subsidize inefficiency; the use of deficit taxpayers' dollars to expand into unneeded areas of electronic communications which are already well handled; those specialized courier services, and the restriction on the freedom of a person or tradesperson to drop a note at the door of a friend or to leave an invoice at a customer's door, on penalty of a fine, are the reasons that Canada is falling back in its standard of living while other nations move ahead. That is why the people of Canada have lost faith in the backward-facing policies of this head-in-the-sand Government.

This is why I intend to support this motion of censure against the Government which has raised postal rates 500 per cent in the Prime Minister's term of office. Now that he has wrestled inflation and employment to the ground perhaps he can start on postal rates.

Canada's postal service and its employees operate at a high level of efficiency. They would do even better if a letter were defined as being perhaps 50 grams' weight enclosed in a standardized envelope.

I look forward to the day when regular mail at low cost will provide the nonspecialized service that is needed right across the country. I urge the Government to let Canada Post get on with its principal task of serving the nation with a basic level of postal service at a standard low cost.

[*Translation*]

Mr. Deputy Speaker: Order, please. It being 10 p.m., it is my duty to inform the House that in accordance with Standing Order 58(11), the proceedings on the motion have expired.

PROCEEDINGS ON ADJOURNMENT MOTION

[*English*]

A motion to adjourn the House under Standing Order 40 deemed to have been moved.

PUBLIC ACCOUNTS—AUDITOR GENERAL'S CERTIFICATE. (B) GOVERNMENT RESPONSE

Mr. Doug Anguish (The Battlefords-Meadow Lake): Mr. Speaker, some weeks ago when the Public Accounts for Canada ending March 31, 1982 were tabled, I asked the Minister of Finance (Mr. Lalonde) about the accounting practices of the Government and its agencies.

In his certificate, the Auditor General said that he believed the "stated accounting policies are not appropriate for a fair presentation of the assets and liabilities and revenues and expenditures of the Government of Canada." He went on to

say that they were inadequate in two very specific areas. First, significant departmental activities were reported in separate financial statements or accounts that are not combined in the Government's financial statements. Separate financial statements or accounts are presented in other sections of the Public Accounts in such areas as the Exchange Fund Account, the Canada Pension Plan Account, the Unemployment Insurance Account, the Canadian Ownership Account and other similar Accounts.

• (2200)

Second, the Auditor General stated that investments to Crown-owned corporations and agencies as of March 31, 1982 amounted to approximately $25 billion or 63 per cent of the Government's net recorded assets. The assets, liabilities, revenues and expenditures of these entities are not consolidated in the accompanying financial statements.

This points to very real abuses or misconceptions which the Government puts forth in presenting its financial statements. I would not dare to say that the Government is trying to hide anything because in some areas it understates its assets and in other areas it actually overstates them. An example of the Government overstating its accounts could be found where there are excess amounts advanced over asset value received that confers a benefit and constitutes expenditure in respect of international development assistance, which should be recorded and reported as such on the Statement of Revenue and Expenditure.

The Auditor General also estimated that if international development assistance loans and subscriptions were reported in this manner, reported assets would decrease and accumulated deficit would increase by approximately $3.9 billion as at March 31, 1982.

A second example of where the Government is in error in overstating its assets is that financial obligations are not recorded in respect of amounts payable under statutory appropriations, earned and unpaid annual vacation leave, employee termination benefits and actuarial liabilities arising from the indexing provisions of employee pension plans. Also in the view of the Auditor General, all these financial obligations should be appropriately recorded and reported in the financial statements to provide a more complete disclosure of Government liabilities. He estimated that if these obligations were recorded, the reported liabilities and accumulated deficit would be increased by at least another $14.5 billion as at March 31, 1982.

An example of the Government being in error in underestimating its assets is in the area of revenue for the year from oil export charges, a federal Government tax. It excluded receipts of some $445 million which are included in the "specified purpose" liability account. Its failure to include this amount in revenue is inadequate in the opinion of the Auditor General and not in accordance with accounting policies. There should be another $445 million in revenue.

This leaves the books of the Government of Canada in a position where its actual assets are overstated by some $17.6 billion. I think the Government should address itself to improving the bookkeeping practices, administrative policies and accounting principles it uses.

• (2205)

Right now, I think most people are aware that the private sector uses generally accepted accounting principles. Within the Government of Canada there are no generally accepted accounting principles. I would urge the Government to address this problem and rectify it so that all accounts of the Government of Canada, anywhere Canadian taxes are spent, have a standard form by which the Government accounts for that.

The second proposal which would significantly help reporting the Government's accounts fairly would be to incorporate Crown corporation legislation.

In conclusion, as it stands now, if any company or any individual submitted a tax return to the Department of National Revenue based on financial statements similar to the way the Government of Canada draws them up, they would certainly be prosecuted for income tax evasion.

Mr. Douglas Fisher (Parliamentary Secretary to Minister of Finance): Mr. Speaker, in rendering his opinion of the Government's 1981-82 financial statement, the Auditor General expressed four basic concerns. First, the Auditor General concluded that loans to developing countries, because of their concessionary terms, should be reported on the books of Canada at a value that discounts for the benefits conferred on the recipient. This is in fact inflation accounting which yet has to receive broad application in either the private or public sector.

It is generally acknowledged, however, that while inflation accounting would tend to reduce the value of financial assets such as developing loans, it would have an offsetting impact on financial liabilities such as outstanding debt.

The Auditor General expressed the view that financial obligations arising from statutory appropriations not now reported have the effect of understating liabilities. The exclusion of certain liabilities as well as assets resulting from the current stated accounting policies, accounting policies designed to comply with enabling legislation, is fully recognized in the notes accompanying the financial statements. The current method of accounting for the Supplementary Retirement Benefit Accounts, with which the Attorney General takes exception, results from a simple compliance with enabling legislation, legislation passed by this House.

Third, the Attorney General feels that consideration should be given to extending the definition of the Government as an accounting entity. The Comptroller General has made an undertaking before the Standing Committee on Public Accounts to once again review the appropriateness of the financial statements in satisfying the needs of the users.

Finally, the Attorney General concludes that the Government has understated the budgetary revenues as a direct consequence of reporting the provincial share of the Oil Export Charge as a financial liability. The method of reporting was

both consistent with the Government's undertaking in the October budget, the National Energy Program, the agreement reached with the Provinces and the accounting option advocated by the Auditor General himself.

On a personal note, apart from this technical answer, the Hon. Member said in his comments and question, "I may be a young Member of Parliament but I am certainly not stupid." I agree with that.

CANADIAN TRANSPORT COMMISSION—SEVERITY OF PENALTY IMPOSED ON AIR B.C. (B) COMMISSION'S POWERS

Mr. Donald W. Munro (Esquimalt-Saanich): Mr. Speaker, on Friday last I had occasion to draw the attention of the Minister of Transport (Mr. Pepin) to a letter he had received from the Greater Victoria Chamber of Commerce relating to a penalty which had been imposed upon Air B.C. for having offered on the first of April, 1982, a special fare to travel between Victoria and Vancouver. This special fare, by way of a prank, if you like, or a promotional operation, was considered for a number of months by the Canadian Transport Commission before it decided what it should do. I will leave to one side for a moment what the Minister said with regard to the stupidity of the question, because that is quite another matter.

In order to deal with this question properly I think we have to bear in mind some rules which govern the decisions of the Canadian Transport Commission. The Minister reminded me of one of them. He said that one of the rules is against predatory prices. This was not a predatory price for all time. This was a price for one occasion. However, the fundamental rule to which the Canadian Transport Commission is committed is that any regulation should be determined on the basis of "public convenience" and necessity.

• (2210)

I speak, with the prompting of the Victoria Chamber of Commerce, on behalf of the travelling public. An editorial this morning in the *Colonist Times* was brought to me by a friend who travels from Victoria. It states that the Canadian Transport Commission is "grounding people" because the penalty, which was eventually levied against Air B.C., was that on December 21 that flight of Air B.C. should be grounded. That is draconian. This decision, however, was not rendered until October 18. It took from April 1 until October to end the shillying and shallying this way and that and to decide what would be done. Then, on October 18, a penalty was levied that there would be no flights on that particular route on December 21.

I suppose one could say that the airline did breach some regulation for one day in a lighthearted way. However, to inflict a penalty of that sort, to that extent, at that season, is quite unacceptable. The travelling public will be grounded on that particular date. Air B.C. came in to fill some gaps between Air Canada and CP Air connecting the mainland and the island. Air B.C. fills those gaps, and to eliminate that particular service so close to Christmas time when families are coming together is a shocking approach to this particular matter, to my way of thinking.

I want to stress that I am not speaking on behalf of Air B.C. It was the Greater Victoria Chamber of Commerce which had written a letter to the Minister and I received a copy of it. For very obvious reasons Air B.C. must keep its head down; it must deal with the Canadian Transport Commission. I understand it has made some suggestion regarding some other days when it might be prepared to be shutdown. However, it seems to be quite beyond the merits of the case to have it shut down right in the middle of the Christmas season. There must be some other way of dealing with it. It might be appropriate for the penalty to be imposed some other time in January, after the Christmas season, for example. I remind Hon. Members that the governing and guiding principle of the Canadian Transport Commission is "public convenience and necessity". I ask, how the public convenience and public necessity are to be served by prohibiting these flights on December 21?

I received a letter from the Minister which he must have written Friday afternoon because I received it on Monday morning. I am not disclosing anything which has not already been disclosed by the press because he did make his letter public, but he admitted with regret, and I give him honour for it, that the answer he gave me was "somewhat misleading". He said in the House he had asked the CTC to review this particular decision. In fact, he admitted in the letter, as reported in that paragraph, "I have not asked for a review because I am not empowered to do so on my own intiative". He could have asked, through Cabinet, that there be a Cabinet decision to rescind or alter that particular decision, but he stepped back from that because, as he said, it was to be word only in situations of national importance. It may not be nationally important in the eyes of the Minister, the matter of communications between Vancouver Island and the Mainland. It is of great importance, however, and I hope the Minister learns this one day, to those who live on the mainland or on the island, particularly at Christmastime, that those facilities of air transport be available.

• (2215)

I do hope that one way or another, possibly with just a little nudge by the Minister, the CTC can be a little more reasonable, a little more charitable; remembering that the Christmas spirit is there, and that it should not act like Scrooge, as it is about to by insisting on that particular penalty. Perhaps, it could be just a little more charitable at that season of the year. I hope it will allow Air B.C. to fly on December 21 and to take its penalty, whatever it may be, at another season.

Mr. Douglas Fisher (Parliamentary Secretary to Minister of Finance): Mr. Speaker, I am glad to see that the Hon. Member acknowledged receipt of the explanatory letter he received from the Minister of Transport (Mr. Pepin). In that letter there is an important note, and I would be happy to table this letter if you require it, Mr. Speaker. I do not know the procedure here. I do not have a translation, I only have an English edition, but we would like the letter to be public.

I would point out that the Hon. Member asked the Cabinet to rescind the decision made by the CTC. But the Hon. Member failed to point out what the Minister says, namely, and I quote here:

—I have been chastised so much for using it that I hesitate to do so.

In fact, the Hon. Member opposite is one of those Members who has risen periodically to chastise the Minister of Transport for the decisions he has made respecting other transport modes, and now he wants us to continue a practice that he has otherwise found distasteful.

I think it is important as well, Mr. Speaker, to point out that Air B.C. knew the rules. It did not go blindly into a situation. People in this industry are respected professionals. They understand that they operate in heavily regulated circumstances. Air B.C. chose to ignore the regulations. Not only did Air B.C. ignore the regulations in the first instance it also ignored its opportunity to appeal the penalty. Should we turn to a process that has been scorned by the Opposition in order to give relief to an airline that does not itself obey the rules or use the proper methods of appeal.

Mr. Munro (Esquimalt-Saanich): That was explained fully.

Mr. Fisher: To what extent does the Hon. Member want us to run that airline's business, I wonder.

THE ECONOMY—GOVERNMENT POLICY SPENDING AFFECTING PRIVATE SECTOR. (B) INTEREST RATE LEVELS

Mr. Don Blenkarn (Mississauga South): Mr. Speaker, on October 27 I had occasion to ask the Minister of Finance (Mr. Lalonde) questions with respect to the principles on which the financial affairs of the country are being managed. You will recall, Mr. Speaker, in the Minister's address to this House the Minister stated that as one of the basic principles of economic management we must continue to rely primarily on the dynamism and the creativity of the private sector as engines of growth in Canada. He went on to say that the Government will be seeking areas where it can act in close co-operation with business and labour to improve the financial help of the private sector as well as its ability to expand and prosper.

I asked the Minister really what had he done for the private sector. I pointed out to the Minister that the effect of his Budget was to put $400 million into Canadair and de Haviland, both losers as far as profitability is concerned, and both Crown corporations. I pointed out to the Minister that within a day or so after the Budget we learned that Petro Canada had purchased certain gas stations owned by British Petroleum at a cost in excess of $600 million. I pointed out that in the budget the Minister increased unemployment insurance premiums by $1.7 billion. That is a further tax on employment. It increases the wage wedge to $5.52 per $100 for wages paid.

• (2220)

The Minister replied that he was a good fellow, that he had spent $1.2 billion in make-work programs to increase employment. The fact is the budget only talked about $500 million. I do not know where the other money came from. Perhaps the Minister was looking at his budgetary figures. His budget increased the amount to offset unemployment by $500 million. He went on to say something about $400 million going to the railways and that this was important. One of the major railways is a Crown corporation. The other is a corporation run by Mr. Sinclair, a friend of the Government.

Perhaps it will accomplish something, but I do not see anywhere in the budget the dynamism and creativity of the private sector being encouraged or the financial health of the private sector being able to expand and prosper. The Minister knows that. The Government only pays lip service to private enterprise, lip service to dynamism in the private sector. In fact, it really does not care about the private sector, particularly in terms of employment.

A tax on employing people was levied in this budget to the extent of $1.7 billion. That tax will increase unemployment in this country by approximately 46,700 people during the next year. The Minister may ask how I figure that out. The answer is simple; the same way the Minister figured out that by spending $500 million he would create 60,000 jobs for a total of 18 months or between 17,000 and 18,000 person-years of work.

As a rule of thumb, a 1 per cent increase in real gross national product yields a 1 per cent increase in employment. If you take the 1971 base calculations as determined by the Conference Board and relate the present GNP to 1971, this year we would have about $130.4 billion in GNP. The effect of the $1.7 billion charge has to be a detriment to the GNP of .0447. If you do the mathematics, you will find if you multiply by the current number of people unemployed that you will have lost 46,700 person-years of work.

The effect of the budget presented by the Government will be that it costs jobs in Canada, costs the private sector, hurts the Canadian economy and is a total detriment. It will boost the public sector, boost Crown corporations, create more Government in our lives and work in exact opposition to the principles the Minister enunciated, principles that we could go along with, but principles he clearly does not believe in.

Mr. Douglas Fisher (Parliamentary Secretary to Minister of Finance): Mr. Speaker, it is a pleasure to engage in a debate with my colleague from Mississauga South (Mr. Blenkarn). I ask him only to turn to Mississauga to find some of the answers to the very honest questions he has raised.

May I point out to him that help on the interest rate front has assisted a variety of individual firms and companies in Mississauga over the past year, companies like DAF Indal, which manufactures helicopters, Control Data, which makes computers, Northern Telecom, which makes telephones, Ontario Bus Industries, with its bus export program and, in his own riding, the Admiral Corporation, which received help under the ILAP Program to continue in the business of manufacturing appliances.

• (2225)

In the housing area we have seen great market action as a result of the $3,000 grants. Because it reduces interest rates, the $3,000 grant to existing home owners, reduces the impact of high mortgage rates. We have also seen the increase to 27,500 non-profit units in the June budget. On the small business front, thanks to the hard work of the finance committee and the sensitivity of the Minister of Finance (Mr. Lalonde), we saw in the October statement clarification of the 12.5 per cent corporate dividend distribution tax. This provides additional relief. We saw the continuation of the small business bond and the introduction of the 4 per cent interest reduction program in the June budget.

To some degree, my hon. friend from Mississauga South reminds me of a quotation I saw in *The Globe and Mail*. As you know, that venerable newspaper has been complaining about the impact of high interest rates for sometime now and has been raising distressing stories about the impact of such rates. Just last week I saw a classic headline that said, "Lower interest rates inflict damage on savers." I wonder if the Hon. Member is not falling into that school of thought as well.

[*Translation*]

Mr. Deputy Speaker: Order, please. The motion to adjourn the House is now deemed to have been adopted. Accordingly, this House stands adjourned until tomorrow at 2 p.m.

At 10.26, the House adjourned, without question put, pursuant to Standing Order.

HOUSE OF COMMONS

Wednesday, November 24, 1982

The House met at 2 p.m.

• (1405)

MOTIONS UNDER S.O. 43

[*English*]

COMMUNICATIONS

SUGGESTED USE OF SATELLITE EARTH STATIONS BY NORTHWEST TEL

Mr. Dave Nickerson (Western Arctic): Madam Speaker, the policy of the Department of Communications is to permit common carriers to own and operate satellite earth stations only in the 12/14 Ghz band. This policy may make sense in southern Canada but makes no sense in the Far North where, for technical reasons, it is necessary to use the 4/6 Ghz band. Hence Northwest Tel, the federal Crown corporation providing telecommunications in the North, is obliged to pay exorbitant rents, far in excess of the true value, to Telsat Canada for the use of its facilities. These excessive costs are then passed on to Northwest Tel's subscribers. Therefore, in order to avoid this discrimination against Northern telephone subscribers, I move, seconded by the Hon. Member for Yukon (Mr. Nielsen):

That Northwest Tel Incorporated be permitted to own and operate satellite earth stations in the 4/6 Ghz band.

Madam Speaker: Is there unanimous consent for this motion?

Some Hon. Members: Agreed.

Some Hon. Members: No.

* * *

CANADA POST CORPORATION

MAILING OF CARE PARCELS TO POLAND

Mr. John Bosley (Don Valley West): Madam Speaker, a number of countries have made it possible to send CARE parcels to Poland postage free, to help relieve the situation that exists there. I move, therefore, seconded by the Hon. Member for Edmonton North (Mr. Paproski):

That the House indicate to the Government and Canada Post that a policy whereby Canadians would be able to send CARE parcels postage free to friends and relatives should be implemented as soon as possible to last as long as this dreadful situation lasts.

Madam Speaker: Is there unanimous consent for this motion?

Some Hon. Members: Agreed.

Some Hon. Members: No.

* * *

DISARMAMENT

RECOMMENDED ESTABLISHMENT OF PEACE INSTITUTE

Mr. Bob Ogle (Saskatoon East): Madam Speaker, I rise under the provisions of Standing Order 43 on a matter of urgent and pressing necessity. In view of the escalation of military spending in the world, and in view of Canada's international image as a moderate and peaceful country, I move, seconded by the Hon. Member for Beaches (Mr. Young):

That this House urge the Canadian Government, as a symbolic step, to buy one less F-18 fighter bomber and, instead, use the money to help establish a peace institute in Canada and fund university chairs and foundations which would study the causes of war and underdevelopment, and how we could maintain peace.

Madam Speaker: Is there unanimous consent for this motion?

Some Hon. Members: Agreed.

Some Hon. Members: No.

* * *

PETRO-CANADA

REQUEST FOR CHAIRMAN'S RESIGNATION

Mr. Scott Fennell (Ontario): Madam Speaker, due to the recent evidence uncovered yesterday by this Party at the Standing Committee on National Resources and Public Works, which established that the purchase of B.P. Canada's gas stations by Petro-Canada, originally thought to cost the taxpayers $347 million, will actually cost $577 million, and because the management has further stated that the return on this investment would be 15 per cent compared to a national average of 5 per cent for all other oil marketers over the past ten years, I move, seconded by the Hon. Member for Calgary Centre (Mr. Andre):

That this House request the resignation of Mr. William Hopper, Chairman of Petro-Canada, for misleading the public and providing incomplete and unsubstantiated facts.

S.O. 43

Madam Speaker: Is there unanimous consent for this motion?

Some Hon. Members: Agreed.

Some Hon. Members: No.

* * *

POLITICAL PARTIES

SUGGESTION NEW DEMOCRATIC PARTY URGE NEED FOR DISARMAMENT CONFERENCE

Mr. Dan McKenzie (Winnipeg-Assiniboine): Madam Speaker, all political parties and the majority of Canadians want to work toward global nuclear disarmament. The New Democratic Party is in a position to play an important role in assisting toward the unification of the parties to achieve this end. In light of their close relations with the Communist Party, evidenced by the New Democratic Party Members' participation in May Day celebrations in Peking and Toronto, as well as the regular attendance of the Member for Spadina at celebrations held at Communist Party headquarters in Toronto, I move, seconded by the Hon. Member for York North (Mr. Gamble):

That this House call on the New Democratic Party to communicate with their Russian comrades in order to impress upon them the need to arrange a conference with President Reagan and President Andropov to discuss the topic of nuclear disarmament.

Madam Speaker: Is there unanimous consent for this motion?

Some Hon. Members: Agreed.

Some Hon. Members: No.

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ROYAL CANADIAN MOUNTED POLICE

DESTRUCTION OF DOCUMENTS

Mr. Donald W. Munro (Esquimalt-Saanich): Madam Speaker, in light of the Solicitor General's statement of yesterday that he will soon be announcing a policy for the destruction of some RCMP documents, I move, seconded by the Hon. Member for Etobicoke-Lakeshore (Mr. Robinson):

That no document be destroyed that might assist any RCMP officer who may be subject to prosecution where such document, to be determined by defence counsel, would be essential to a full answer and defence.

Madam Speaker: Is there unanimous consent for this motion?

Some Hon. Members: Agreed.

Some Hon. Members: No.

PENSIONS

CALL FOR WITHDRAWAL OF BILLS C-131 AND C-133

Mr. Neil Young (Beaches): Madam Speaker, in view of the Government's doctrinaire determination to force elderly Canadians to pay for the Government's incompetent management of our economy by proposing to limit pension increases to 6 per cent next year and 5 per cent in 1984 and in view of the fact that senior citizens simply cannot afford to have their purchasing power further eroded by the actions by this Government, I move, seconded by the Hon. Member for Oshawa (Mr. Broadbent):

• (1410)

That this House calls on the Government to withdraw Bill C-131 and Bill C-133 from the Order Paper immediately and that it bring before this House proposals to bring true reform to this country's pension system.

Madam Speaker: Is there unanimous consent for this motion?

Some Hon. Members: Agreed.

Some Hon. Members: No.

* * *

POLITICAL PARTIES

CANADIAN LABOUR CONGRESS PRESIDENT'S VIEWS ON LIBERAL PARTY

Mr. Don Blenkarn (Mississauga South): Madam Speaker, the President of the Canadian Labour Congress called on its two million affiliated members to join a political crusade in order to get rid of the Liberal Party. I therefore move, seconded by the Hon. Member for Parry Sound-Muskoka (Mr. Darling):

That this House congratulate the Canadian Labour Congress and Dennis McDermott for finally understanding what the problem is in this country, for finally seeing the light and understanding that the Liberal Party and its management of this country have caused massive unemployment, massive economic distress and have generally managed the country to the verge of bankruptcy.

Madam Speaker: Is there unanimous consent for this motion?

Some Hon. Members: Agreed.

Some Hon. Members: No.

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EXTERNAL AFFAIRS

CALL FOR SUMMIT MEETING BETWEEN U.S. PRESIDENT AND U.S.S.R. CHAIRMAN

Mr. Bill Yurko (Edmonton East): Madam Speaker, on May 16, 1982, the Prime Minister (Mr. Trudeau), while speaking at Notre Dame University, said, "I welcome the prospect of a summit meeting between the Presidents of the United States of

America and the U.S.S.R.". He also stated, "Let us accept the challenge to take bold initiatives". Therefore I move, seconded by the Hon. Member for Vancouver South (Mr. Fraser), and I am sure by every Member of this House:

That this House unanimously support the Prime Minister in calling publicly for a summit meeting during the next 18 months between President Reagan and Chairman Andropov to strengthen nuclear detente and initiate the process for nuclear arms stabilization and eventual reduction.

Madam Speaker: Is there unanimous consent for this motion?

Some Hon. Members: Agreed.

Some Hon. Members: No.

* * *

PETRO-CANADA

COST OF ACQUISITION OF BRITISH PETROLEUM

Mr. Jack Shields (Athabasca): Madam Speaker, whereas the original announcement of Petro-Canada's acquisition of British Petroleum Limited has turned out to be most misleading in light of the revelations of Chairman Bill Hopper in committee yesterday, and whereas it turns out that the actual cost of this questionable deal is fully two-thirds more than the Minister stated in this House of Commons last month, I move, seconded by the Hon. Member for Leeds-Grenville (Mrs. Cossitt):

That this House condemn the Minister of Energy, Mines and Resources for allowing Petro-Canada, a Crown corporation for which he is responsible, to mislead the Canadian public and Hon. Members of this House.

Madam Speaker: Is there unanimous consent for this motion?

Some Hon. Members: Agreed.

Some Hon. Members: No.

* * *

FINANCE

SUGGESTED TAX CREDIT FOR CHARITABLE DONATIONS

Mr. Arnold Malone (Crowfoot): Madam Speaker, in view of the fact it is desirable that Canadians in general be encouraged to participate in voluntary organizations; since the voluntary organizations of Canada have an exemplary record for their contribution to excellence and are noteworthy in their efficiency, and since some taxpayers now are able to receive $100 deductions for charitable donations when in fact they have never made a charitable donation, I move, seconded by the Hon. Member for Bow River (Mr. Taylor):

That this Parliament encourage the Minister of Finance to give consideration to the concept of allowing a 50 per cent tax credit for all donations to charitable organizations and that, if he finds this proposal advantageous and workable, this Parliament encourage him to introduce such a concept in the next federal budget.

Madam Speaker: Is there unanimous consent for this motion?

Some Hon. Members: Agreed.

Some Hon. Members: No.

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DISARMAMENT

DEMAND THAT CANADA BE DECLARED NUCLEAR FREE ZONE

Mr. Jim Manly (Cowichan-Malahat-The Islands): Madam Speaker, yesterday in this House the Prime Minister (Mr. Trudeau) once again abdicated leadership on disarmament when he professed complete ignorance on the question of the MX missile, a clear threat to our very survival. In view of the strong leadership shown by Malaspina College in Nanaimo, British Columbia, in declaring itself a nuclear free zone, in a referendum which was approved by 95 per cent of students, staff and faculty, I move, seconded by the Hon. Member for Mission-Port Moody (Mr. Rose):

That this House instruct the Prime Minister to follow the leadership of Malaspina College and declare all of Canada a nuclear free zone.

Madam Speaker: Is there unanimous consent for this motion?

Some Hon. Members: Agreed.

Some Hon. Members: No.

• (1415)

ORAL QUESTION PERIOD

[*English*]

NATIONAL PARKS

BANFF LAND EXCHANGE—ROLE OF CHAMBER OF COMMERCE

Mr. Gordon Taylor (Bow River): Madam Speaker, my question is directed to the Hon. Minister of the Environment. Yesterday the Hon. Minister said in the House that he had received telegrams from the Lake Louise-Banff Chamber of Commerce supporting the project. Note that he said "telegrams".

I hold in my hand a copy of the telex that was sent to the Hon. Minister on October 5. The gist of it reads, "We urge your Department to expedite the approval process for this project." The Minister was well aware yesterday that this telex was sent by two men only, one of whom is John Morrison, who is a friend of Judd Buchanan. The other man is President of the Chamber of Commerce and also the solicitor for Judd Buchanan's company. No one else in the Chamber of Commerce knew that this telex was sent until approximately a month later. As soon as the members of the Lake Louise Chamber of Commerce found out about the said telex, another

one was sent to the Minister on November 4, some 12 days before the permit.

Some Hon. Members: Question.

Mr. Taylor: The telex reads:

—we would now like to respectfully retract—

Madam Speaker: Order. Does the Hon. Member have a question, or is he giving us a full history of the matter? Please ask the question now.

Mr. Taylor: In light of that second telegram, why did the Minister tell the House yesterday that the Lake Louise-Banff Chamber of Commerce supported the project when he knew that it did not?

Hon. John Roberts (Minister of the Environment): Madam Speaker, there are two aspects which I would like to comment on—

Mr. Clark: Do not comment, answer.

Mr. Roberts: —in answer to that question posed by the Hon. Member. First, I want to make it clear that both the telegram and the representations to which we referred yesterday came to us in October, as he indicated, when the decision on the land transfer had taken place a month earlier. That is to say, these representations, whatever their validity, were a month after the decision for the project had taken place. A decision had been made and, to that degree, they were too late.

The second comment I would like to make is that I know that the hon. gentleman would not want deliberately to mislead the House. He has referred to the telegram as containing the signatures of the people whom he has mentioned. Therefore, I think I should read the telegram, which is quite short, in its entirety. It says:

Attn Hon. John Roberts, Minister of the Environment

Re: Block 63, Banff, Alberta T0l 0C0

We understand that there have been negotiations regarding a rental accommodation development for Banff. Due to the extreme shortage of employee housing, we urge your Department to expedite the approval process for this project.

Regards

Banff-Lake Louise Chamber of Commerce

That is the telegram in its entirety.

Mr. Taylor: Madam Speaker, the Hon. Minister has been told a number of times who sent that telegram. He knows very well. He is the one who is misleading the House. The second telegram is signed the same way. In the second place, he said "telegrams". He only received one that was favourable—from two men—which the Chamber of Commerce knew nothing about. He said "telegrams" yesterday. Who is trying to mislead the House?

REASON FOR REQUESTING DELAY IN DEVELOPMENT PROJECT

Mr. Gordon Taylor (Bow River): Madam Speaker, my supplementary question is also directed to the Minister of the Environment. If the Minister says that everything was above board and there was no difficulty, why did he have officials of his Department phone Buchanan last Friday requesting a hold on the development? Why?

Hon. John Roberts (Minister of the Environment): Madam Speaker, I thought I clearly heard the Hon. Member say in his first question that the telegram was signed by those two individuals. If I misunderstood, I am sorry. That is what I thought he said. If he did say that, it is obviously contrary to the fact.

The Hon. Member asked in his second question why I asked for a delay in the project. The answer to that is quite clear—because there was an intervention on the part of a politician asking for that delay. That politician was the hon. gentleman from Bow River.

Mr. Taylor: What I said was that the telex was sent by two men. The Hon. Minister's hearing is as bad as his memory.

• (1420)

REQUEST THAT BULLDOZERS BE REMOVED

Mr. Gordon Taylor (Bow River): Madam Speaker, the Hon. Minister crossed the floor twice last week to tell me he was asking his officials to find out if he had authority to cancel that permit, and he knows it. If he denies that—

Madam Speaker: Is that the object of the Hon. Member's question? Question, please.

Mr. Taylor: Madam Speaker, the bulldozers are now in that park. There has never been any information given that the park was going to be desecrated. Zoning was never questioned. We want to know now if the Minister will save that park, leave the trees that are still there, get the bulldozers out of that park, and build the apartment someplace else?

Some Hon. Members: Hear, hear!

Hon. John Roberts (Minister of the Environment): Again, Madam Speaker, the hon. gentleman asserts that the telegram was sent by two men. The text clearly indicates that, so far as the recipient knew, it was sent by the Banff-Lake Louise Chamber of Commerce. There are no two names attached to this telegram. That is the name.

Mr. Taylor: You were told; don't lie about it.

Mr. Roberts: To answer the hon. gentleman's second question, I did indeed, when I spoke to him last week, say that I would see if it was possible legally to delay the project so that the kind of concern he expressed was one I could look into thoroughly. Indeed, I followed up on that intervention request and made inquiries, or rather had officials make inquiries, to see if some delay was possible, to satisfy the Hon. Member's request.

As to the third part of the Hon. Member's question, as I indicated in the House yesterday and in public statements, I have looked into the matter and I believe all the proprieties

have been pursued and it is the firm conviction of Parks Canada that this arrangement is a beneficial one so far as Parks Canada and Banff are concerned. I do not believe at the moment it is either legally possible to turn back the clock, much as the Hon. Member might like to do so, without encouraging the risk of very grave damages which would not be, in my view, wise to suggest to the House we should do.

Mr. Clark: Judd Buchanan might sue for reneging on patronage.

APPLICATION OF CONFLICT OF INTEREST GUIDELINES

Hon. Ray Hnatyshyn (Saskatoon West): Madam Speaker, my question is for the Prime Minister, who will know that his former colleague in Cabinet, the Hon. Judd Buchanan, and his partners, have been actively pursuing this project involving the transfer of Government lands over the course of well over two years. The Prime Minister will also know that the post-employment conflict of interest guidelines demand that former Ministers not be involved with a commercial corporation in connection with any specific proceeding or transaction in which the Government of Canada is a party for two years following their exit from the Ministry. Mr. Buchanan was Minister of Public Works until mid-1979.

Is the Prime Minister going to look into enforcing the conflict of interest guidelines, at least in this instance, with respect to the activities of Mr. Buchanan, a former Minister of his Cabinet?

Mr. Nielsen: He is going to redraft them.

Right Hon. P. E. Trudeau (Prime Minister): Madam Speaker, in phrasing his question the Hon. Member said that the Prime Minister "will know that for two years", and so on. I want to assure the Hon. Member that the first I heard of this transaction was a few days ago when it was raised in the House. Since then I have heard the Minister of the Environment answer various questions. It seems to me, insofar as I remember the conflict of interest guidelines—I believe they were accurately read by the Hon. Member—they apply to a Minister who leaves a Department and then who would use his knowledge or acquaintance with that Department, or familiarity with people in that Department, to enter into some commercial transaction. If my recollection is right, Mr. Buchanan left the Department responsible for Parks Canada somewhere around 1975 or 1976, so he was well within the guidelines if his initiative was taken about two years ago.

Mr. Clark: He was a member of the Ministry.

Mr. Hnatyshyn: Madam Speaker, that was a weasely avoidance of the spirit of the conflict of interest guidelines, and the Prime Minister knows it.

SPIRIT OF GUIDELINES—POSITION OF PRIME MINISTER

Hon. Ray Hnatyshyn (Saskatoon West): Madam Speaker, it seems that every month we have another Arthur Erikson situation in the Chamber here with respect to the Prime Minister's friends. Another one of his friends, Mr. John Gow, is a partner in this transaction. The Prime Minister will know that the conflict of interest guidelines say that Ministers will not, and I quote:

> —accord preferential treatment in relation to any official matter to relatives or friends or to organizations in which their relatives or friends have an interest.

• (1425)

The Prime Minister cannot avoid this matter simply by saying that the Minister of the Environment is responsible. It is the collective responsibility of Cabinet as well as a ministerial responsibility. I want to know what the Prime Minister is going to do about this.

Right Hon. P. E. Trudeau (Prime Minister): Madam Speaker, I believe there are at least two aspects to the question asked by the Hon. Member. He referred to the spirit of the guidelines. I also heard the Right Hon. Leader of the Opposition indicate that somehow we had flouted the spirit of the guidelines.

Mr. Nielsen: The letter of the guidelines.

Mr. Trudeau: If I am incorrect, then I hope the Leader of the Opposition will correct me. My recollection of the guidelines is that they prevent a Minister from using the knowledge he acquired in that Department, or his acquaintance with the—

Mr. Nielsen: In Cabinet.

Mr. Trudeau: I believe the letter and the spirit of the guidelines are quite specific. It is not that any Minister should do nothing for two years. I do not believe that even Members of the Opposition who entered private life after resigning from the Ministry would be expected to do nothing. Perhaps that is the maximum of their possible performance, but in terms of the guidelines, the intention was not to prevent former Members of the Ministry from doing anything for two years.

Mr. Broadbent: You are doing nothing now.

Mr. Trudeau: It was to do nothing related to their particular Department.

Mr. Nielsen: Related to the Cabinet.

Mr. Trudeau: If the Hon. Member and the Leader of the Opposition are serious about this I would ask them to refer to the guidelines and indicate to me in what way they think Mr. Buchanan flouted the spirit of the guidelines.

As far as Mr. Gow is concerned, it is true that he is a friend, Madam Speaker. I had never heard of this transaction before. He never talked to me about it. There is no way in which I could assure him preferential treatment, because I did not know there was going to be any treatment at all.

The question is whether he was a friend of anyone else and if he got preferential treatment. It would seem to me that the Hon. Minister of the Environment made it quite clear that there was no preferential treatment. A recommendation was passed, as I understand it, by the City Council, by the Environmental Advisory Board, and by the officials of Parks Canada. The Minister made it quite clear in his answer that he has not extended any preferential treatment to either of these gentlemen.

* * *

EMPLOYMENT

JOB OPPORTUNITIES FOR OLDER WOMEN

Mrs. Margaret Mitchell (Vancouver East): Madam Speaker, my question is directed to the Minister of Employment and Immigration. An NDP Task Force on Older Women has been holding hearings in every Province. It has been told repeatedly that women who spend their whole lives raising Canada's children, experience extreme poverty, isolation, and loneliness in their middle and later years. On behalf of these women I would like to ask the Minister what plans he has or what he will do to develop job opportunities for mature women. In particular, will he allocate some of the funds available for job-creation programs to target the needs of this age group, these women who really need an opportunity to work and pay into a pension plan?

Hon. Lloyd Axworthy (Minister of Employment and Immigration): Madam Speaker, I think the Hon. Member raises a very legitimate and very important concern. I should like to point out to her that in the past year we have taken a number of initiatives to respond directly to that particular problem. In something like 12 centres across Canada we have opened special women's employment centres to provide counselling and placement services as well as special help in the transfer from home to the first-time job.

In addition, we have substantially increased the Outreach budget so that community based organizations can also provide that kind of employment base service to them. As well, the Canada Community Service Employment Program is particularly targetted to this group. Almost 80 per cent of the people working in the Program have worked in child care, in social services programs, or are women coming into the work force for the first time and they are closer to their clientele.

Mrs. Mitchell: Madam Speaker, it is important to have counselling support services but there is no point having them if there are no jobs at the end.

SKILLS TESTING PROGRAM

Mrs. Margaret Mitchell (Vancouver East): I have a supplementary question, Madam Speaker. In connection with the services of the Canada Employment Centres we often find that homemakers are handicapped because they do not have job experience and so do not have a job reference. It has been proposed by some women that we have heard from, that there could be a testing program carried out at Canada Employment Centres. As a result of this a certificate could be awarded which would recognize the skills of women in human relations and management, and the other skills that they have acquired in a lifetime of experience could also be recognized. Will the Minister implement this in Employment Centres as a means of giving older women a chance for a good resumé and then a good chance at a job?

Hon. Lloyd Axworthy (Minister of Employment and Immigration): Madam Speaker, obviously if we established that particular program it would be to give us information and ideas about how we could more broadly expand those initiatives. We would be prepared to look at such a program and see how we could apply it on a national level.

• (1430)

I would point out again that I know of one project in my own city, an employment counselling service which is an Outreach Program. In the last two or three months it has had something like a 70 per cent success rate, enabling older women entering the work place to find their first jobs. It is a very specific example of how a good counselling placement service, working individually with women, can provide them with both the opportunity to choose how they can upgrade their skills and also get their first job opportunities. This is what we really want to concentrate on, that is, providing individualized service where it is needed most in terms of making that major transition from home to work.

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INCOME TAX

USE OF SOCIAL SECURITY NUMBERS BY GOVERNMENT BOND HOLDERS

Mr. Don Blenkarn (Mississauga South): Madam Speaker, in the absence of the Minister of Finance I will direct my question to the Minister of State for Finance. Would he confirm that those ordinary Canadians who invest in Canada Savings Bonds or regular Government bonds are required to pay income tax on the interest or the income they receive from the bonds, and that, in the case of coupon bonds, social security numbers have to be given to the bank or whoever cashes the coupons to ensure that the interest income is monitored and to ensure that that income is taxed?

Hon. Paul J. Cosgrove (Minister of State (Finance)): Madam Speaker, I am not familiar with the practice, with the check-off of social security numbers which the Hon. Member raised. I will find out if there is a common practice, common through all financial institutions, and advise him.

Mr. Blenkarn: I am surprised the Minister is not prepared to confirm that people receiving bond income are not required to pay income tax, or there is no follow-up on that.

Some Hon. Members: They are.

POSITION OF TREASURY BILL INVESTORS

Mr. Don Blenkarn (Mississauga South): Madam Speaker, in light of the problem would the Minister explain why, for sophisticated investors who buy Government of Canada Treasury Bills, there is no follow-up on the bills as to the income they receive on the discount of the bills, why there is no co-ordination of that income to the Income Tax Department so that the income can be taxed, and why sophisticated investors, people who buy Treasury Bills, in many cases are able to escape the payment of income tax when ordinary Canadians who buy Canada Savings Bonds and the like are stuck with paying the tax?

Hon. Paul J. Cosgrove (Minister of State (Finance)): Madam Speaker, of course one of the difficulties that the question poses and that the Minister of Finance hit upon recently in answer to questions dealing with the tax system is in coming up with a system which is uncomplicated, unsophisticated and meets, for example, the submissions of the Canadian Tax Foundation that the tax system and its implementation should be uncomplicated.

Apart from the fact that the system which the Hon. Member encourages us to adopt would be very complicated and very sophisticated, there is the question of whether the cost of putting such a system in place is worth the revenues which would be received in the circumstances. I am sure this matter is one that the Department and the Minister of Finance are concerned about, and he is undertaking, as he indicated in his speech in Metropolitan Toronto last evening, a review of the system with the objective that it be simplified and not complicated, as the Hon. Member would encourage.

* * *

NATIONAL PARKS

BANFF LAND EXCHANGE—SECOND TELEGRAM SENT BY CHAMBER OF COMMERCE

Mr. Tom McMillan (Hillsborough): Madam Speaker, my question is directed to the Minister of the Environment. It is supplementary to those already raised today on the Judd Buchanan apartment complex in Banff National Park. The Minister told the House yesterday that he had telegrams from the Banff-Lake Louise Chamber of Commerce supporting the Judd Buchanan apartment complex being built at Banff. Yet on November 4 he received a telegram which read:

> Further to our telex dated Tuesday, October 5, 1982, please be advised that although the Banff-Lake Louise Chamber of Commerce recognizes the need for additional staff housing in Banff, we would now like to respectfully retract our October 5 telex as it does not reflect the views of the majority of the Board.
>
> Sincerely,
> Banff-Lake Louise Chamber of Commerce

My question to the Minister is this: why in the House yesterday, on the public record, did he tell the House of Commons and the people of Canada, through the Parliament of Canada, that the Chamber of Commerce supported the apartment complex being built when he possessed a communication in his pocket that made it very clear that the opposite was the truth?

Hon. John Roberts (Minister of the Environment): Madam Speaker, as I indicated yesterday to the House, I had received the earlier telegram to which the Hon. Member referred, and outside the House I indicated that I had also received the second telegram to which he referred.

Mr. Nielsen: Outside the House.

Mr. Roberts: The really relevant point in relation to both telegrams is that the decisions about which Hon. Members are concerned was taken a month or six weeks before either of those telegrams was received.

MINISTER'S STATEMENT

Mr. Tom McMillan (Hillsborough): Madam Speaker, to the Minister of the Environment, the only relevant point in this whole debate is whether the Minister of the Crown is telling the truth or whether he is misleading the House. My question to the Minister, in light of that, is this: Yesterday on the floor of the House of Commons he said:

> Subsequent to that, the Chamber of Commerce in the area sent telegrams supporting the proposal to the Government.

He said, "telegrams", two telegrams. The implication was that both telegrams supported the action that is being taken in this instance. I repeat my question to the Minister. When he possessed a telegram in his pocket disavowing the first telegram, why did he say to the House of Commons that he had received telegrams verifying that the Judd Buchanan complex being built in Banff had the full endorsement of the Chamber of Commerce in question and the people that the Chamber represented? Why did he make that statement?

Hon. John Roberts (Minister of the Environment): Madam Speaker, the Hon. Member is really a nit picking nits. If it will make him—

Some Hon. Members: Oh, oh!

Mr. Roberts: If it will make him much happier, I would be quite happy to drop the "s" off "telegrams", if indeed I said telegrams rather than telegram.

The essential point that was raised yesterday in the House was the question of when the decision was taken what kind of indications did we have of public opinion on the site, and what kind of consultations had taken place. As I indicated yesterday, there have been continuing public consultations going back ten years, reviewed in 1980. As the Hon. Member for

Bow River has stated himself, reviews took place again. The project was discussed again in December, 1981, with the town council. It was a discussion of what was likely to take place, and opportunities were presented for comments then. That was the point that was being made yesterday.

If the Hon. Member really would feel much happier if the *Hansard* record yesterday read "telegram" instead of "telegrams", I would be quite happy to have that correction made.

REQUEST THAT MINISTER CHANGE DECISION

Right Hon. Joe Clark (Leader of the Opposition): Madam Speaker, if I could have the attention of the Minister for patronage in the parks—

Some Hon. Members: Hear, hear!

Some Hon. Members: Oh, oh!

Mr. Clark: —the Minister of the Environment knows that the hearings to which he refers ten years ago related to zoning practices generally, not to the application of his former colleague. The Minister has told us that it is too late to change the decision. The decision has been opposed by the Banff-Lake Louise Chamber of Commerce, by some 1,200 people, and it has caused the resignation of the public servant who says he was forced to sign the authority. Why, since the decision was based on false information, and since the decision was—

Some Hon. Members: Oh, oh!

Mr. Clark: I hear from several Liberals who are potential applicants for permits to developing Banff, Jasper, and other national parks.

Some Hon. Members: Hear, hear!

Some Hon. Members: Oh, oh!

Madam Speaker: Order.

Mr. Clark: Why will the Minister not change a decision that was based on false information?

• (1440)

Hon. John Roberts (Minister of the Environment): Madam Speaker, since a question has been raised, perhaps I should refer Hon. Members of the House to yesterday's *Hansard*, page 20,882, in which, in reply to a question by the Hon. Member for Vancouver South, I said, in the second paragraph:

> Again I refer the Hon. Member to the telegram—

That is in the singular. My sentence continued—

> —which we received indicating the support of the Chamber of Commerce for the proposal.

If I inadvertently misled Hon. Members opposite by referring to telegrams in my earlier response, I clearly indicated in my second response that we were talking about a telegram.

Second, perhaps I should indicate, since clearly it is a question of concern about the opportunity of people in the area to know what is being considered, that the Hon. Member for Bow River himself said:

> December 7, 1981: Banff Community Council, (town council) meeting hears a presentation from Parks Canada's townsite manager, Dan Mullaly, proposing that additional staff housing be constructed to facilitate needs of community and gives various indications to a Marmot/Cougar project. The Banff Community Council approves the need for additional staff housing but does not approve any specific sites for such.

Note that extract does not say "objects to the proposal". According to the Hon. Member's own statement, that took place in December, 1981—

Some Hon. Members: Oh, oh!

Mr. Roberts: —so that well over a year—for almost a year at least—the nature of the project was known and was available for members of the public in the Banff area and elsewhere and, indeed, for the Hon. Member to comment upon.

REASONS FOR NOT REVERSING DECISION

Right Hon. Joe Clark (Leader of the Opposition): Madam Speaker, the Minister overlooked my question. Why will he not reverse his decision? Is the Minister afraid that Judd Buchanan will sue him for breach for patronage?

Some Hon. Members: Oh, oh!

Hon. John Roberts (Minister of the Environment): Madam Speaker, maybe the Leader of the Opposition believes it is proper for governments willy-nilly to break legal arrangements and solid agreements—

Some Hon. Members: Oh, oh!

Mr. Roberts: —and that a Minister of the Crown should be heedless of the legal consequences of so doing, or damages which could legitimately arise from so doing. I do not think that is a proper attitude for a Minister to take. Clearly with the appropriate procedures under the Parks Canada Act a proper decision was taken following authorities which had been laid down.

Mr. Crosbie: Hold your nose and vote.

Mr. Roberts: An agreement was made and it did not appear to me to be in the public interest to open the Government to damages which could arise from rescinding, overcoming, or overturning an agreement which had been legitimately arrived at.

Mr. Clark: Madam Speaker, this Government had no hesitation in breaching contracts with Syncrude, with Alsands and in a number of energy agreements. The only contracts it respects are the patronage contracts it has with its own former colleagues.

Some Hon. Members: Hear, hear!

OFFICIAL'S RESIGNATION

Right Hon. Joe Clark (Leader of the Opposition): Madam Speaker, the Parks Canada official, Mr. Lee Racine, who was—in the past tense—the development—

An Hon. Member: Why are you shaking?

Mr. Clark: What is shaking is the Liberal Government, the rotten, corrupt Liberal Government.

Some Hon. Members: Hear, hear!

Mr. Clark: Mr. Lee Racine, the development and construction officer in Banff National Park, resigned. He is the man who signed the building permit. He resigned because he signed it under pressure from Ottawa, under coercion from the Minister's Department, the Minister's officials and perhaps the Minister himself. For those reasons he resigned. Will the Minister tell the House of Commons why it was that Mr. Racine was ordered to rush approval of this particular transaction? Will the Minister tell why he was forced to do something that in retrospect Mr. Racine found so odious that he was forced to resign?

Some Hon. Members: Hear, hear!

Hon. John Roberts (Minister of the Environment): Madam Speaker, the Leader of the Opposition refers to patronage and to interventions. I should make it absolutely clear to him and absolutely clear to the House that in no aspect in this situation did I overrule, direct, transform or supplant recommendations or decisions taken by Parks Canada's officials. If the Hon. Member wishes to make specific allegations rather than simply indulge in character assassinations and smears, he should make specific, concrete allegations.

Some Hon. Members: Hear, hear!

Mr. Roberts: The second point I would make is that it is true there was a resignation of a Parks Canada official who had been working with Parks Canada for the past six months. He resigned because he did not agree with the decision taken by his Parks Canada superior. If we are to have an investigation or a scrutiny every time some officer does not agree with the actions of his superiors—

Mr. Crosbie: There will be a lot of investigations.

Mr. Roberts: —the country will be flooded with inquiries. If there are to be inquiries every time one of the Hon. Member's followers does not agree with one of the decisions he has taken, then the Conservative Party would be racked with perpetual investigations and recriminations.

An Hon. Member: As they are.

Mr. Clark: Madam Speaker—

Madam Speaker: I am sorry, but I am five minutes late in recognizing the turn for the New Democratic Party. I will come back to the Right Hon. Leader of the Opposition later.

Mr. Nielsen: The heat is off; relax over there.

* * *

LABOUR RELATIONS

POLICY FOLLOWED BY CHRYSLER CORPORATION IN DISPUTE WITH WORKERS

Hon. Edward Broadbent (Oshawa): Madam Speaker, in the absence of the Minister of Industry, Trade and Commerce I will put my question to the Minister of Labour. Yesterday we learned that the Chrysler Corporation, in spite of continuing obligations under the Canada-U.S. Automotive Agreement, is busy transferring work that was normally done by Canadian workers on this side of the border to the American side of the border and to plants in that country. Today we have learned the names of two specific companies involved.

Considering that the Chrysler Corporation has received millions of dollars in assistance from Canadian taxpayers, does the Government value this kind of anti-Canadian labour policy on the part of that Corporation as appropriate, or does the Government not think that Corporation has an obligation to sit down and negotiate seriously with its Canadian workers?

Hon. Chas. L. Caccia (Minister of Labour): Madam Speaker, without going into the very serious developments that have taken place in the last few days on this particular issue, I would like to remind the hon. gentlemen of the New Democratic Party that this labour relations dispute could be resolved, or at least come squarely under the jurisdiction of the Ontario Government, and that that matter rests squarely for a resolution with the Ontario Government.

Mr. Broadbent: Madam Speaker, I remind the Minister that it is the Government of Canada that signed an international agreement with the United States of America and not the Government of the Province of Ontario.

REQUEST THAT MINISTER INTERVENE IN DISPUTE

Hon. Edward Broadbent (Oshawa): Madam Speaker, my supplementary question is also for the Minister of Labour. Considering that the Chrysler workers have not received any increase in their pay for three years while, in the meantime, the cost of living has gone up more than 37 per cent, and that Chrysler Corporation for the first nine months of this year has had a profit in excess of $266 million, does the Minister, in terms of showing some leadership in Canada, not think it appropriate to tell that Corporation that, instead of taking anti-labour positions with its workers, it should sit down and make a reasonable wage offer?

Hon. Chas. L. Caccia (Minister of Labour): Madam Speaker, I advise the Hon. Member to run for a seat in the Ontario Legislature.

CORPORATION'S OBLIGATION TO NEGOTIATE

Hon. Edward Broadbent (Oshawa): Madam Speaker, my final supplementary is also directed to the Minister of Labour. I would like to remind the Minister it was this Government that provided Chrysler Corporation with Canadian taxpayers' money, coming in the main from ordinary workers all across the land. Is the Minister prepared to stand up and say to the Chrysler Corporation, "You have received this money. You have made a profit in the first nine months of this year. You have an obligation to negotiate seriously with Canadian workers who have some entitlement to some reasonable increase for the work they are doing"? Is the Minister prepared to stand up and say that, or is he just going to pass the buck out of this House entirely?

Hon. Chas. L. Caccia (Minister of Labour): Madam Speaker, it seems as if the Hon. Member does not realize that he is raising an economic question with the Minister of Labour.

Some Hon. Members: Oh, oh!

Mr. Caccia: I will be glad to answer questions that have to do with federal jurisdiction in labour matters.

* * *

CROWN CORPORATIONS

ROLE OF CANADA DEVELOPMENT INVESTMENT CORPORATION

Right Hon. Joe Clark (Leader of the Opposition): Madam Speaker, I have a question for the Prime Minister on this matter of Liberal patronage. Will the Prime Minister confirm that the shares of Eldorado, Canadair, de Havilland and other companies will be transferred to the Canada Development Investment Corporation, that Mr. Joel Bell will be the new President of that Corporation, and that Mr. Maurice Strong will be the new Chairman?

• (1450)

Right Hon. P. E. Trudeau (Prime Minister): Madam Speaker, I do not see the relevance between that and patronage.

Some Hon. Members: Oh, oh!

Mr. Crosbie: The innocent abroad.

REQUEST FOR ANSWER

Right Hon. Joe Clark (Leader of the Opposition): Will the Prime Minister answer the question?

Right Hon. P. E. Trudeau (Prime Minister): Will the Leader of the Opposition indicate what patronage he has in mind when he asks the question?

APPOINTMENT OF CORPORATION PRESIDENT AND CHAIRMAN

Right Hon. Joe Clark (Leader of the Opposition): Will the Prime Minister confirm that the former Liberal candidate in Scarborough, Maurice Strong, and that the former Liberal henchman in Petro-Canada and in the Minister's office, under the Prime Minister's office, Joel Bell, will be respectively, Chairman and President of the Canada Development Investment Corporation and that there will be an announcement this afternoon that transferred to that Corporation will be shares of Eldorado, Canadair, de Havilland and other companies? Is that simple enough? Can the Prime Minister understand that? Can he answer that question?

Some Hon. Members: Hear, hear!

Right Hon. P. E. Trudeau (Prime Minister): Madam Speaker, I can assure the Leader of the Opposition that no henchmen of the Liberal Party will be appointed to those posts, but I do believe that two hon. gentlemen, competent in the field, will be appointed.

Some Hon. Members: Oh, oh!

Mr. Crosbie: The land of Strong! For whom the bell tolls!

* * *

NATIONAL DEFENCE

UNITED STATES DECISION TO DEPLOY MX MISSILES

Hon. Allan B. McKinnon (Victoria): Madam Speaker, my question is directed to the Minister of National Defence. On Monday night President Reagan announced his intention to proceed with the development of the MX missile, using a dense-pack basing plan. Would the Minister tell the House if he was advised or briefed on this decision by Washington or by his own staff prior to this announcement, and could he tell us what Canada's position is concerning the feasibility of the proposed dense-pack plan?

Hon. J. Gilles Lamontagne (Minister of National Defence): Madam Speaker, I think the communication between Washington and this Government is normally very fluent. I think the Department of External Affairs was aware of the deliberations of the President concerning the MX missiles and also about some of the issues he would address in his speech. I think it is only normal that we in the Department of National Defence, through our contacts with the Department of External Affairs know what is going on between our American friends and ourselves. As far as the issue of the MX missile is conerned, I think it is part of the two-track decision which was taken by NATO to try to create a credible deterrent in order to avoid war and preserve the peace. Actually, that is the basis of all actions taken by the United States within the NATO area.

NECESSITY FOR ANTI-BALLISTIC MISSILE SITE

Hon. Allan B. McKinnon (Victoria): I am asking the Minister of National Defence these questions because he, of all people in the House, is supposedly an expert on the feasibility of the equipment and the siting. Most experts are nearly unanimous in their belief that, for the dense-pack system to be viable, an anti-ballistic missile site will have to be set up nearby. Has the Minister been briefed or informed on this matter, and can he inform the House whether such an ABM siting would be considered to be a breach of the ABM Treaty of 1972?

Hon. J. Gilles Lamontagne (Minister of National Defence): Madam Speaker, as far as being an expert is concerned, I am humble enough to know that I am not an expert in all defence matters. I think that the Hon. Member, being an ex-Minister of Defence, can understand that also. As far as the MX missile issue is concerned, I think we are now dealing with a particular issue related to American defence, which has nothing to do, in a way, with Canada as far as our defence issues are concerned. We do, of course, have a feeling that everything the United States does as far as defence is concerned is of concern to us, but not necessarily to Canadian defence. I am going to Brussels next week to attend the Nuclear Planning Group and Defence Planning Committee meeting. I am sure that at some point Mr. Weinberger, the U.S. Secretary for Defence, will have much information to give to his NATO colleagues as far as the American defence decision on MX missiles is concerned.

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AIR TRANSPORT

WITHHOLDING OF CANCELLED CHARTER FARES

Mr. Svend J. Robinson (Burnaby): Madam Speaker, my question is directed to the Minister of Transport. Canadian travellers are being bilked millions of dollars by major Canadian air charter carriers, including Air Canada, which are, in fact, breaking federal laws and confiscating up to 100 per cent of fares on cancelled advanced booking charters. In fact I have in my hand a confidential CTC memo which states that "the general public is getting cheated" by this scam. Will the Minister now confirm that CTC's legal branch has ruled that this practice is, in fact, completely illegal, and will he now order all charter carriers involved to refund fully, with interest, the moneys illegally withheld? Will he further order them, particularly during the holiday season, to obey the law immediately and stop fleecing thousands of Canadian travellers?

Some Hon. Members: Hear, hear!

Hon. Jean-Luc Pepin (Minister of Transport): Madam Speaker, the law and the facts are not exactly as stated; far from it. The regulations under the Aeronautics Act state that to purchase an ABC or advance booking charter ticket, a deposit of not less than 10 per cent must be made, and that amount of money is not refundable. It appears that tour operators are charging more than 10 per cent and stating that that amount is not refundable, either. That is clearly being done. People can read the conditions. This practice has existed in Canada since 1972. It may be that it is not clear enough. The CTC itself is willing to consider the matter again, which is being done now, and the CTC will decide if a change must be made, if an amendment is needed, and if more interpretation is required. That is where the question lies at the moment.

* * *

CORPORATE AFFAIRS

PRICE CHARGED BY OIL COMPANIES FOR UNLEADED GASOLINE

Mr. Mark Rose (Mission-Port Moody): Madam Speaker, my question is a supplementary one, but it is directed to the Minister of Consumer and Corporate Affairs—a rather gentle one—not the Minister, the question. It relates to people who are being hosed at the pumps.

According to press reports, a Government study on gasoline costs has shown that Canadian consumers are being gouged by something like 12 cents a gallon too much for unleaded gas, a fact that I pointed out to the Minister some six months ago. The Minister said in a letter that the high cost of unleaded gas was probably due to the fact that only the prices for regular gasoline were posted at the pumps and, therefore, there really was not any competition.

I received a wire from Shell Canada blaming the Government for increasing the taxes on unleaded gasoline and stating that that was the reason, rather than the sort of grasping by the oil industry, which caused the differential in prices by up to 145 per cent. Therefore I would like to ask the Minister, who is really responsible for this absolutely ridiculous price difference, to quote Allen Gullon of Environment Canada? Now that the Minister has had a year and a half to study the matter, what does he intend to do to bring this environmentally preferable kind of fuel back down to earth?

[*Translation*]

Hon. André Ouellet (Minister of Consumer and Corporate Affairs): Madam Speaker, I think that the answer to one of the questions put by the Hon. Member, namely, who is responsible for these price increases, is, of course, the companies that set the prices. What my department can do? When the Hon. Member asked me the question several weeks ago, I answered him in the House that my department did not have the power to regulate or control prices, and that in any case, under the Combines Investigation Act, the Director of Investigation could check whether there had been any price fixing or collusion by companies in setting these prices. The Director of Investigation did, in fact, look into the matter after the subject was raised in the House, and regarding the article that appeared this morning, he informed me that he had looked into the situation, that he had checked and saw no reason to conclude that the difference in price between regular and

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unleaded gas could raise questions under the Combines Investigation Act.

* * *

[*English*]

NATIONAL PARKS

BANFF LAND EXCHANGE—ORIGINAL PROPOSAL

Hon. John A. Fraser (Vancouver South): Madam Speaker, I would like to ask the Minister of the Environment a supplementary question concerning the Banff proposal. On December 23 his Deputy Minister wrote to the Hon. Member for Bow River about this land transaction and the letter stated it was indeed under discussion and was reviewed by Parks Canada and the Treasury Board and, on the basis of that analysis, the proposed land exchange was not approved. My question to the Minister is, did he know that? Is that the same land that we are talking about, and why, after having given the Hon. Member for Bow River the information that nothing further was going to be done, was all of the negotiation for this project conducted secretly until finally someone found out about it?

Hon. John Roberts (Minister of the Environment): Madam Speaker, there was an original proposal, on which, as the Hon. Member indicated, the views of the Treasury Board were sought. It was felt that that proposal would not adequately protect the public interest if it were accepted. Therefore Parks Canada went back and negotiated a very different proposal with the developers.

* * *

• (1500)

THE OFFICIAL REPORT

Hon. John C. Crosbie (St. John's West): This is a point of order, Madam Speaker, in connection with a deliberate change in the record of our debates which apparently occurred yesterday. This refers to the Prime Minister's (Mr. Trudeau) answer to a question in the House yesterday, at page 20878 of *Hansard*. I was questioning the Prime Minister as to who should turn a new leaf in East-West relations, whether it should be us, as the Prime Minister indicates, or the U.S.S.R. The Prime Minister gave this answer as recorded in *Hansard*:

> Madam Speaker, I think the Soviet Union should turn a new leaf.

I happen to have been sent the "blues" yesterday, as I am entitled to be sent them, and that is not the answer that was recorded yesterday as being given by the Prime Minister. He was obviously reluctant to say that anybody thought Canada and the West should turn a new leaf, and he is recorded in the "blues" as saying, "Madam Speaker, I think that several humans should turn a new leaf." Now, "several humans" and "Soviet Union" are not the same expression. There is a complete change, Madam Speaker—

Madam Speaker: Order, order! The Hon. Member, I am sure, knows that only the Member who made the statement may correct his statement. That Member is totally responsible for the statement he makes in the House and no other Member can force that Member to correct his statement. The statement has to be, in my view, as it stands and as approved by the person who did make the statement.

Mr. Crosbie: I refer you to Beauchesne's fifth edition, Madam Speaker, at page 48 where it says this:

> The debates of the House of Commons are reported verbatim . . . Slight verbal alterations are allowed to be made by a Member in order to make his meaning more precise and accurate; however, he may not, by the insertion of words or phrases, effect material changes in the meaning of what he actually said in the House.

Now, Madam Speaker, inserting the words "Soviet Union" is a complete change to what the Prime Minister said in this House. He in no way wanted to infer that the Soviet Union was under any—

Madam Speaker: Order, please. Order.

I am sure that the Hon. Member is not the one who knows exactly what that statement was. That statement was made by another Hon. Member and that Hon. Member is the only one who can correct his own statement.

As far as the Hon. Member is concerned, the quote he made from the "blues" as against what is inscribed in *Hansard* indicates to me that those two sounds are quite similar. We will check that. We not only have the "blues" but we also have tapes, and we can check all of that. But it is not up to the Hon. Member to correct another Hon. Member's statement.

Mr. Nielsen: On that point, as I understand it—

Madam Speaker: Order, please; I am sorry, was the Right Hon. Prime Minister rising to ask for the floor? I will let him intervene now.

Right Hon. P. E. Trudeau (Prime Minister): Madam Speaker, I may be able to help you clear up what seems to be a discussion on a point of order. I can assure the House and the Hon. Member for St. John's West (Mr. Crosbie), that I had nothing to do with the "blues". I know of no change being made in the "blues", certainly not on my instructions, and I doubt whether they were made by anyone in my office.

I recollect that when I gave that answer there was, as often happens, a lot of noise coming from the Tory Party, and it is probably true that the stenographer may have written "several humans", but it would seem to me, that if that was the case, the Editor must have used his common sense, as I enjoin the Hon. Member to use his, and said that what must have been said was the "Soviet Union".

I can assure the Hon. Member that what I did say in fact was the "Soviet Union". I must say that I meant that in part to humour the Hon. Member.

Mr. Crosbie: Madam Speaker, I am instructed by the *Hansard* office, where I checked this morning, that the Prime

Minister's office corrected these "blues". Perhaps they do not have to get his consent to do whatever they like, but there is a proper procedure. You rise in the House, according to Beauchesne, if you want to—

Madam Speaker: Order, please. Order.

Mr. Crosbie: He has had a conversion since yesterday, Madam Speaker.

Madam Speaker: I think the Hon. Member realizes that whatever he alleges to be a statement by a member of *Hansard* cannot be accepted in lieu of a statement made by an Hon. Member in the House, and especially by a Right Hon. Member.

Hon. Erik Nielsen (Yukon): In an issue of this nature, Madam Speaker, I see no distinction between one Hon. Member of this House and any other Hon. Member.

Some Hon. Members: Hear, hear!

Mr. Nielsen: The correction has been made and I am satisfied with that. It has been made where it should have been made, in the House of Commons.

There is a residual matter here, and I trust I heard the Chair wrongly, in the inference that I drew from the remarks of the Chair when dealing with the point raised by the Member for St. John's West (Mr. Crosbie), namely, that it is not only the right but the obligation of Members of the House of Commons when they notice a deliberate or a blatant change in the official record of this House of Commons to bring that matter to the attention of the Chair.

I do not quarrel at all with the fact, as the Chair has ruled, that the only individual who has the right to make a change in the official record with respect to what he or she says is that Member himself or herself, but I would take strong exception if your ruling was intended to include a prohibition in any way on Members to rise and draw attention to the fact that the official record of the House of Commons had been altered in any substantial way. That has always been our right, and I would not want to see any ruling of the Chair cast any doubt on that whatsoever.

Madam Speaker: I did not make any such ruling. I just reminded Hon. Members of the rule. Members of the House can raise absolutely anything they want in this House, but it is the responsibility of the Hon. Member who made the statement to determine whether he is going to correct the statement or not.

Mr. Trudeau: Madam Speaker, I may be able to elucidate the matter further, because I received a note from my office. Before reading it I must indicate my astonishment that even the Member for St. John's West would not want me to have said the Soviet Union, because then I would be agreeing with him.

Mr. Crosbie: I am very pleased that you had a conversion—I am delighted.

Mr. Trudeau: The Hon. Member for St. John's West says that he is delighted and that I had a conversion. I think if he looks at the record he will see no conversion, but that I agree with him seems to displease him because he would want—

Mr. Crosbie: I am happy, I am happy, but do it right.

Mr. Trudeau: If the Hon. Member is happy, why is he insisting that I did not say the Soviet Union? Why is he saying that, if he is happy?

Mr. Crosbie: Because the "blues" said it.

Mr. Trudeau: Madam Speaker—

Madam Speaker: Order, please. I think Hon. Members are now debating the question. It seems to me that the question is closed and the correction is accepted. It has been made and it has been accepted as the statement made by the Right Hon. Prime Minister.

Mr. Trudeau: Madam Speaker, it does involve the Editor of *Hansard*, and that is why I thought it my duty to draw it to your attention. The note comes from Miss Ruth Derrick of my office, who says:

> The blues did reflect "several humans" but I thought I heard you say "Soviet Union" so I made a note on the blues to the Editor of *Hansard* asking that he listen to the tapes in order to check that out to verify it one way or the other.

She did not change the "blues"; she asked the Editor of *Hansard* to check out what he heard—

Some Hon. Members: Oh, oh!

Mr. Trudeau: Madam Speaker, the note concludes:

> I assume he did—

This is the Editor of *Hansard*.

> —and it is printed as "Soviet Union" in today's *Hansard*.

The matter rests.

* * *

POINT OF ORDER

MR. TAYLOR—REMARK OF MR. ROBERTS

Mr. Gordon Taylor (Bow River): Madam Speaker, I believe I heard the Hon. Minister of the Environment say today that I had misled the House. I want to check the "blues" carefully. I am giving notice that if that is so, I will want the right to raise a question of privilege.

• (1510)

Madam Speaker: The Hon. Member can do that without giving notice. If he is now saying that the fact that someone might have said he misled the House is unparliamentary, I remind the Hon. Member that in the "blues" the words must read "deliberately misled". Unless the word "deliberate" was used, it would not be unparliamentary.

Introduction of Bills

ROUTINE PROCEEDINGS

[*English*]

PETITIONS

MR. KILGOUR—IMPOSITION OF SIX AND FIVE TO FEDERAL PUBLIC SERVANTS' PENSIONS

Mr. David Kilgour (Edmonton-Strathcona): Madam Speaker, I ask leave to file a petition on behalf of approximately 100 members of the Southeast Edmonton Seniors' Association protesting the Government's intention to apply six and five to federal public service pensions. They object to the imposition of six and five on several bases, including the question of breach of good faith, breach of contract and misrepresentation to employees in order to get them to retire early. They cite a quotation from the Prime Minister (Mr. Trudeau) in 1978 wherein he said he would maintain the purchasing power of federal public servants, and a pledge in 1981 by the then president of the treasury board that he would protect public servants' pensions from inflation.

MR. HALLIDAY—CANCELLATION OF SATURDAY MAIL DELIVERY

Mr. Bruce Halliday (Oxford): Madam Speaker, I rise in my place today to table a petition from 80 residents of the constituency of Oxford who wish to register their objection to the cancellation of Saturday mail delivery to rural routes and wish it known that they would prefer mail delivery six days a week.

* * *

CANADA DEPOSIT INSURANCE CORPORATION ACT

MEASURE TO AMEND

Hon. Flora MacDonald (Kingston and the Islands) moved for leave to introduce Bill C-665, to amend the Canada Deposit Insurance Corporation Act.

Some Hon. Members: Explain.

Miss MacDonald: Madam Speaker, I seek the co-operation of the House this afternoon to introduce this Bill to amend the Canada Deposit Insurance Corporation Act. In brief, this Bill would amend the Canada Deposit Insurance Corporation Act so as to increase the basic coverage from $20,000 to $100,000, a move which is indeed necessary in order to more adequately reflect present day economic realities. This long overdue increase will assure investors that there is the protection and security to which they are entitled under the Act. In addition, provision would be made for premiums assessed against financial institutions toward a deposit insurance fund to be increased accordingly.

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

* * *

QUESTIONS ON THE ORDER PAPER

(Questions answered orally are indicated by an asterisk.)

Mr. David Smith (Parliamentary Secretary to President of the Privy Council): Madam Speaker, the following questions will be answered today: Nos. 4,115, 4,174, 4,479 and 4,513.

[*Text*]

FOREIGN AID TO THE U.S.S.R.

Question No. 4,115—**Mr. Domm:**

Since May, 1971, did the Government extend financial aid in any form to the Government of the Union of Soviet Socialist Republics for the purpose of partially financing construction of oil and gas pipelines, or for drilling and exploratory well development, or for any other purpose relating to energy extraction, development and supply and, if so, what was the precise nature and level of the financing?

Hon. Allan J. MacEachen (Deputy Prime Minister and Secretary of State for External Affairs): The Canadian Government has not extended any foreign aid to the Government of the U.S.S.R. since 1971. Foreign aid is offered only by the Canadian International Development Agency (CIDA) to developing countries and the U.S.S.R. is not such a country. This having been said, however, official credits in support of Canadian exporters have been provided to the U.S.S.R. by the Export Development Corporation (EDC). In this respect since 1971, the Export Development Corporation provided financing for a total of $253,849,570 to support sixteen different sales of Canadian goods and services to the U.S.S.R. Thirteen of these transactions amounting to $215,224,991 were related to the energy sector. Twelve of them were financed under the Financial Protocol Agreement between EDC and the Ministry of Foreign Trade of the U.S.S.R. dated May 5, 1975 and one was financed under a separate loan agreement in 1974, prior to the signing of the Protocol. In respect of each contract, EDC financing covered 85 per cent of the sale price of the Canadian goods and services. Details of these energy-related financing agreements, as published in EDC's annual reports, are the following: (see appendix which follows.)

Appendix

EDC Financing for Soviet Energy—Related Projects since 1971

Date	Amount (Cdn.$)	Exporter	Buyer	Equipment
November 11, 1974	$3,671,882	Canadian Foremost Industries Ltd.	Machinoimport	Husky 8 carrier vehicles used to carry work-over-rigs in oil fields.

Under May 5, 1975 Protocol Agreement				
July 15, 1976	$8,029,947	Global Trading Company Ltd.	Machinoimport	Drilling equipment
December 31, 1976	$37,544,810	Unit Rig and Equipment Company (Canada) Ltd.	Avtoexport	Off-highway haulers used for the transportation of coal.
February 10, 1977	$20,017,526	Cooper Energy Services Ltd.	Machinoimport	Turbine compressors
May 26, 1977	$3,876,935	Velan Inc.	Machinoimport	Oil petrochemical valves.
May 26, 1977	$513,183	Global Trading Company Ltd.	Machinoimport	Oil petrochemical valves
June 24, 1977	$88,460,782	Unit Rig and Equipment Company (Canada) Ltd.	Avtoexport	Off-highway haulers used for the transportation of coal.
April 27, 1978	$5,706,900	Velan Inc.	Machinoimport	Oil and petrochemical valves
August 11, 1978	$868,870	Forged Steel Valve Corporation Ltd.	Machinoimport	Oil and petrochemical valves
March 30, 1979	$7,757,612	Velan Inc.	Machinoimport	Oil and petrochemical valves.
March 30, 1979	$28,900,000	Dresser Industries Canada Ltd.	Machinoimport	Gas and air compressors
March 30, 1979	$7,859,361	Borg-Warner (Canada) Ltd.	Machinoimport	Switchboards, transformers and cable components of submersible electro-pumping units used for secondary recovery in oil fields.
December 6, 1979	$2,017,183	Canadian Foremost Industries Ltd.	Machinoimport	Huskey & carrier vehicles used to carry work-over-rigs in oil fields.

Since the expiry of the Protocol Agreement in December, 1979, EDC has not concluded any financing agreements to the U.S.S.R.

FRANCOPHONE SUPERVISORY PERSONNEL IN PUBLIC SERVICE

Question No. 4,174—**Mr. Corbett:**

What percentage of the persons who would be included under Measures VII to XI of the Official Languages Program in the Public Service that act in the role of managers and supervisory personnel have French as their first language?

Mr. Peter Lang (Parliamentary Secretary to President of the Treasury Board): Assuming that reference is made to measures mentioned in the press release of November 10, 1981, it is noted that the question has five elements and that all seek estimates of complex impacts of changes introduced into the Official Languages Program.

1. There are 947 occupied positions currently in the Executive Group which will, after December 31, 1982, be affected by Measure VII. Although no accurate prediction can be given on the impact that this measure will have on future francophone appointees, using fiscal year 1981-82 statistical data as a model, of 329 appointments made, only three anglophones and no francophones would have been affected. (Measure VII)

2. There are approximately 2,500 occupied positions involving supervisory functions for which the language requirements will be raised to the "B" level of proficiency when they are re-staffed. Although no accurate prediction can be given on the impact that Measure VIII will have on future francophone appointees, using fiscal year 1981-82 statistical data as a model, of the 4,112 appointments made to supervisory positions, francophones accounted for 48.3 per cent. (Measure VIII)

3. No information. (Measure IX)

4. No information. (Measure X)

5. No information. (Measure XI)

CANADIAN MEDIA CORPORATION—BASIC MONTHLY RETAINER FEE

Question No. 4,479—**Mr. Beatty:**

1. What is the Canadian Media Corporation's basic monthly retainer fee?

2. Does CMC's basic monthly retainer fee include (a) travel expenses (b) an Ottawa office (c) any management functions other than being the Agency of Record for the Government?

3. What are the criteria used by the Government for assessing an appropriate planning fee structure for advertising programs of the various Government Departments?

Hon. J.-J. Blais (Minister of Supply and Services): 1. DSS is currently paying CMC, Canadian Media Corporation, a monthly fee of $136,555.

2. (a) No, however for the period of January 1, 1981 to March 31, 1983, a provision, not to exceed $40,834 of travel and living expenses based on approved travel at cost, was made in the initial 27 month contract; (b) No, CMC, Canadian Media Corporation does not have an Ottawa office; (c) No.

3. The planning fee structure paid to creative/planning agencies is based on the advertising industry standard commission paid to agencies for planning/creative services when an agency of record is employed to centralize media placements.

Motions for Papers

DND CONTRACT WITH ADAMS BRANDS INC.

Question No. 4,513—**Mr. McKinnon:**

Did the Department of National Defence place a contract for chewing gum with Adams Brands Inc. in the amount of $27,473 and, if so (a) for what reason is the Department purchasing chewing gum (b) how many sticks of gum will be purchased for $27,473?

Hon. J.-J. Blais (Minister of Supply and Services): A contract was awarded, on behalf of the Department of National Defence, for a value of $27,473 to Adams Brands Inc. (a) For inclusion in individual meal packs (ration packs); (b) 1,100,400 boxes of two pieces each.

[*English*]

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

[*Translation*]

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

Some Hon. Members: Agreed.

* * *

[*English*]

MOTIONS FOR PAPERS

Mr. David Smith (Parliamentary Secretary to President of the Privy Council): Madam Speaker, would you be so kind as to call Notices of Motions for the production of papers Nos. 109, 110 and 111 in the name of the Hon. Member for Skeena (Mr. Fulton)?

Madam Speaker: The Hon. Member is not present, but I will call No. 109.

[*Text*]

COPIES OF CORRESPONDENCE RESPECTING AMAX LIMITED

Motion No. 109—**Mr. Fulton:**

That an Order of the House do issue for copies of all correspondence concerning Amax Limited forwarded to Mr. P. Chamut on March 30, 1981, including a letter from (1) M.D. Nassichuk to D. Goyette, dated July 5, 1977 (2) B. Heskin to W. Johnson, dated October 5, 1977 (3) R. Stewart to B. Heskin, dated October 12, 1977 (4) E. Taylor to N. Perret, dated October 18, 1977 (5) W. Johnson to B. Heskin, dated December 13, 1977 (6) H. Freeland to D. Farmer, dated December 15, 1977 (7) I. K. Birtwell to R. Kussat, dated June 6, 1978 (8) R. Kussat to P. Scott, dated June 16, 1978 (9) R. Hoos to "Distribution", with attachment, dated June 28, 1978 (10) D. Farmer to P. Nasmyth, dated July 12, 1978 (11) C. Wong to P. Nasmyth, dated July 14, 1978 (12) P. Nasmyth to R. Hoos, dated July 19, 1978 (13) L. Retfalvi to R. Hoos, dated July 19, 1978 (14) I. K. Birtwell to R. Hoos, dated July 27, 1978 (15) R. Hoos to "Distribution", dated August 1, 1978 (16) P. Chamut to L. Dominy, dated August 13, 1978 (17) L. Dominy to P. Chamut, dated September 1, 1978 (18) R. Hoos to "Distribution", dated September 1, 1978 (1) D. Shutz to G. Jaltema, dated September 27, 1978 (20) I. K. Birtwell to M. Waldichuk, dated October 3, 1978 (21) I. K. Birtwell to M. McNally, dated October 3, 1978 (22) I. K. Birtwell to C. McAllister, dated October 3, 1978 (23) I. K. Birtwell to Z. Kabata, dated October 3, 1978 (24) I. K. Birtwell to D. Shutz, dated October 3, 1978 (25) D. Shutz to G. Jaltema, dated October 11, 1978 (26) J. C. MacLeod to Cornwall, dated October 11, 1978 (27) P. Meyer to M. D. Nassichuk, dated October 18, 1978 (28) C. McAllister to I. K. Birtwell, dated October 26, 1978 (29) Z. Kabata to I. K. Birtwell, dated October 27, 1978 (30) M. D. Nassichuk to R. Hoos, dated November 6, 1978 (31) I. K. Birtwell to P. Chamut, with attachment, dated November 6, 1978 (32) P. Nasmyth to R. Hoos, with attachment, dated November 6, 1978 (33) M. Waldichuk to I. K. Birtwell, dated November 7, 1978 (34) R. Hoos to RSCC Task Force, with attachment, dated November 17, 1978 (35) K. Smiley to B. Kurtz, dated November 30, 1978 (36) J. C. MacLeod to McEachran, dated December 5, 1978 (37) B. Kurtz to W. McKenzie, dated December 11, 1978 (38) B. Kurtz to G. Jaltema, dated December 11, 1978 (39) D. Trethewey to R. Hoos, dated December 11, 1978 (40) W. Johnson to B. Heskin, dated December 12, 1978 (41) F. C. Boyd to B. Heskin, dated December 12, 1978 (42) W. Johnson to McEachran, dated December 29, 1978 (43) I. K. Birtwell to M. Waldichuk, dated January 3, 1979 (44) G. Jaltema to D. Shutz, dated January 18, 1979 (45) D. Shutz to G. Jaltema, dated January 30, 1979 (46) I. K. Birtwell to R. Hoos, dated February 19, 1979 (47) M. Ito to I. K. Birtwell, dated March 1, 1979 (48) R. Hoos to "Distribution", dated March 26, 1979 (49) P. Nasmyth to R. Hoos, dated April 3, 1979 (50) P. Chamut to M. D. Nassichuk, with attachment, dated April 5, 1979 (51) P. Chamut to F. C. Boyd, dated May 4, 1979 (52) I. K. Birtwell to R. Kussat, dated June 1, 1979 (53) P. Chamut to I. K. Birtwell, dated June 22, 1979 (54) P. Chamut to I. K. Birtwell, dated October 23, 1979 (55) P. Chamut to J. MacLatchy, dated November 6, 1979 (56) J. MacLatchy to I. K. Birtwell, with attachment, dated December 14, 1979 (57) J. Seaborn to the Minister of the Environment, with attachment, dated December 18, 1979 (58) J. MacLatchy to M. Ito, on the subject of metals in stream sediments, dated December 3, 1980 (59) J. MacLatchy to M. Ito, F. Claggett and J. Scott, on the subject of by-product recovery of metals, dated December 5, 1980 (60) F. Claggett to "File", on the subject of preliminary results, EPS surveillance samples, dated May 5, 1981 (61) M. D. Nassichuk to F. C. Boyd, on the subject of the Amax-US Borax meeting with Alaskans, dated April 1, 1981.

COPIES OF CORRESPONDENCE TO DEPARTMENT OF FISHERIES AND OCEANS

Motion No. 110—**Mr. Fulton:**

That an Order of the House do issue for copies of the following correspondence in the records of the Department of Fisheries and Oceans in Prince Rupert from (1) J. H. Hitchcock in 1956, on the subject of a report on salmon stream spawning (2) P. D. Murray to W. R. Hourston, dated May 12, 1965, on the subject of the disposal of tailings from B.C. Molybdenum Ltd. (3) J. V. Thirgood, in May 1971, on the subject of reclamation at Kitsault (4) H. Nelson to D. Goyette, dated June 23, 1976, on the subject of the Trip Report—Anyox and Climax Molybdenum, June 1976 (5) B. Kurtz to G. Jaltema, dated August 24, 1976, on the subject of Permit AE 4335 to discharge effluent into Alice Arm (6) F. C. Boyd to R. H. Kussat, dated November 18, 1976, on the subject of Climax Molybdenum at Alice Arm (7) M. D. Nassichuk to D. Goyette, dated July 5, 1977, on the subject of Climax Molybdenum at Kitsault (8) D. Schutz to G. Jaltema, dated September 27, 1978, on the subject of Climax Molybdenum at Kitsault (9) D. Shutz to G. Jaltema, dated October 11, 1978, on the subject of Climax Molybdenum at Kitsault (10) an unnamed individual, dated November 2, 1978, on the subject of Mr. Jim Schubert, an Alice Arm fisherman (11) B. Curt, dated November 6, 1978, on the subject of the 21st Annual Nishga Tribal Council Meeting (12) K. Smiley to B. Kurtz, dated November 30, 1978, on the subject of findings and comments concerning Alice Arm fisheries (13) B. Kurtz to G. Jaltema, dated December 11, 1978, on the subject of the Climax Molybdenum (14) B. Kurtz to W. H. McKenzie, dated December 11, 1978, on the subject of the Climax Molybdenum Project at Alice Arm and road construction (15) G. Jaltema to D. Schutz, dated January 18, 1979, on the subject of Climax Molybdenum Project at Alice Arm (16) I. K. Birtwell to G. Jaltema, dated August 15, 1979, on the subject of PCB Permit Application No. AR 5639 (17) K. Smiley to W. H. McKenzie, dated September 10, 1979, on the subject of PCB Permit Application No. AR 5639 (18) K. Smiley to W. H. McKenzie, dated September 12, 1979, on the subject of PCB Permit Application No. 5638 (19) I. K. Birtwell to M. Ito, dated September 26, 1979, on the subject of PCB Permit Application AE 5622 (20) K. Smiley to "File", dated October 31, 1979, on the subject of a visit to Kitsault (21) I. K. Birtwell to G. Jaltema, dated November 20, 1979, on the subject of PCB Permit Application AE 5744 (22) I. K. Birtwell

to G. Jaltema, dated December 6, 1979 on the subject of PCB Permit Application AR 5639 (23) B. Huber to W. H. McKenzie, dated December 19, 1979, on the subject of PCB Permit Application AE 5744 (24) I. K. Birtwell to M. Ito, dated January 8, 1980, on the subject of PCB Permit Application AE 5744 (25) I. K. Birtwell to G. Jaltema, dated January 24, 1980, on the subject of PCB Permit Application PE 5622 (26) K. Smiley to W. H. McKenzie, dated January 28, 1980, on the subject of an application from Climax Moly. (27) K. Smiley to W. H. McKenzie, dated January 29, 1980, on the subject of a Crown grant (28) K. Smiley to W. H. McKenzie, dated February 5, 1980, on the subject of mine tailings disposal (29) M. D. Nassichuk to G. Jaltema, dated March 27, 1980, on the subject of WMB Permit Application AE 5853 (30) B. Huber to W. H. McKenzie, dated April 9, 1980, on the subject of WMB Application AE 5853 (31) W. H. McKenzie to E. Zyblut, dated April 15, 1980, on the subject of WMB Permit Application AE 5853 (32) J. MacLatchy to M. Ito, F. Claggett, D. Goyette, J. Scott, R. Harbo and B. Huber, dated May 20, 1980, (33) B. Huber to W. H. McKenzie, dated June 18, 1980, on the subject of a memo concerning Dolly Varden Res. Ltd. (34) B. Huber to W. H. McKenzie, dated June 19, 1980, on the subject of Clary Creek File No. 0366114 (35) K. Conlin to the Prince Rupert Office, dated June 30, 1980, on the subject of underwater blasting and construction (36) W. H. McKenzie to B. Huber, dated July 24, 1980, on the subject of the Indian Food Fishery at Alice Arm (37) B. Huber to E. Zyblut, dated August 13, 1980, on the subject of the Indian Food Fishery at Alice Arm (38) G. Vardy to B. Huber, dated August 29, 1980, on the subject of a permit held by Dobrocky Seatech Ltd. (39) B. Huber to W. H. McKenzie, dated September 16, 1980, on the subject of right of way stabilization along the shore at the head of Alice Arm (40) B. Huber to W. H. McKenzie, dated September 16, 1980, on the subject of the mine tailings outfall system (41) M. D. Nassichuk to M. Ito, dated September 27, 1980, on the subject of a WMB Amendment Application No. PE 4335 (42) B. Huber to W. H. McKenzie, dated October 22, 1980, on the subject of an application by Amax for approval of a proposed sewage disposal outfall (43) R. Bell-Irving to A. C. Duncan, dated November 3, 1980, on the subject of an application by Amax for approval of a mine tailings outfall system (44) B. Huber to W. H. McKenzie, dated November 7, 1980, on the subject of Lands Branch referral No. 0354180 (45) K. Conlin to "File", dated November 13, 1980, on the subject of blasting for tailing outfall (46) M. D. Nassichuk to P. Chamut, dated November 18, 1980, on the subject of PCB Analysis at Alice Arm (47) R. Bell-Irving to A. C. Duncan, dated December 1, 1980, on the subject of an application for approval of a proposed sewage disposal outfall (48) B. Huber to G. Jaltema, dated April 21, 1981, on the subject of biological sampling and distribution of crabs (49) B. Huber, dated March 5, 1981, on the subject of herring sounding (50) the Nishga Tribe, dated April 21, 1981, on the subject of the Council Convention.

COPY OF CORRESPONDENCE RESPECTING DUMPING OF MINE TAILINGS INTO ALICE ARM, B.C.

Motion No. 111—**Mr. Fulton:**

That an Order of the House do issue for a copy of the correspondence pursuant to the Alice Arm Tailing Deposit Regulation and the Fisheries Act which was issued to the scientific review panel created by the Minister of Fisheries and Oceans to study the Amax Limited dumping of mine tailings into Alice Arm, British Columbia, specifically (a) the correspondence applying to the DOE Technical Review List, including a letter from (1) Goyette to Heskin, dated February 13, 1976 (2) Waldichuk to Heskin, dated March 22, 1976 (3) Waldichuk to Heskin, dated March 29, 1976 (4) Stucchi to Heskin, dated March 30, 1976 (5) Naysmith to Heskin, dated April 21, 1976 (6) Schouwenburg to Kussat, dated April 21, 1976 (7) Boyd to Kussat, dated November 18, 1976 (8) Farmer to Goyette, dated January 17, 1977 (9) Goyette to Kussat, dated January 27, 1977 (10) Goyette to Kussat, dated June 10, 1977 (11) Farmer to Goyette, dated September 19, 1977 (12) Thompson to Goyette, dated April 10, 1978 (13) MacLatchy to Scott, dated May 9, 1978 (14) Farmer to Naysmith, dated September 12, 1978 (15) Hoos to Kussat, dated October 18, 1978 (16) Farmer to Naysmith, dated October 31, 1978 (17) MacLatchy to Ito, dated November 1, 1978 (18) Goyette to Gardy, dated November 7, 1978 (19) Dayal to Scott, dated November 8, 1978 (20) Scott to Ito, dated November 9, 1978 (21) Hoos to RSCC, dated November 16, 1978 (22) Villamere to Ito, dated November 28, 1978 (23) Goyette to Hoos, dated December 7, 1978 (24) Boyd to Heskin, dated December 12, 1978 (25) Harbo to Birtwell, dated March 7, 1980 (26) Goyette to Ito, dated May 14, 1980 (27) MacLatchy, dated June 9, 1980 (28) Goyette to Ito, dated July 11, 1980 (29) Ferguson to Ito, August 1, 1980 (b) the correspondence dealing with radioactivity, including a letter from (1) Scott to Rothschild, dated November 2, 1978 (2) Scott to Ito, dated November 7, 1978 (3) Vasudev to Scott, dated November 9, 1978 (4) Hallam to Claggett and Kussat, dated November 22, 1978 (5) Scott to Rothschild, dated January 11, 1979 (6) Scott to Rothschild, dated February 9, 1979 (7) Goyette to Ito, dated April 18, 1980 (8) MacLatchy to Ito, dated April 18, 1980 (9) Ito to Higgins, date April 17, 1980 (10) Goyette to Ito, dated May 13, 1980 (c) the federal correspondence concerned with monitoring the program, including a letter from (1) Stucchi to Goyette, dated July 19, 1979 (2) Thompson to Goyette, dated July 23, 1979 (3) Stucchi to Goyette, dated November 26, 1980 (4) Ferguson to Claggett, dated December 1, 1980 (5) Harding to Farmer, dated January 16, 1981 (d) the provincial correspondence concerned with monitoring the program, including a letter from (1) Birtwell to Ito, dated August 13, 1979 (2) Brothers to Kussat, dated August 14, 1979 (3) Goyette to Birtwell, dated January 28, 1980 (4) Boyd to Ito, dated March 5, 1980 (e) the correspondence concerning a contingency plan, including a letter from (1) Ito to MacLatchy, dated January 2, 1980 (2) Staff, dated October 1980, on the subject "Management Notes" (3) Ito to Boyd, dated January 5, 1981.

[*Translation*]

Hon. Pierre De Bané (Minister of Fisheries and Oceans): Madam Speaker, the documents requested are departmental memorandums and cannot be produced. Therefore, I ask the Hon. Member to withdraw his motions.

[*English*]

Mr. Nielsen: Madam Speaker, on behalf of the Hon. Member I would request that these motions for papers be transferred for debate.

Madam Speaker: Motions Nos. 109, 110 and 111 transferred for debate.

Mr. Smith: Madam Speaker, I would ask that the other notices of motions for the production of papers be allowed to stand.

Madam Speaker: Shall the other notices of motions stand?

Some Hon. Members: Agreed.

GOVERNMENT ORDERS

[*Translation*]

FARM LOANS INTEREST REBATE ACT (NO. 2)

MEASURE TO REDUCE INTEREST RATE

Hon. Pierre De Bané (for the Minister of Agriculture) moved that Bill C-134, respecting rebates of interest on farm loans made under the Farm Credit Act, as reported (without amendment) from the Standing Committee on Agriculture, be concurred in.

Motion agreed to.

Mr. De Bané (for the Minister of Agriculture) moved that the bill be read the third time and do pass.

Mr. Marcel Dionne (Parliamentary Secretary to Minister of Agriculture): Madam Speaker, in my view, Bill C-134, an Act respecting rebates of interest on farm loans made under the Farm Credit Act, is essential to the implementation of special measures reintroduced by the Government in its budget last June. As the Minister of Agriculture (Mr. Whelan) mentioned earlier, the federal Farm Financial Assistance Program was established in order to alleviate the distressing situation created by high interest rates and lower returns on farm products. Canadian farmers who are facing serious financial difficulties can obtain an interest rebate of four percentage points on their loans for two years, which reduces the effective interest cost to 11¾ per cent during the first two years of the loan. The program has already saved several hundred farmers from bankruptcy, and will probably save several hundred more before it expires.

The Farm Credit Corporation has always done its utmost to help its clients through difficult periods. Its recovery plans, for instance, are among the most flexible known. FCC credit advisers encourage farmers to discuss their financial difficulties as soon as they become apparent, so that they can then reconsider repayment schedules and take appropriate action. In some cases, rescheduling of the loan may be necessary. In others, postponement of one or two payments may be sufficient. It is reassuring to note, however, that the FCC is sufficiently concerned about the problems facing its clients to take this kind of action, and that this agency, which represents the government, has not forgotten the human factor in its business relations with Canadian farmers.

In addition to its flexible recovery plans and the special loans being granted since June 1982 under the Special Farm Financial Assistance Program, the FCC offers its borrowers every opportunity to resolve their financial problems through its Advisory Services Program.

Generally speaking, all FCC loan applicants may benefit from preliminary counselling, including advice on how to organize and develop their farm operations. The service is available to any FCC borrower who asks for it. However, the service is compulsory in the case of borrowers under the special program, since it is one of the conditions of the loan. If we look at the components of this program, it is easy to understand why the service is compulsory for borrowers who are in financial difficulty and are anxious to improve their situation. First of all, the goal of the Advisory Services Program is to help the farmer manage his farm finances more effectively. The credit adviser will therefore help the farmer to select the accounting system that is best adapted to his needs and help him get acquainted with the system.

With his financial training and experience, the credit adviser is also in a position to help the farmer interpret and analyze the financial data provided by his accounting system. He can also provide a comparative analysis of financial factors and farm production in similar operations. Finally, if the farmer requires additional counselling, the credit adviser can tell him where to obtain the information or the help he needs. Thus, this service is an adjunct to provincial educational programs. As a result of the follow-up provided through the Advisory Services Program, the farmer has a better chance of successfully implementing his recovery plan.

Mr. Speaker—

• (1520)

[*English*]

—a Bill of this nature is not new. In the November 12, 1981 budget speech the then minister of finance announced a similar special program to assist farmers in financial distress. It provided a 5 percentage point rebate. Similar legislation to this Bill came into force in April, 1982 for the November 12, 1981 special program, which terminated on March 31, 1981. There was strong demand for the program, as the statistics indicate. From November 12, 1981 to March 31, 1982, 382 loans totalling $45.417 million were approved. Interest rebates on these loans over a two-year period will total about $4.6 million.

I urge Hon. Members to support this Bill which will be instrumental in assisting so many Canadian farmers through these difficult times. Most agricultural producers are at the mercy of the marketplace for their incomes. The price received for their production does not correspond with their costs, and in recent times costs have outstripped earnings for a significant number of them. I firmly believe that most of these producers can survive and contribute to the economy if they are given a chance to recover. This interest subsidy for a two-year period provides that breathing room. Agriculture is essential for a healthy economy. If our economy is to strengthen, so must agriculture.

[*Translation*]

Thus, Mr. Speaker, the FCC is doing everything in its power to help borrowers through the difficult times we are experiencing today. By supporting Bill C-134, my hon. colleagues will enable us to continue its good work.

Mr. Speaker, I trust the debate will be short and that on both sides of the House, Hon. Members will act quickly so that our farmers will be able to take advantage of the benefits of Bill C-134 as soon as possible.

Hon. Roch La Salle (Joliette): Mr. Speaker, I should like to make a few comments before we conclude the debate on Bill C-134, a piece of legislation that is indeed important to farmers who, like so many other sectors, are facing tremendous problems because of a bankrupt economy. We are being asked to expedite this bill. Well, I shall be fairly brief, but nevertheless, I would like to remind the Government that the fact we are obliged to consider this kind of legislation, namely Bill C-34, today, means that things are not as they should be in this country, and perhaps the Government should recognize this. As usual, it seems the Government is once again introducing corrective measures at the last minute to save people who are in dire straits because of a lack of economic foresight and

probably also because of a lack of adequate economic provisions. Not long ago, we had an interesting debate on the importance of research and development, and considering the significance of agriculture to our economy, I believe that more substantial allocation of funds to more thorough research would have enabled the agricultural sector, which I consider extremely important, to benefit as well from certain legal provisions that in all cases would have helped to alleviate the problems with which farmers are now faced.

In my riding, as is the case in Quebec generally, agriculture ranks fairly high, and it is particularly important because this sector is responsible for 25 per cent of our economy. Therefore, I need not dwell further on the importance of the agricultural sector. On many occasions, Mr. Speaker, I have heard the Minister of Agriculture (Mr. Whelan) talk about the excellent position our farmers are in today. We all know that farm operations have increased tremendously in value. We also know there has also been a tremendous decrease in the number of farmers, while farm production has increased enormously, thanks to modern technology and research. Many people often get the impression that our farmers are now out of the woods. However, we have found that farmers, too, have been affected by the present economic situation.

In Quebec, which in 1951 had 134,000 farms, there are now 48,144 farms. There has therefore been a significant drop in the number of farmers. I agree that we have all these new measures and all these modern techniques and that the Farm Credit Corporation has made it easier for farmers to take advantage of these by facilitating loans, but I still think that farmers are facing a serious problem today. Especially during the last two years, there was a rise in interest rates which hurt them quite badly, and increased production costs. Here are some statistics to illustrate the significance of agriculture. For instance, farm debt increased from $1.6 billion in 1960 to $16 billion in 1981. In 1982, net farm incomes have dropped by 17 per cent. I think that these are some of the basic reasons why production costs have increased.

• (1530)

More specifically, it is known that energy costs represent 25 per cent of a farm's operating costs, and today, that is a lot of money. It is certainly a substantial increase, when we realize that the purchase of oil products alone represents 25 per cent of operating costs in the agricultural sector. In greenhouse operations, for instance, energy costs represent 22 per cent of operating costs, while this is only 14 per cent in dairy operations. I am therefore quite aware that things have changed in the farming sector. We must also recognize that if we have 300,000 farmers in Canada, that represents 500,000 jobs, since we have 4,000 businesses producing food and beverages, which provides employment for another 200,000 Canadians. The agro-food sector represents 40 per cent of our economy and employs 25 per cent of the labour force. Finally, it is also a well-known fact that in 1980, exports of farm products were worth $8 billion compared to $5 billion for imports, meaning an excess trade balance of $3.5 billion.

Mr. Speaker, I think that although this bill will enable farmers to take advantage of a rebate of 4 percentage points, reducing the regular rate of 15¾ per cent to 11¾ per cent, the fact remains that it is not enough to ensure continuity and encourage young people to take up farming. I agree that the government is offering very substantial assistance today. I am sorry that no further provision was made other than this last minute measure to cope with an urgent problem, and this comment could apply to many other sectors as well. The fact remains that if we are discussing the survival and expansion of agriculture, we must first take a close look at capital gains policies. This year, we made proposals in this respect, which, if implemented, would have helped farmers. There is no doubt about that. Today, there is increasing talk of a tax credit for energy costs in the agricultural sector, which could help reduce this aspect of production costs. I think we should take a serious look at suggestions made by colleagues here in the House, and I would like to take a few minutes to talk more specifically about our young people, Mr. Speaker.

Times have changed, and increasingly, the family farm is being taken over by strangers or foreigners. The fact remains that the tradition of the family farm has undergone some very profound changes as a result of the increase in value of farming operations. As we all know, some 30, 40 or 50 years ago, it was not unusual for a father to leave the farm to his son, provided he kept it until he died. Today, however, things have changed, and if we consider the value of a farm operation and our present interest rates, how can a young man under 30 purchase a family farm that is worth $300,000, $500,000 and even $1 million in some cases? If special measures are not taken very soon to help young people who want to go into farming, there is very real danger that the number of farmers will continue to drop as it has during the past 10 or 20 years. I am saying this in all objectivity. I have the clear impression, Mr. Speaker, that we need some very specific policies to provide special assistance to young farmers who want to own their own farm operation and make this sector of our economy a prosperous one.

In the circumstances, I wonder whether we will not have to give serious consideration to a special interest rate, and I do mean special, at the risk of appearing to discriminate against other groups, and I wonder, in fact, how we can ensure that these young people will have a future if we do not introduce special measures such as a rate of interest that would appear to discriminate, and I repeat this, against other groups, a privileged interest rate for Canadians under 30 or perhaps 35, but in any case, this is what I would like to suggest today, and I would invite the Government to give careful consideration to a policy that would encourage young people to start their own operation and not only enable them to purchase, but also to keep, their own farm. The Government is going to answer: We

have increased the FCC budget for a number of years, and every time we try to allocate more funds for loans.

Mr. Speaker, I recall having informed the minister in the House on several occasions: You are doing a tremendous job on facilitating loans, but the future of our agriculture does not depend on the availability of loans but on the farmer's profits, and all my hon. colleagues agree with me on this point. Of course, loans are necessary for investment and expansion purposes, and we all understand this. I repeat that if the Government has no policy in the short term for privileged rates for young people some time it will have to set a certain age limit to ensure continuity in this sector. Conditions have changed and times have changed, and young people are no longer able to purchase the family farm and save it for posterity. And that is so important to us in Quebec and to people throughout Canada.

I therefore support the measure presented in the House today. It is at least an attempt to do something. It may be too little, too late, but it had to be done. The house is on fire and we have to call out the fire brigade. The Government is manning the fire engines, but we cannot be choosy when there is a fire. The fact remains that these are stopgap measures, and that we must consider, in the long term, how we can improve agriculture and ensure its survival, how we can give young people a chance, and there are many who are interested, Mr. Speaker. Many representations are made to me in my constituency. In my view, this is a serious concern among the young who need assistance, and within the current context, we have to provide some relief to ensure the survival of farming in Canada.

It is my hope that these brief comments, Mr. Speaker, will be taken very seriously, as I am making them in earnest. We will support this legislation, but feel the government should go further and perhaps fund more advanced research in agriculture so that reliance on emergency measures is no longer necessary. Hopefully this will offer farmers easier access to borrowing, and better opportunities to make a living without requiring the support of the Farm Credit Corporation. It is a good thing they can depend on the Corporation for help but even better if they can do without. I will conclude on this, Mr. Speaker, and let other members make their comments. My feeling is that we will see this legislation through today without further delay.

[*English*]

Hon. Don Mazankowski (Vegreville): Mr. Speaker, I appreciate the opportunity to participate briefly in this debate. It is not my intention to hold up passage of the Bill because I support the principle and agree with the premise of the Bill which sets out to reduce the Farm Credit Corporation interest rate up to 4 per cent over a period of two years in circumstances where farmers find themselves in difficulty. I understand that roughly one half of the $200 million has been allocated, and there are roughly 550 farmers who have qualified. That really means that it will be useful to approximately 1,000 farmers and to that extent it is welcome and, of course, is supported by Members in all corners of the House. But really, it is an example of a half-baked measure being offered to assist a very troubled industry. I think it is designed more to serve the Government as a public relations exercise or as flim-flammery than as an offer of genuine help to the industry. For instance, it does not compare to the magnitude of a Maislin, a Chrysler, a Canadair or a Dome bailout. It relegates agriculture to a second or third rate position, and I take exception to that.

• (1540)

In the last couple of years the Minister of Agriculture (Mr. Whelan) has travelled the country addressing the issue of high interest rates. He has talked a brave line, attacking the banks by suggesting that they are less than fair in their dealings with producers. That may be true in certain circumstances. Many farmers have found themselves locked into extremely high interest rates, and at the mercy of the banks. In order to consolidate previous debts, some of them assumed huge loans at interest rates of 19 or 20 per cent and, of course, have difficulty meeting the payments.

A measure such as this would be useful if it allowed the farmers to pay off their loans over a longer period of time at a more reasonable rate of interest. But the measure will not assist in that respect, Mr. Speaker, as it will probably only affect 1,000 farmers in the whole country. We should be dealing with a measure to help about 20,000 farmers. Available records indicate that the industry is in very serious difficulty, largely as a result of high interest rates, high input cost and depressed prices.

In the period January to October 1982, 344 farm bankruptcies were recorded, an increase of 50 per cent over 1981 and an increase of 87 per cent over 1980. I think we all recognize that this does not tell the whole story. It does not take into account those farmers who have abandoned their enterprise, liquidated their assets and moved on to other activities. It has been suggested that for every farmer who declares bankruptcy, ten others voluntarily leave the industry. If that is so, it is in very serious trouble.

Farmers have been caught in what I would call a devastating squeeze between high input costs and low product prices. The interest rate is but one component of the problem.

I have to repeat, Mr. Speaker, that this is an insignificant, half-baked measure which will not solve the problem. It is but a superficial remedy. It is unfortunate that the 344 farmers who declared bankruptcy and the thousands of others who left the industry voluntarily, will probably never go back to farming. Many who were caught in the squeeze of borrowing money at high interest rates in order to consolidate their debts are now getting the runaround from the Farm Credit Corporation because of the limitation of this program which is being applied very strictly. Farm Credit Corporation officials have a firm set of guidelines and regulations to which they must adhere. They cannot extend help to borderline cases and, as a result, there is despair and frustration in the industry.

My colleague who spoke earlier mentioned the impact of all these things on young farmers and those just starting out. They could not have foreseen that interest rates would double within 12 months, and so, in good faith, they invested in equipment, stock and land. Based on a 10 per cent interest rate, their cash flow projections showed that they could have made a living from their enterprise, but now they are threatened. We have not been able to address their problems nor does this Bill address them adequately.

The vast majority of farmers who find themselves in trouble today will not qualify for help under this measure. I am sure that Hon. Members who represent rural ridings will have had the experience, day in and day out, of farmers coming to the constituency office for help with their problems.

Just the other day a farmer came into my office. He had an existing Farm Credit Corporation loan and was quite laudatory about the way the Corporation had dealt with him. Now, however, because he got sucked in to taking out a high interest loan at the bank, he needs to have his debts consolidated as he is barely making ends meet. This legislation is designed to give such farmers a breathing space, but unfortunately he does not qualify. This is a tragic situation, Mr. Speaker. All sorts of phony excuses are being given for the fact that he does not qualify. One is that he does not have enough experience. Mr. Speaker, he is a second or third generation farmer. His father homesteaded and his brothers are presently farming in the area. This young man needs a break to allow him to turn the operation into a viable enterprise.

While this legislation is a start, I would implore Hon. Members opposite to put pressure on the Minister of Agriculture and on the Cabinet to give more help to people who find themselves in difficult circumstances. While this Bill offers a measure of relief on interest rates it does not offer any help on prices.

I have said that this is a half-baked measure and that it is a sort of flim-flam, Mr. Speaker. I think the same thing could be said of the Small Business Incentives Program. Many businessmen have come to my office asking if the Program is in effect. They have been to the bank to inquire, but no application forms are available. There has been a lot of publicity to the effect that farmers and small-businessmen were going to get a break on interest rates, but this has not occured, Mr. Speaker. Under this measure, only 500 farmers will get any relief. I do not know how many people qualify under the Small Business Incentives Program but it is a drop in the bucket compared to the magnitude of the problem.

This Bill is a gesture, Mr. Speaker, but it certainly does not offer any genuine help to an industry in extreme need. We know that prices for agricultural products have been depressed while food prices have gone up by 8 per cent. Farmers are getting as much as 20 per cent less for their produce. I should like to refer to a headline which appeared in a newspaper in Vermilion, *The Standard*. It indicated that Prairie farm incomes would drop by 28 per cent, according to an assertion made by the United Grain Growers at their annual meeting. A 28 per cent drop in farm income in the current desperate economic situation does not augur well. Agriculture is one of the basic and fundamental industries which needs support, not all the time but to get over the rough spots.

• (1550)

Wheat and feed grain prices are at a level where they provide roughly one-half of the purchasing power they provided in 1973-74 or roughly one-third of what they provided in 1970. There is not much that we can do in terms of market prices, in that much of our agricultural produce is sold on the export market. We are grateful that we have an export penetration of roughly $9 billion, but there is not much we can do because we have to compete with the subsidies and treasuries of other companies on international markets.

We must be efficient and productive. We must address the input side of the equation. This is something that can be done by Government because, in my view, Government is the biggest culprit in driving up farm input costs. The Government can do something about it. There is a raging debate about the freight rate situation, and I am very disturbed. Generally farmers recognize that they will probably have to pay more to move their grain to market positions. How much more is really the question. I should like to refer to an interview with the Chairman of the CNR which was reported in the November 18 edition of *The Western Producer*, wherein it was indicated:

—farmers should assume they will have to pay all freight cost increases above the annual Crow benefit payment guaranteed by the Government—

I think this will really cause alarm in the farming community. As it now stands, the CNR Chairman is suggesting that farmers should not expect the Gilson formula to apply and that the Government of the day will meet the Crow gap, which is something in the order of $612 million or $644 million, depending upon the figure one wants to use. Also he is suggesting that producers will have to pick up the total of anything above that, but Gilson did not ask for that. The newspaper article went on to indicate:

He said he is skeptical of any Government assurances about obligations to future cost increases.

If the producers of Canada have to foot the bill for all additional increases of a freight rate structure with open-ended escalation, it will be a further drain upon them because they will not be able to pass that additional cost on to the consumers who purchase their grain. I am not sure whether the Chairman of the CNR was speaking on behalf of the Government or whether this is another manifestation of his rather dramatic conversion. At one time he was on the farmers' side of the issue; now he seems to be on the side of the railways. The Government of the day has some control and some ways and means to check that development.

Another area in which the Government could clearly act is the area of energy. The Government of Canada could do something rather significant in terms of ameliorating the situation with respect to energy. It is very clear that the federal Government is involved in a massive revenue grab in terms of the taxes it imposes upon all forms of energy, particularly fuel. Fuel and natural gas are major components

of the production of food in the country. The Minister of Agriculture goes about the country saying that the federal tax only accounts for roughly 20 percent of fuel costs, but I submit that that is grossly inaccurate and is another manifestation of the fraud and the flim-flam emanating from that side of the House.

I should like to refer to some of the per gallon components. I still use the term "gallon" because it is the one farmers use for comparison purposes. I see the minister who used to be responsible for things like metrication in the House this afternoon. He knows of what I speak and that the metric system in the farm community is not very popular. Bearing that in mind, I will use the term "gallon". When we look at the price of fuel in Canada at $1.56 per gallon, we find that 69 cents of it consists of federal tax. In the case of diesel fuel, for example, the 7 cent excise tax is not applicable, so that reduces it to 62 cents. If the Minister is talking simply about the federal sales tax, then he may be right, but I remind him that there is more than simply the federal sales tax. The excise tax on a per gallon basis is 7 cents. There is a 9 per cent federal sales tax which accounts for 15 cents per gallon. Then there is the petroleum compensation charge of 18 cents per gallon and the Canadian ownership charge—to buy Fina and British Petroleum which is also used to support the activities of Petro-Canada in Tanzania, Bangladesh, Jamaica and all over the world—which amounts to 4 cents per gallon. Also there is the petroleum and gas revenue tax, another federal tax which amounts to 7 cents per gallon, and when we look at the corporate tax of 24 per cent of $24.75, it works out to 18 cents per gallon, for a total of 69 cents per gallon. In the case of farm diesel fuel, it is reduced by some 7 cents.

In the last election campaign, the Minister of Agriculture promised special consideration for farmers so that they would not have the burden of huge federal sales taxes. There has been no relief at all for Canadian producers.

The situation is the same in terms of natural gas. This happens in the Minister's own backyard. The fact of the matter is that greenhouse operators are crippled by an exorbitant, devastating, confiscatory tax.

A good friend of the Minister, Nick Ingratta of Nick Ingratta Farms Ltd., 504 Seacliffe Drive West, Leamington, Ontario, said that in the early 1970s it was estimated that fuel costs were approximately 20 to 25 per cent of gross operational costs. Also he indicated that today this figure is approximately 50 per cent of his costs, or $40,000 per acre for fuel costs for spring and fall cropping. Then he went on to point out the natural gas liquids tax of 68 cents per MCF and the Canadian ownership tax of 15 cents per MCF. But he overlooked another tax which works its way into the price, the petroleum and gas revenue tax of roughly 24 cents, for a total of $1.05 per MCF.

Of a total purchase of natural gas worth $75,000 in 1981, Mr. Ingratta's payment of the federal tax applicable was in excess of $20,000. This destroys the competitive edge. What is really ridiculous is that we are trying to promote and encourage the use of natural gas because it is in great supply in western Canada and it reduces our reliance upon imported products. Simply, we have nothing more than a massive federal tax grab.

I will continue by referring to the Federation of Alberta Gas Co-ops. It is made up of 77 members, county-owned utilities and other private gas utilities in the Province of Alberta. They provide services to 140,000 rural people. A brief was presented to Members of Parliament. In this brief we find:

● (1600)

The Federation of Alberta Gas Co-ops objects to the Federal Natural Gas Excise Tax and will advise its members to pay this Tax under strong protest.

I think that summarizes the disaster that is inflicted not only upon farming industry but indeed on every industry. The brief continues:

The Natural Gas Excise Tax will:

(a) impose a great deal of hardship on the less affluent members of our society and those who can least afford it;

(b) place a substantial increased financial burden on the Canadian farmer at a time he can ill afford it;

(c) add significantly to inflation;

(d) increase our dependence on expensive imported oil;

(e) weaken the manufacturing sector of our economy;

(f) add to the rate of unemployment, and;

(g) generally adversely affect the Canadian economy.

This brief goes on to state that the natural gas excise tax must be repealed, and in the interval, pending its repeal, an extension of time for paying the tax must be granted. I think that summarizes the situation very well.

According to the Palliser Wheat Growers' Association's calculations, the tax on fuel oil and the tax component used for the manufacture of fertilizer works out to about $10 an acre. If you are farming a 1,500 acre farm, each farmer farming a farm that size is paying $15,000 into the federal Government coffers. There is certainly something which this Government could do about that. That is nothing more than a producer rip-off. The Minister comes along and attempts to placate the producers of Canada with this Bill. In my view, this Bill is only a gesture. It provides some aid and some temporary relief to 1,000 producers in Canada, but we should be dealing with something that will provide relief to more like 20,000 producers. What does the Minister do? He tries to sell us Canagrex. He tries to sell the producers Canagrex so that the Government of the day can put its thumb on the pulse of all the farmers in this country.

This Minister supported a devastating budget, the one introduced last November, 1981. This budget proved to be disastrous, not only to the agricultural community but, indeed, to all sectors of Canadian society. The Minister of Agriculture could help producers now by prevailing on his Cabinet colleagues to reduce the federal Government take on energy, costs, on fertilizer and on all the components used by farmers in terms of energy and fertilizer. The Minister could certainly take action to remove those taxes which to me amount to outright confiscation.

I see we have a new Speaker in the chair. He is a colleague from Alberta. I might be prompted to carry on just a little longer now that he is there.

Some Hon. Members: Oh, oh!

Mr. Mazankowski: The Minister could be proposing some very fundamental changes in farm financing in Canada. What about the agri-bond concept? That is a concept we advanced as a Party. I noticed from the Minister's remarks that he picked up on the idea and suggested the Government is looking into it. The agri-bond concept would have some validity. Perhaps we could have something along those lines, perhaps an industrial development bond?

Canada's second-quarter figures indicated that there is roughly $30 billion in personal savings. Much of that money belongs to people who have been in the agriculture industry—perhaps retired farmers—who want to see the agricultural industry grow, thrive and survive. I am sure there is a tremendous opportunity to tap that pool of capital. That money could be transformed and used very effectively, particularly by the young farmers of Canada.

The Minister could be advancing some changes relating to capital gains tax. The capital gains tax does nothing more than drive up the cost of land, deflating the bona fide farmers' retirement income. It really is a disincentive in the creation of a pool of wealth. It is a disincentive to those who want to engage in farming or in small business. I am referring to a farmer or a businessman who works for a pittance but plows all his profit and energy back into his business or farm so that he can live in dignity, stability and security in his retirement. Changing the rules on capital gains tax would loosen up a fair amount of capital.

The Minister could be prevailing upon his Cabinet colleagues to reinstate the provisions of the Income Averaging Annuity Contract. The Minister could give the producers of this country some reasonable stability and security in terms of their retirement, again providing for the opportunity to tap these pools of capital for the further industrialization of this country and the further development and expansion of agriculture. These funds could be re-invested for the benefit of Canada and for the benefit of agriculture.

There is so much that could be done which needs to be done. But this Government has failed to act. This Government has failed to address the fundamental and critical problems of this country. This Minister has failed to attack fundamentally the critical problems facing the agricultural industry today.

This Government has lost the will to govern. Its sole motivation today is simply the motivation to survive.

Mr. Doug Anguish (The Battlefords-Meadow Lake): Mr. Speaker, I would like to say a few words on Bill C-134, respecting rebates on interest on farm loans made under the Farm Credit Act. The legislation here today, the amendment to the Farm Credit Act, is to authorize the Farm Credit Corporation to offer some $200 million in loans, with the interest rate to be reduced by 4 per cent for two years. I support the intent of this Bill. It is something that has perhaps come too little too late. There is much more the federal Government has to do in the area of agricultural financing. But I do support the intent of the legislation that we are dealing with today.

I want to talk about some of the problems I see in farm financing. I would like to make some suggestions that we in the New Democratic Party call improvements over what we have at the present time.

The problem for the Farm Credit Corporation is the formula which sets the rates for loans for a six-month period. These interest rates are locked in at present to 15.75 per cent. But money is available from other sources at 14 per cent or less. Having a discrepancy in interest charged on loans causes some problems. Farmers do not need any increase in their burden by way of higher interest rates from an institution that is supposed to be helping them.

I believe the Farm Credit Corporation sets its rates each year on October 1 and April 1. However, if a farmer borrows money from the Farm Credit Corporation he is locked into an interest rate for the entire term of the loan even if the interest rate six months down the road is significantly less on the market. For instance, if the rate is set at 15.75 per cent and the term for the loan is 20 years, that interest rate must be paid no matter whether the rate is reduced six months down the road by the FCC.

The Farm Credit Corporation has introduced a penalty, something that concerns me. If a loan is closed out before the end of a term, a penalty of three months' interest is charged. There are a few exceptions. On a loan of $100,000, a three-month penalty would cost a person about $4,000 to terminate the mortgage or the borrower's agreement with the FCC.

• (1610)

It is shameful of the federal Government to bring in that type of a penalty against farmers who are faced with very serious economic times at the present. It is ironic to find that a few months ago we were calling on the federal Government to put more money into the Farm Credit Corporation so that it would be able to expand the lending capacity of the Corporation, yet we find now that the situation exists where there are not very many farmers to whom loans are being given, and certainly no new loans. Farmers who wish to expand their operations or those who wish to start into farming do not want to go to the Farm Credit Corporation because money is so much cheaper through the private markets than it would be through the Corporation. Even if there were increased money in the Farm Credit Corporation right now, it would still be sitting there because the farmers do not want to borrow it and be penalized for dealing with a federal Crown corporation which was initially set up to be in the best interests of farmers themselves.

We are heading into a period of lower and lower net farm incomes as grain prices continue to decline on the world market and, meanwhile, costs such as those for energy, fertilizer and interest charges continue to increase for people involved

in the agricultural sector, in farming operations. In 1979 there were some 82 farm bankruptcies in Canada, and then, one year later, that number had doubled to 164 farm bankruptcies. In 1981, farm bankruptcies again increased to 191, and it is even worse this year. At this point in time we cannot know how many farm bankruptcies there will be over the entire year, but we do know that in the first three quarters of this year, some 316 family farms went into bankruptcy and that number could be much higher by the end of the year.

The Hon. Member for Vegreville (Mr. Mazankowski), who spoke just before me, pointed out that this does not really give a true indication of the economic hardship which many family farms are going through right now, because there are some people who choose either to sell off their farming operations to farmers with larger operations in the area or, sometimes, to rent out their land and go out and find jobs on other farms so that they can subsidize their income in order that their families can have a decent level of income. Total farm incomes have changed very little from the 1974 level. In 1974, total farm incomes came to some $3.5 billion. In fact, this year total farm incomes will be less than the 1974 level. When we take inflation into account, it is fair to say that they would possibly be about one half of what they were in 1974.

The real problem of farm credit is not simply the problem of inadequate credit, which I have already tried to point out. There is more than enough credit available right now. It is not the right type of credit and it is not something which will help the farmers and those involved in farming in the long run. It is actually a problem of net incomes being too low to pay the bills and upgrade their operations in order to maintain viable farms. Farmers have actually borrowed increasing amounts. The borrowing rate has increased quite significantly. If we look back to 1970, we find that the accumulated farm debt in Canada was approximately $4.2 billion, and it had risen last year by almost four times to $16 billion, that being the total amount of debt farmers had gone into here in Canada.

Also, many Hon. Members have spoken in the House about some alternatives to what we have right now in the area of financing farming operations or putting together the necessary capital which farmers must have in order to continue. It is imperative that farmers have a line of relatively cheap or at least competitive credit that they can count on as being stable. One of the problems we find with the interst rates right now involves the insanity of the monetarist policies of allowing interest rates to fluctuate so wildly. When a farmer is going to put in his seed in the spring and he wants to borrow some money to continue his farming operation through until fall, it makes it very difficult for him, as it is for small business people and others who must rely on credit, to capitalize on his operation during the year and it is very difficlt for him to plan his budget on the farm. When the farmer does not know whether the interest rate will be 10 per cent or 25 per cent at the end of the year, it makes it very difficult for him to plan his year.

When we consider some of the other constructive suggestions which have been made and which should be followed, we should also consider the agri-bond concept which has been mentioned by other Hon. Members in the House. The agri-bond concept is a good idea because it would provide a real pension plan for those farmers who do not usually contribute to a pension plan, many of them not at all. Many of the farmers in my own constituency whom I know personally rely upon the sale of their farms and farm assets at the end of their term of farming. Quite often they wish to turn their farms over to family members. They may sell to neighbours or to someone else, but over their lifetime they have really relied on building up their farming operations to provide for a dignified and decent retirement. Many farmers have sacrificed all their lives so that they can look forward to their retirement and a standard of living to which they have been accustomed. When a farmer sells his farm upon retirement now, he is quite often hit with a very heavy capital gains tax, and if there is one area in which the tax is unfair, I believe it is when it affects those who are involved in farming, those who have invested in their farms as their retirement package.

The agri-bond concept would be good if the Government were to see fit to put legislation into place which would allow farmers who have sold their farms for their retirement years to invest their money in a fund set up by the Farm Credit Corporation so that they could get relief and not pay capital gains on that amount. They would be returned an interest rate which might possibly be somewhat lower than the private market rate at that time. However, the rate that they would get on the capital gains for the bulk of the capital they had invested in the Farm Credit Corporation fund would certainly offset the lower interest rate they would be getting.

I think many farmers would be happy if they were able to invest in an agri-bond system set up through the Farm Credit Corporation, In turn, this would possibly provide the Farm Credit Corporation with a cheaper source of monay than its present source in the private market. I understand that the Corporation is thinking of floating $100 million in bonds on the United States market. The Corporation is in somewhat of a quandary right now because it is waiting until the interest rates reach the lowest possible point to try to pass that benefit on to the farming population of Canada, which wishes to take advantage of the Farm Credit Corporation loans, and we hope the rates will be coming down in the near future.

• (1620)

When farmers invest money in the Farm Credit Corporation it benefits them when they retire. It also benefits new farmers who are getting into farming and farmers already involved in the farming operation, because it gives them a supply of capital that they need to continue their farming operation, at a preferred rate.

One thing that I would like to touch on before I close off my remarks is the fact that an increasing number of farmers are feeling that they are being driven off their farms. This is true. It is indicated in the number of farm bankruptcies that we have had increasing very dramatically over the years, but it is also indicated in the hidden areas, such as when people have

either rented their farms out or they have almost turned into hobby farmers. They have sometimes sold off at a loss just to get out of the farming operation. This brings me to the area where I have real concern, that of people earning off-farm income. I can see why they earn off-farm income because many farmers, especially those on a smaller scale with a quarter section or possibly up to a section of land need that money to increase their family income to a large enough extent that they can keep on farming and keep some sort of decent lifestyle. I think that when farmers have to do this, the farming operation itself suffers. They are not spending the time that they should be.

We have to look at ways of stabilizing prices for farm products that will allow those involved in farming to plan over a longer period of time. The New Democratic Party over many years, and the CCF before them, have advocated orderly marketing. I agree with the orderly marketing concept. I believe it should be expanded in many areas of agriculture, but if there was another way, Mr. Speaker, that prices could be stabilized for people involved in farming throughout this country, whether it is potatoes in Prince Edward Island, fruit in British Columbia or wheat in Saskatchewan, I would agree with that, because farmers need a stable price for their products so they do not have to go off the farm and earn this extra income.

I am quite upset with Revenue Canada. They are connected with off-farm income as well. I have had several complaints recently from constituents whom I represent about Revenue Canada doing an audit on many farmers. I do not know whether they picked out one section of Saskatchewan or one section of Canada, but they have been doing several audits on people who have declared off-farm incomes. They have seen fit in many of these instances not to allow some of the regular farm deductions that would have normally been allowed in the past, and still should be allowed today because, although these are bona fide farmers and are in a full-time farming operation, they need the off-farm income to keep their operation going. I think it is a sad state of affairs when we find that we have farmers who have to neglect their business and then are punished even futher by the federal Government's not allowing them the deductions that they should have available to them as bona fide farmers.

I support the intent of Bill C-134 in that it does in fact give a two-year break to farmers who are getting money from the Farm Credit Corporation. It is lowering the amount for two years from 15.75 per cent to 11.75 per cent.

I have another reservation that I would like to bring out and that is that at the end of the two years the farmers who take advantage of the money from the Farm Credit Corporation under this new piece of legislation will find themselves locked in at 15.75 per cent when at that time the market rate may be much, much lower.

I would urge the federal Government to look at stabilizing farm prices for farm products. I would also ask them to be a little more sympathetic. I refer to the Departments and agencies of the federal Government that do in fact deal with our farming population. In Saskatchewan and many other areas of Canada agriculture is the number one industry. The prosperity of many regions in Canada depends on agriculture. I think if we continue to treat people of our farming communities in the way we have until now, we will find ourselves in the position where we are not producing sufficient food to fill our own requirements. We do not do that now in some areas, but it will get even worse in years to come.

I would also urge the federal Government and all Members of the Opposition to keep in mind that agriculture and transportation are vitally intertwined together. One cannot succeed very well without the other, especially in some of the landlocked Provinces where we have to go to more expensive methods of transporting agricultural products. We need the benefit of good transportation policies to get our products to the people who need them in other parts of Canada, and in other parts of the world.

Mr. Stan Schellenberger (Wetaskiwin): Mr. Speaker, I have listened with interest to the Hon. Members who have spoken before on the very important issue of farm credit, credit and financial assistance to farmers. It is most important at this time as farmers this year will be facing some 17 per cent less in total income than they had last year.

We find that the Minister of Agriculture (Mr. Whelan) over the years has been amending the farm credit Bill a number of times to bring it up to date or to attempt to allow it to meet certain circumstances. We recognize now that farmers are in financial crisis. The statistics have been put on the record. When we look at what has happened in the last year we find that the Farm Credit Bill has been amended once, which will assist approximately 900 farmers, and we are now attempting to amend it again to assist perhaps 300 or 400 farmers—maybe 500. In all, we are assisting, in the legislation that we have passed, the Farm Credit Bill, only about 1,250 or 1,300 farmers out of the 315,000 or 318,000 that are resident and operating in Canada.

Mr. Mazankowski: A mere pittance.

Mr. Schellenberger: As my colleague from Vegreville says, it is a mere pittance, and he described that very well in his remarks on this legislation, and I know that all Members of this House were listening very carefully.

The Minister, in the years that he has been Minister of Agriculture—and I have been here all those years—has done really very little for Canadian agriculture. The one thing that he has done and probably is doing today is that he has been the Minister of Agriculture who has travelled more than any other Minister in this country. He is constantly in the air, putting out fires here and there, instead of coming into this House with legislation to assist farmers and to allow them to operate and produce food not only for Canada but for many other countries in the world that need it. He is the PR man for the Prime Minister (Mr. Trudeau) and for agriculture. He is not presenting to this House the kind of legislation or the kinds of ideas

that are necessary to assist a most important industry in this country.

Let us just look at what he has done in the last ten years. He has presented 13 bills to this House that have passed. Three of those bills have been in farm credit. Another bill has been in the farm improvement loans area. Most of the other bills, excepting one, have only been bills to update legislation that had been passed in the previous Parliaments. The only bill that is new has been the Bill for the Meat Import Act, an Act that was almost forced upon the Minister because of surpluses in other countries of the world coming into this nation. He has brought forward futuristic legislation to assist the farmers, something being proposed by Hon. Members in this House today. Why have we not seen legislation to reduce the farm fuel tax? That is very important legislation that could be passed quickly. It would greatly assist the farmers right across this country. It was earlier put on record that every farmer who farms in the neighbourhood of 1,000 acres is adding $1,500 to the federal coffers. Most western grain farms average 700 to 1,000 acres, as the previous speaker mentioned, and more and more farmers are being forced to rent their land. As a result, practising farmers are being offered so much land they cannot handle it. They are stretching their assets.

• (1630)

For the first time in many years farmers have to borrow from the banks the working capital in order to put in their crops. They cannot save enough money to put in a crop. If in some way their crop should fail, they have no other choice than to sell their assets or go bankrupt. That is the serious problem being faced not only by young farmers or those starting up but by established farmers as well.

Why has the Minister not talked to the western grain stabilization people with regard to getting the payment out early this year? Farmers are in desperate need of that money. There will be a payment this year and it ought to go out quickly. Members of this House and agricultural organizations across Canada have proposed that the advance payment be increased to $30,000, and $45,000 for corporate farms, from the present $15,000. For the average farm of 700 to 1,000 acres, $15,000 will not even pay the fertilizer bill. Therefore, that amount ought to be increased quickly. This is not new; it is an idea that people have been talking about.

The Minister of Agriculture should bring together his provincial counterparts. He should ask for their ideas with regard to stabilizing farm income. Every time the ministers attempt to get together, the Minister of Agriculture goes back to his old favourite, the marketing board. If it does not involve a marketing board, the Minister will not talk about stabilization. He favours the supply management marketing board. Most farmers do not want such an order from the Minister. They would rather talk about a program that does not involve such a board.

Many Members have said the Minister should look at new credit ideas. The agri-bond concept has been put forward by both opposition Parties and looked upon favourably by many people as a way of getting Canadians to invest in a Canadian industry rather than outside the country. It could be done very easily with that concept.

There has been talk about the capital gains tax. Not only is it tough to pay the capital gains tax when selling out to retire, which few farmers can afford to do, but when a farmer is forced to sell his assets, not only must he meet his debts, but the Government is there with its hand out looking for a capital gains tax.

An excellent proposal was put forward by the Hon. Member for Moose Jaw (Mr. Neil). He is suggesting that those farmers who would have to pay capital gains tax when selling their assets be allowed to put that money into the Farm Credit Corporation at a low rate of interest. If the money is left in for a period of more than five years, when they receive that money back it would not be subject to capital gains tax. If this idea were adopted, loans could be made to farmers in desperate straits at lower interest rates. It would not only help 900 or 1,200 farmers, but it would help the 20,000 who are now in financial difficulty. This could be put into place immediately.

A previous speaker referred to off-farm income. Many farmers are forced to work outside their farms in order to get enough money to support their families. Their farm income is only enough to pay the debt. A lot of their income is invested in the farm in order to better it. The Government will not respond to the suggestion that we raise the $2,500 deduction as well as the additional $5,000 of which 50 per cent can be written off. This should be brought up to date. It has now been in place for ten years. Because many farmers are now forced into the off-farm income position, this amount should be increased.

For the past ten years this Minister has only been updating legislation. He should be putting into our embassies and trade commissions those who are knowledgeable in agriculture to assist us in our trade. For years we have been making that recommendation. Instead we get a Canagrex Bill with powers of extraordinary magnitude. This makes every farmer in the country shake in his boots. We should now have people in the trade houses looking for export markets for our farmers.

We need leadership to respond to situations such as that in the United States where there is a huge surplus of grain and oilseeds. With its large treasury, it has now put in place export credit packages. Because of these interest-forgiving packages, they will be capable of stealing our traditional markets.

A similar type of assistance could be given through our Canadian Commercial Corporation. It may not be necessary to do that in the same volume, but with the present recession many of our traditional customers require that kind of assistance. We ought to be there to ensure that these markets are not lost.

The largest portion of our imports are fruits and vegetables. We have the capacity in Canada to produce those vegetables and some fruits in our greenhouses. We not only have the capacity to produce, but this is a labour-intensive industry. At

this time of high unemployment, we ought to foster our greenhouse industry in every way possible.

We have a surplus of natural gas. However, the onerous tax on the natural gas is driving many greenhouse operations out of business. Farm credit will not assist them. It will not provide the loans they require to stay in business when the cost of fuel to heat the greenhouse has in some cases increased by 100 per cent per year. This creates an impossible situation.

The federal Government ought to assist in providing alternative systems of heat for greenhouses. Pumping stations all across the Prairies are emitting heat into a 20 below atmosphere. Heat is going up the stack of our thermo-coal generating plants. Huge amounts of heat are being wasted from our nuclear plants in Ontario. That wasted heat could be funnelled into the greenhouse industry at almost no cost. In addition to a tremendous amount of vegetables being produced, it would create thousands of jobs.

• (1640)

These are the types of ideas that we should be hearing from the Minister of Agriculture. Instead, we see amendments to a Farm Credit Bill that will only help 200 or 300 farmers. We are seeing amendments to bring up to date old pieces of legislation that were brought in by other Governments. When will the Minister of Agriculture bring forward some positive policies which we can pass in the House to assist our farmers quickly in their desperate need?

Mr. Nelson A. Riis (Kamloops-Shuswap): Mr. Speaker, I am pleased to have this opportunity to speak in this debate on the amendments to the Farm Credit Corporation Act. Each day when Members stand to speak in the House, we hear time and again of the mills that are laying off shifts, of factories that are forced to close their doors and of small businesses that have been pushed into receivership. That causes us all a great deal of concern. I suspect that we on the opposition side are more concerned because one gets the distinct impression that the Government still does not recognize that there is a serious problem in the industrial sector of this country. One gets this impression based on the Government's actions and its proposed solutions. It is our hope that the Members on the Government side will realize how serious are the problems facing that sector and the fact that we are on the edge of an industrial collapse unless the Government takes some action. Let us hope and pray on a daily basis that the Government will see the challenge before it and take it up.

While we are all concerned about the demise of small businesses, medium businesses and the large corporations in our country, we begin to become very concerned when the agricultural sector faces real difficulties. Cattlemen, farmers, orchardists and so many others participating in food production in Canada are finding themselves in greater difficulty each day. Some very definite trends have been emerging which I consider to be dangerous. For example, the small family farm is falling by the wayside while the large corporate sector—the agri-business—is taking over the impetus in food production in Canada. Families who have lived on their land for many generations are being forced to move because they cannot meet the high interest costs the Government has placed upon them. As well, farmers, cattlemen and others who have been on their land for generations are now forced to rent their properties to others because of the difficulty they have in marketing their goods.

A few months ago I had the good fortune to co-chair a task force on the economy which toured virtually every sector of each province. Farmers and food producers appeared before that task force to offer distinct solutions to their problems. They indicated that if they were given the opportunity and provided some encouragement by the federal Government, and the Provinces in some cases, they could double and perhaps triple or quadruple the amount of food they were producing. As was suggested by another Hon. Member who spoke recently, we are still importing fruits, vegetables and beef when the opposite could be true for many of these products.

We are faced with a grave situation. I would like to give some statistics which attempt in an objective, non-political and non-partisan way to describe accurately the situation as it relates to Canada's food production. In 1979 there were 82 farm bankruptcies in Canada. That number doubled one year later to 164 farm bankruptcies. In 1982 farm bankruptcies increased again to 191. The situation this year is even worse. While we only have the number of farm bankruptcies for the first three-quarters of this year, there already have been 316 family farms which have gone bankrupt. In the last nine months, 316 farmers could no longer make ends meet and were forced to shut down their operations. This situation should be considered totally unacceptable by Members in the House when we consider the vast agricultural resources and the potential capital and human resources which exist in our country. It is an outrageous situation.

I would like to speak for a moment about the farm situation in my Province of British Columbia. When one examines the struggle farmers in that Province are having, it presents a very bleak picture. The statistics on net farm income in British Columbia show that there was $136,458 million in terms of farm income in 1978. In 1979, that amount changed to $178,578 million. In 1980 that income began to decrease. In that year the net income for farm operations in British Columbia was $166,759 million. In 1981 it was reduced to $90,674 million. That represents a very serious decrease in income.

Let us consider the interest on indebtedness on British Columbia's farms. This statistic is something which all of us have become only too used to, that is, the matter of personal, business, corporate and farm indebtedness. In 1978, interest on indebtedness for B.C. farms totalled $62,524 million. In 1979 that had increased to $93,137 million. In 1980 it increased again to $116,437 million. In 1981 that figure skyrocketed to $189,873 million. These figures illustrate the drastic increase in interest on indebtedness for B.C. farms in the last three years.

When one considers the outstanding farm debt in British Columbia, the statistics paint an even bleaker picture. In 1978

the outstanding farm debt was $956,079 million. This increased in 1979 to $1,163,093 million. In 1980 it had increased to $1,312,480 million. Unfortunately, the statistics for 1981 are not available but by all indications the outstanding farm debt will be well over $1,500,000 million. No matter what statistic one wishes to consider when trying to understand what is happening to farm incomes in Canada, it points to a very definite downward trend.

I would like to discuss the question of fertilizer costs and energy costs. These two areas are of special importance because these costs are beginning to skyrocket rather than decline.

• (1650)

For this example, Mr. Speaker, I want to turn to the great grain producing Province of Saskatchewan where energy and fertilizer costs are perhaps more important than in other areas. Over the last four-year period energy costs, including petroleum products, have risen substantially. In 1978 it was $171 million. In 1979 it had increased to $189 million. In 1980 it went up again to $215 million. In 1981 the figure had nearly reached $285 million.

So one can see, just by looking at these raw statistics, the incredible costs food producers are forced to bear as a result of increased fuel and energy costs. The tragedy, Mr. Speaker, is that these increases are the direct result of this Government's energy policies. It is a very sad day for the food producers of this country when the Minister of Agriculture (Mr. Whelan) week after week refuses to recognize the skyrocketing costs, and fails to take any action to ease the burden.

Let us turn for a moment to another area of cost which is perhaps even more important than energy, that of fertilizers. The fertilizer industry, because of its great dependence on energy, has seen fantastic increases in the cost of its product. That, of course, is directly related to the cost of food production. Again, let us objectively examine the increase in fertilizer costs over just the last four or five years. In 1978 the cost of fertilizer application in Saskatchewan was $101 million. In 1979 it had increased to $143 million. In 1980 it had gone up to $166 million. Then came the big jump in 1981 up to $205 million, and in 1982 to nearly $250 million.

On the one hand, Mr. Speaker, we see these increases in these two critical areas of energy and fertilizer, and on the other, the cost of seeds, barbed wire, building materials and equipment is increasing as a result of the inflationary problem we find ourselves in, and that is attributed directly to present Government policies. At the same time as these costs are increasing so dramatically, farm income in many cases has actually decreased. Looking at the price per pound that beef producers in central British Colombia receive, it has largely levelled out for the last number of years. In no way does it begin to match the rising costs of raising beef. If it were not for the beef stabilization plan in British Columbia, more accurately described as the Farm Income Assurance Plan, the small beef producers in British Columbia would not be in operation today. We can thank the New Democratic Party for the plan. When they were in power in British Columbia they recognized the value of keeping the small family ranch in place and introduced that measure to preserve this very traditional part of the British Columbia and western Canadian landscape.

Over the last five years, Mr. Speaker, the cost to food producers of energy and fertilizer has increased by just under 80 per cent. Is it any wonder that people who are very knowledgeable about the food producers of Canada and the problems they face stand up and declare that many in this sector are on the edge of financial collapse? When you consider these few figures which I have just put before the House this afternoon, is it any wonder? Consider the most recent amendments to the legislation dealing with the Farm Credit Corporation, such as the one a few months ago which resulted in assistance to approximately 900 farm operators in Canada. Assuming that this Bill we are dealing with now is passed soon, it will provide relief to somewhere between 300 and 500 farmers. But we are just beginning to touch the surface of the problem, Mr. Speaker. The Government is not addressing the serious problems facing the food producers of this country.

There is a crisis in the grain industry, in the oil seeds industry, and a crisis in the beef industry in Canada. Nothing short of calling it a crisis would be appropriate, Mr. Speaker. Yet what is the Minister of Agriculture doing? Oh, we see him almost on a daily basis wearing his green hat and western boots. He likes to travel around the country visiting every single fair and every little agricultural meeting that he possibly can, telling everyone how hard he is working. Yet we in this House wait day after day to see a Bill which is going to provide assistance to food producers in Canada. The Minister reminds me of a snake oil salesman. He is a great showman with a lot of rhetoric, but unfortunately no action. The patience of food producers in Canada is beginning to wear a little thin. They like this man, they got the impression over the years that he has worked very hard for the farmers of this country. To pay respect where it is due, in many areas he has done a number of things to assist the food producers. But we are in a crisis today and it requires imagination, courage and a sense of creativity, which this present Minister of Agriculture simply does not have.

Mr. Blais: Yes, he does.

Mr. Riis: Mr. Speaker, the hog producers in Canada are struggling this very day to survive. They see little light on the horizon in the way of help coming their way. What does the Minister do? He brings in an amendment to the Farm Credit Corporation which is going to provide a 4 per cent decrease in interest rates. He does not address the serious problem which faces the Corporation. Here is a Corporation which is intended to assist the farm community and which sets its rates every six months, I believe on April 1 and on October 1, and at the moment that Corporation has its rates locked in at 15.75 per cent. The interesting thing is that I can remember not many weeks ago when Members of the Opposition were having to stand up and literally plead and beg the Minister to increase the cash available to the FCC in order to meet the needs of the

food producers in Canada. Now, Mr. Speaker, you cannot give that money away. Because of a recent amendment to the FCC, that Corporation is now able to go out into the private money market, but to date no bond issue has been quoted because they have no need for the money. Interest rates are coming down so that now rather than borrowing from the FCC at 15.75 per cent, you can go out to the open private market and pick up money for 14 per cent, in some cases even less. What becomes abundantly clear is that the present interest rate formula of the Farm Credit Corporation is not working, particularly during the present unstable period.

• (1700)

The Government seems quite prepared to let the interest rate roller coaster go up one Thursday and go down the next Thursday, until it has become like a game. People wait until Thursday to see what the interest rate will be before making an investment. How can a food producer attempt to plan his operations when he has no idea what the interest rate will be in the days ahead? Any individual or businessman has a difficult time planning for the future when the interest rate can vary on a weekly basis.

Surely the Government could have done a favour to every business and individual by attempting to stabilize interest rates for at least six months. That is what it did with the Farm Credit Corporation. It said, "Despite the volatility in interest rates we will lock the Farm Credit Corporation rate for six months." That is of some assistance to food producers while interest rates increase. But if they drop below the six-month rate, then people working for the Farm Credit Corporation will have a long, leisurely winter, waiting for business which is going to the banks, the credit unions or other funding agencies.

The situation is a tragic one, Mr. Speaker. Yet the Minister of Agriculture masquerades as a snake oil salesman, travelling the country in an attempt to convince people that everything is all right.

Last weekend I had the sad experience of sitting down with a cattle producer who has a small, 200 head, operation in my constituency. He is now in his mid-30s and had grown up on a cattle ranch in central British Columbia, as had his father and his father before him. Raising cattle is the only thing this young man understands, and he is good at it. His wife and two children help him with the operation. He had difficulty obtaining much money from the Farm Credit Corporation so he borrowed $90,000 from the bank in order to get through the year. His interest payment is in excess of $15,000. He works full time, his wife works full time and his two teenage children work after school and on weekends. He is a man of strong character and he and his family have worked for the last four or five years to make this operation viable. Interest rates have made it imposible for him to continue, however. He and his family will have to walk away, after selling the ranch at a fire-sale price to a Swiss investor.

The implications of this case are tragic for Canada, Mr. Speaker. This man has lost faith in the country. He has long since lost faith in the Government and in its agricultural policy. He has lost hope because of the way the Government has allowed the banks, in particular, to run roughshod over the food producers. Now he will have to try to find employment in the forest or mining industry in British Columbia, both of which are on their knees. It is a story of failure, after three generations in the livestock business in western Canada. He is no longer able to continue because of the policies of the Liberal Government.

Mr. Dionne (Chicoutimi): If you have nothing to say, sit down.

Mr. Riis: Mr. Speaker, I listened with interest as a voice from the Liberal benches called out that if I do not have anything good to say about the food industry, I should sit down. I will not sit down, Mr. Speaker. I will draw attention to the Government's lack of leadership and its inability to deal effectively with the lending institutions in the country in the last two years. There is no chance that I will just sit down and keep quiet and let the Government continue in this way.

The agricultural policies of the Government are at the root of the increasing number of farm bankruptcies in the country. Until the late sixties most of the long term credit needed by Canadian farmers was supplied by the Farm Credit Corporation, as well as much of the short-term and intermediate term financing needed by farmers. Then the Government began restraining the amount of credit the Corporation could provide to food producers. Chartered banks were invited into the farm credit market. In 1975, 72 per cent of all long-term credit taken out by farmers came from the Farm Credit Corporation. That made sense; it was designed to provide long-term funding to food producers. By 1979 only 35 per cent of farmers were able to meet their long-term credit needs with the fixed interest loans provided by the Corporation.

The Government, with its tight purse strings, has hamstrung the Farm Credit Corporation. It has prevented it from keeping up with the increasing demand for farm credit. In effect, it offered the banks, with their floating interest rates, a bigger piece of the farm credit action on a silver platter.

At the same time that it was knocking the props out from under the Farm Credit Corporation, the Government introduced drastic changes in its grain policy. Prior to the so-called open market, most feed grains had been marketed outside the Prairies under the auspices of the Canadian Wheat Board. Prices were relatively stable at that time, and the competitive capabilities of different regions of the country were more or less equal. But the Government's decision to move to the open market and to allow large grain merchants and feed mills back into the grain market on a nation-wide basis, upset the apple cart. The result was the transfer of some sectors of agricultural activity to different regions of the country. To aid that transfer, some provincial Governments got into the act with subsidized credit or out-and-out subsidies. By the end of the decade, much of the hog population had moved out of the Prairies into Ontario, Quebec and, to a lesser extent, the Maritimes. To a greater extent, cattle which originated in the Prairies were

being fed in eastern feed lots where the price of feed grain gave the producers a competitive advantage.

This must have looked very appealing to the Government economists because, with all the activity, it looked as though agriculture was booming. But, as I said, what was really happening was that production was shifting from one region of the country to the other, largely financed with borrowed money. It was fortunate that while this was happening there was a surge in grain prices that carried most farmers through to the end of the last decade. But with accumulated farm debt around $16 billion, and farm income now falling, as my earlier statistics demonstrated, the results of the shift in the Government's agri-food policy is becoming evident. Large investments were made in some parts of the country and abandoned in others. Farmers were forced to borrow greater amounts when interest rates were increasing at unprecedented levels. The total was $1.7 billion in 1981. In the early 1970s, credit costs ranked about eight or ten in the production costs of farmers. Now the cost of credit is the highest one facing Canadian farmers. While farmers were borrowing in greater amounts, the Farm Credit Corporation was prevented by the Government from keeping up with the demand for farm credit. Long-term credit at fixed rates was becoming less and less available.

• (1710)

Agriculture in Canada is in desperate straits today. With the Government's record of destabilizing policy changes and the reduction of farm credit interest rates by 4 per cent, it can only be considered a rather feeble attempt to deal with a very grave problem.

In the West things are done in more traditional ways when it comes to production. The people of western Canada have come to depend upon the institutions which provide security for the maintenance of those traditions, institutions such as the Crow rate and the Farm Credit Corporation.

The Farm Credit Corporation is the only agency which offers long-term fixed interest loans to farmers. FCC loans can now be obtained at 15.75 per cent interest, but the floating rate available from banks or credit unions is for the time being lower than 15.75 per cent. Unless the formula now used to set FCC interest rates is changed, permitting the Corporation to lend at less than 15.75 per cent and to obtain funds at a lower rate, much of its fixed interest credit may go unused this year as farmers cash in on the temporary reduction in interest rate from commercial lending institutions. Already the Provinces are being pressured to move into the subsidization of farm credit. We could soon see a patchwork of subsidization programs which again stimulate production shifts from one region of the country to another, giving the illusion of a productive, vibrant farm industry, when in fact nothing could be further from the truth.

The Canadian Federation of Agriculture has recommended time and time again the introduction of an agri-bond program similar to the small business bond. Under this proposal the Government would give FCC authority to borrow short-term, three to five years, by the issue of financial instruments on which the interest is tax free. This money would then be lent to farmers requiring money at lower interest rates, not only for debt consolidation but also for essential investment and, more important, working capital. This is a proposal which could and should be introduced quickly. I would submit that it is a more rational and long-term solution to the farm credit crisis than the 4 per cent interest rate reduction which will be granted as a result of this Bill to benefit at best not more than a few hundred farmers.

If we are to have any stability in the Canadian agriculture industry, the Farm Credit Corporation must be expanded to provide enough long-term credit to service the bulk of farm credit needs across Canada. It needs to be expanded as well to provide short and medium-term credit in special cases. I am thinking of special cases where FCC credit can help a new farmer or new cattleman get started. But simply expanding the FCC is not enough to bring needed stability back to Canadian agriculture and to stimulate increased production. We in this Party have long supported the concept of stabilization programs. If stabilization programs are provided on a federal basis, and if marketing systems are in place which provide some equity across the country, Canadian farmers would be more confident that they will be able to get their costs of production, plus a decent standard of living off their land.

Bill C-134, to provide a 4 per cent interest rate relief, will provide only a very short-term solution to a serious problem. As I said earlier, it will help a few hundred farmers in grave financial difficulty who are crying out for relief from high interest rates. This proposal just begins to scratch the service of the farm credit crisis in Canada.

The FCC would be playing much more of a leadership role in terms of supporting the cutting edge of a thoughtful and dynamic industrial strategy for the food producing sector of Canada, if one were in place. The time has come for the Government of Canada to look at this critical industry, and industry which is critical in virtually every region of Canada; to identify those areas which need to be nurtured, encouraged and supported by the senior levels of Government, and to take steps to see that that is done. Canada is still required to import vast amounts of fresh vegetables, mutton, lamb and beef. This is totally unnecessary in a country such as ours with its vast potential.

The Government should take the leadership. We on this side of the House would be pleased to rally around and embrace a strategy in agriculture which makes sense and encourages Canadians to recognize the need to support a strong agricultural component in our economy. We should say to Canadians that perhaps for one morning a week they should drink apple juice rather than orange or grapefruit juice. That would mean 24 million people lifting glasses of apple juice. Think of what it would do for the orchards in British Columbia, central Canada, Nova Scotia and New Brunswick. Suddenly there would be an instant demand for tens and perhaps even hundreds of new apple orchards overnight. If we could convince every person in the country to drink an extra glass of Canadian wine, think of

what it would do to the vineyard industry. We could go on and on; just by modifying our dietary and purchasing habits, we could provide a much needed stimulus and instant demand for many Canadian food producers. But, no, we live glibly on in a sort of continentalist mentality which has virtually become the catch word of the Liberal Government of Canada. One almost gets the impression that it does not want to encourage this critical sector or the family operation on the land.

It would appear by this Government's policy that corporate agriculture is the route to go. I am not suggesting that in selected areas it is not the route to go; in some cases corporate agriculture makes sense. But in many areas much more could be done to assist the family operation. Think of what it would do to the mood in the country if every Canadian was convinced that the food producing strategy of the Government would make sense in all regions. The people of Canada would rally around it and provide the necessary support.

I come from a part of Canada in central British Columbia which is not famous for its agricultural production, but to this day a number of people are still able to manage as food producers. I remember as a youngster, not many years ago, coming to that area and seeing vast acreages of potatoes, asparagus and tomatoes, vast areas of crabapple orchards, huge flocks of sheep, 5,000 ewes in a single flock, and herds of cattle in the neighbourhood of two or three thousand head. Now that is virtually all gone. They thrived in that particular environment for decades. Obviously the basis of the industry is there, but because of the lack of marketing procedures and credit opportunities, the farm and ranch industry has virtually deteriorated over the last two or three decades into at best a marginal industry today.

It is important for Members of the House, especially Hon. Members opposite, to know that this potential exists in Canada today. That opportunity is still in place. With the availability of energy in terms of coal, natural gas and geothermal energy, and with the waste heat of many large factories and mills, we could be producing much more.

• (1720)

In closing, let me say the opportunities are there. What we need now is a Government with the strategy to put the agricultural community back on the rails and to provide the support and encouragement to get that vital component of our economy going once again.

Mr. Charles Mayer (Portage-Marquette): Mr. Speaker, today we are discussing third reading of Bill C-134. This is an important Bill. It deals with the farming community and the most important aspect of the farming community, which is finance. Finance is important today because we know that agriculture is no different than any other business in this country and that many businesses are experiencing financial difficulty.

Before I get to my main remarks on the Bill, I would like to pay tribute to my colleague, the late Hon. Member for Brandon-Souris who passed away last week and whose funeral I attended in Brandon yesterday. I did not have the chance to know the Honourable Mr. Dinsdale for a great number of years, but it was a privilege for me to sit with him in the House and be able to refer to him as a colleague. He was a great help to me as a new Member. I know he has been a great help to many others in this House. Mr. Dinsdale was the kind of man who, in my opinion, was an example of what a Canadian should be. He was a man of high principle, of high morals, and displayed it without a lot of flamboyance. Unfortunately, many of us do not realize what a Canadian is. In many ways Mr. Dinsdale exemplified what my idea of a Canadian should be. We will all sorely miss him, particularly those of us from Manitoba. It is true that you do not know how much you miss somebody until they are gone. That is the case with Mr. Dinsdale. I know some tributes were paid to Mr. Dinsdale in the House on Monday. Unfortunately, I was unable to be here because I was in my riding. I did, however, attend his funeral in Brandon yesterday. I just wanted to say a few words today about our dear colleague from Brandon-Souris.

The Bill before us is very important. Agriculture, like many other businesses, is in a considerable amount of trouble. We know there are something like 320,000 or 330,000 farms in Ontario. I have seen estimates that place the number of farms in trouble as high as 32,000 or 33,000, or ten per cent of the total. That is a large percentage; the number is large in terms of absolute numbers. These are farmers who have financial problems which could put them out of business.

This situation has serious implications for consumers. If farmers are forced out of business we know that one or two years, down the road less food will be produced, which means the cost will go up, causing rising inflation. It is in everybody's interest to keep as many farmers in production in this country. Not only is the farming community interested, everybody else has a large stake in it, too.

This Bill proposes to spend an additional $100 million. The $200 million mentioned in the bill is arrived at by taking $100 million out of the normal allocation that the Farm Credit Corporation has. The extra $100 million is made up of $16 million, which the Government has found to pay in direct interest assistance to lower interest rates for farmers, plus an additional $84 million in loans. When one talks about the $200 million figure, one has to bear in mind how the Government got to this $200 million. It is $100 million of old money and $100 million of new money.

We have to give the Government credit for that because it recognized the problem and it did find some additional money with which to address it. Our concern is not so much that the Government recognizes the problem, but that the Government waited so long and has been delinquent in acting. In many ways the Government has been contributing to the problem by allowing it to develop.

The $16 million that will be available in direct grants to farmers to lower interst rates works out to an average of about $50 per farmer in this country. We know that is not a lot of money when you put it in perspective. We are not saying we

are ungrateful for the $16 million, nor are we saying it will not be well used. I simply want to point our that $16 million spread among approximately 320,000 farmers works out to an average of $50 per farmer.

One must take into account that in many areas of the country it costs a farmer $100 to $200 to fill up the fuel tank on his tractor enabling him to work in the field for a day, that is twice or three times the $50. If a farmer buys a tonne of phosphorous fertilizer, it will cost him something like $300. That gives Hon. Members an idea of just how much assistance this $50 will be to him. Fifty dollars will not even buy a tonne of phosphate fertilizer. It will not go very far in terms of helping a farmer put his crop in, even as far as fuel expenses are concerned.

Because the amount of money available is so small, the total number of applicants will exceed by far the amount of money the Bill will make available for farmers. By taking $100 million out of the normal allocation of funds which the Farm Credit Corporation has, it will mean there will be $100 million less available to be loaned under the normal operations of the Farm Credit Corporation. That is of concern to us.

I want to talk specifically about interest rates. We know that the Farm Credit Corporation sets interest rates every six months. We also know that the rate set now is 15.75 per cent. Most people know that the prime rate is considerably lower than that today. Therefore, farmers who are locked into a Farm Credit Corporation loan are paying 15.75 per cent interest, a higher rate than if they were to go now and apply for a loan at a bank. I am not suggesting that farmers should be able to have it both ways; that is, a cheaper rate of interest when prime rates go up. In other words, farmers should not be able to get loans of 15.75 per cent interest when the interest rate at the bank is either at 17 per cent or 18 per cent. When the bank rate drops those people with Farm Credit Corporation loans should not immediately be released from those loans to go to the bank to receive a cheaper rate of interest for their loans, but I suggest that the Government and the Farm Credit Corporation give serious consideration in respect of those producers who have some problems paying the 15.75 per cent interest. That high rate of interest relative to today's prime is causing farmers financial problems. I know of one such instance in my own constituency about which I had some discussion this afternoon. In this particular case, if the producer were able to go to the bank and get a loan at the lower rate offered by the bank today it would make a significant difference, enabling him to stay in business.

I would suggest the Minister and the officials in the Farm Credit Corporation give serious consideration regarding those farmers who are in trouble as a result of paying the 15.75 per cent interest rate. I would suggest the Minister and the officials consider releasing those farmers from that interest rate. I do not think that is asking a lot.

I understand the Government is considering changing the setting of the rates under the Farm Credit Corporation from every six months to perhaps every three or four months. There is nothing wrong with that. After all, when we are in fluctuating capital markets with interest rates going up and down quite quickly, I do not think there is anything wrong with the Government considering adjusting interest rates sooner than every six months, which is what has been done up until now.

All of us have another concern which has been expressed by Members of the New Democratic Party and those of us in the Official Opposition. This Bill is a manifestation of the lack of leadership which this Government and, in particular, which this Minister have shown in the agricultural field over the past ten years. I understand the Minister of Agriculture (Mr. Whelan) will, within the next week or ten days, be celebrating his tenth anniversary of being appointed the Minister of Agriculture. I am not sure that the farmers will want to celebrate when they think about this Minister having been at the helm of Canadian agriculture for ten years.

• (1730)

I submit that the agricultural industry is a very proud industry, and would much rather earn its own way than have to go to the Government for handouts and subsidies. However, if one considers the ten years that the present Minister has been in this position, one finds a very sad, lamentable and actually terrible testimony to what he has been able to accomplish. He has really taken a once proud industry and reduced it to an industry which is fighting amongst itself. It is looking inward for markets instead of being outward-looking—instead of looking to markets outside our country which would earn foreign exchange for our country and help us fight a lower Canadian dollar and hold down interest rates. Instead of doing that, he refers to marketing boards, saying to close the border and produce for a small market at home.

The Hon. Member from British Columbia who just spoke talked about producing all kinds of fruits and vegetables in this country, including some of the off-season fruits. I suggest that he must carefully consider the matter because,for instance, it would be very difficult to produce bananas and pineapples in this country. A certain amount of peanuts are grown in southern Ontario. However, we should be considering what we grow best; that is, whether we grow grain, beef, or pork best. If we are good at producing these products, and are capable of being competitive, we should be exchanging them for some of those others. I would rather see that kind of industry than one which looks to the Government for subsidies. That would be a much healthier situation for the farming community and for the total Canadian economy.

I would briefly like to refer to some of the things the federal Government and the Minister could and should be doing. These are not new, but have been mentioned in the House by other Hon. Members. In the past two or three years I have had the opportunity to mention them, but nothing seems to have happened. What we should first do in terms of western agriculture is to consider the Western Grains Stabilization Fund. First, we do not know whether there will be a payment this year. If there is to be a payment, we do not know how much it will be. I would submit that there is no reason that the level of payment, if any, could not be immediately announced to the

farming community. I am not suggesting that the payment be made, although that would be even better, but if the farmers at least knew that they would be getting something and when it would come, it would help them to budget and handle their cash flow. However, as it is, we know that we contribute one dollar for every $2 contributed by the federal Government. We think that is great, but we do not know when and if there will be a payment, or how much it will be. That is a very simple matter which would not take much extra organization or expertise on behalf of the Government, yet it would greatly assist farmers in terms of their cash flow.

We have suggested another item which could be considered, the second item, if you will. There should be an increase in the Advance Payments Act, which I believe has been in place since 1957. It was mentioned in this debate by the Hon. Member for Wetaskiwin (Mr. Schellenberger). It is an excellent suggestion. We have offered the Government that if it were to bring forth the amendment we would put it through very quickly.

This Program has been in operation since 1957 and has worked very well. It is simply a provision whereby the Government advances money to producers against the delivery of their own grain. Then, when the producer sells the grain, he pays a portion back to the Government and the Government picks up the interest. Admittedly, there would be a small additional cost to the federal treasury, but I submit that if one considers the additional money which would be gained from taxation, in many cases the additional cost would be offset against the quicker generation of revenue as a result of the additional money put in the hands of the producer. It is not a Government handout. It is simply an advance against some of the farmers' own money. This Program has worked well. It is outdated now because the limits are too low. An increase must be considered.

The third suggestion, as mentioned by the Hon. Member for Vegreville (Mr. Mazankowski), is that we need to consider the tax on farm fuel collected by the federal Government. I have in my hand a chart, and I will refer to my own Province of Manitoba. On a gallon of gasoline, the federal Government charges approximately 65 cents. It seems to me that in the interest of keeping farmers in business and food costs down, the Government could consider increasing the 7 cent a gallon excise tax rebate which is presently returned to farmers. That is another bone of contention. Rather than the Government collecting it all and then refunding it, there should be a provision in place whereby the producer should not have to pay it in the first place. This should apply not only to farmers but to the business community as well. As it is now, one pays it and then applies for a refund every six months, or whenever the amount of refund exceeds $200. I see no reason for the extra paperwork required of the business and farming community, as well as the Government, in simply collecting the money and then refunding it. If it is to be refunded, why not stop the practice of collecting it in the first place? That makes sense. Unfortunately, many suggestions we make in the House do make sense, but they are never listened to or acted upon.

Another item we could discuss ad infinitum involves capital gains. We should allow farmers to earn their way and generate money so they do not have to depend on Bill C-134 for a few Mickey Mouse handouts—a few dollars here and there.

We should also be able to expect a federal Minister of Agriculture to be truly a federal Minister. He should be willing and able to show some initiative in working with his provincial counterparts. The present Minister has done exactly the opposite. I know of a meeting which took place in Regina last spring attended by the representatives of provincial ministers of agriculture who sat down to discuss national stabilization programs for beef and pork. I know that the Minister responsible for DREE in this House had a more senior representative at that meeting than did the Minister of Agriculture. That is a disgrace. Surely, when we have a federal Minister of Agriculture, he should have enough common sense to act like a federal Minister and show some initiative, rather than being a hindrance, if anything.

We also know that approximately two weeks ago there was another meeting of provincial Ministers of Agriculture who, in principle, agreed on a national stabilization program for beef. It included all three parties and, by that, I mean the federal Government, the provincial Government and the producers. Our federal Minister of Agriculture was not there. I should not say "our", because I do not want to claim him as mine. However, the Minister of Agriculture who represents Canadian agriculture was not there. Again, to my mind, that is a disgrace.

Instead of having Canadian producers united, working together and being competitive with producers in other countries, like the United States, the European Economic Community, Argentina and Australia, so that Canadian agriculture can be competitive with them, what we end up with is a bunch of provinces stepping in, because of the lack of initiative by the federal Government, stabilizing their own red meat industries, causing provinces to bid against provinces. In effect, the result is Canadian farmers fighting amongst themselves for a share of the market, instead of being shown some leadership by a federal Minister so that they could all unite and be more competitive on the world scene. That has been the result of the Minister's ten years in office. It is sad testimony to what he has done in that ministry.

Another example of what we could do if we had some support from a federal Minister of Agriculture who had some brains, or who cared, is deal with the Americans; the American legislators, Congressmen and Senators, who are more than willing and are looking for us. It is our turn to sit down and discuss the world grain trade. We are not necessarily referring to a cartel. We should simply get together to hold some discussions on where world grain prices are going so that we can better understand the positions of the Americans, and they can understand ours. Simply put, it means that we would have legislators, elected people on both sides of the border, sitting down and holding discussions.

There was such a meeting a year ago in Washington. It is now Canada's turn to host a meeting this year, but to date we

have had no real support from the Cabinet, which is where we need it. We have had no support from the Cabinet because, again, it is our turn to host those meetings. Not much may come of them, but if we could at least have the chance to sit down on a formal basis and carry on discussions with the Americans, I think we would realize that we both have the same problems, and we may reach some common ground from which we could go forward to firm up grain prices. We all know that some grain prices are $1 a bushel lower than a year ago, even though our cost of production is continually rising.

Another example of how the Government and the Minister have failed to help farmers generate income can be found by considering what has happened with the levy under the Prairie Farm Assistance Act. It was terminated approximately ten years ago, at which time there was almost $10 million in the fund. The Hon. Member for Moose Jaw (Mr. Neil) has presented a Private Members' Bill which has been approved by the House in principle, proposing that money be used to finance a research organization. The Government has not seen fit to do that. What is really criminal, actually almost insane about it, is that that money has been sitting there. It is farmers' money, collected as a levy when they delivered grain and it has been sitting there, not earning interest. So even if the interest had been used—

• (1740)

An Hon. Member: It is scandalous.

Mr. Mayer: It is scandalous. It is just incredible that that kind of thing would happen, that you could have that kind of money static for a period of almost ten years when it could have more than earned that principal over again. Instead of $9 million or $9.2 million we probably could have had $20 million. Instead of that, we have the original sum and no indication that this Government is going to make use of that money for anything, to benefit agriculture or benefit somebody. That is an example of what this Minister has been able to do in ten years.

An Hon. Member: It could have been doubled.

Mr. Mayer: A good point, it more than could have doubled; it probably could have tripled. We want some support from this Government. We do not necessarily want handouts. We want some support so we can earn our way and get ourselves in a position where we do not have to borrow money and come back to the Government and look for these kind of Mickey Mouse programs, to adjust a program or adjust a Bill and give a few dollars to this farmer and a few to that.

Another area on the international sphere that I feel very strongly about is that Canada has been very badly represented at any of the international negotiations that go on with regard to tariffs. There are negotiations going on currently in Geneva concerning some of the problems of the GATT agreement. We know that the European Economic Community has managed so far to keep most of their agricultural products out of the jurisdiction of the GATT. I think that is totally wrong. If we had a Minister and had a Government that really understood some of the things that the agricultural industry is capable of doing for this country and this economy they would take those negotiations more seriously and see that Canadian agriculture is given a fair chance to compete on some of the world markets. That goes for Japan as well. We are not asking for favoured treatment but we are asking for at least a chance to compete fairly for those markets. If any of those people are watching or listening to me, they will know that in many cases the European Economic Community and Japan are not necessarily fair players when it comes to agricultural commodities. They are very good at keeping our products out, with both tariff and non-tariff barriers.

Let me say a little bit about how I think we differ from the NDP and what their policies would be. The farming community in this country is in many cases very young. In western Canada it is not much older than 100 years, and in some cases it is less than that. It has got to be where it is, I know it has been very successful and in many cases it has been very prosperous, because it has relied on individual initiative to create that wealth, and it has rewarded the individual for doing that.

The NDP, I believe, having listened to some of their speeches and followed some of their programs, think that everything should be run from the centre and that largely Government programs should control everything, and we know what that means. It means administering programs from the centre and not giving the incentive and reward to the individual producer who takes the risk. That is how we differ. If you look at history you will realize that this country was settled by individual homesteaders who took some initiative on their own. It was not settled by a horde of bureaucrats from Ottawa going out and saying, "You chop down a tree and you work after supper and you sacrifice on behalf of your family so that you can have a better piece of farmland". That is exactly the wrong way to create wealth in this country, and that is exactly the kind of policies that the NDP are advocating by supporting these measures that the Minister of Agriculture has brought forward, like Bill C-134. That is exactly the kind of thing this present Government is supporting.

I would suggest there is no reason why we should not support the Bill. It seems to me that if we do not support the Bill we would be a lot more irresponsible than the present Minister, and Lord only knows how irresponsible he is toward Canadian agriculture. I would suggest that Canadian agriculture would be a lot better served by programs that could be developed by a Government and a Minister that understood agriculture, cared about it and saw that it was productive so it could pay its own way, not have to borrow as much money and, therefore, have to rely on Mickey Mouse Bills like Bill C-134.

Mr. Stan J. Hovdebo (Prince Albert): Mr. Speaker, I am very happy to be able to speak for a few moments on Bill C-134, a Bill to provide rebates under the Farm Credit Corporation Act.

When the farms do well in this country, as in other countries in the world, then the whole country does well. That has been

an accepted fact with most Governments across the world, and most Governments take into consideration that if you help the farmer to be secure, to be able to make a living, to make enough from his production to stay alive, to help his family, then your whole country can be prosperous.

The basis of the affluence of Canada is the agricultural industry, and it is very important that we keep that industry able to provide the kind of continued direction that it has had in the past.

The speaker just before me suggested that our Party's position was not based on the farmers doing what they can to produce and continue to produce food for the world, but no farming industry can be built on the kind of policies that have been put forward by this Government. Those have led to continued bankruptcies or farmers having to sell out and leaving the industry to the consolidation, to the extent where the industry is becoming weaker and weaker.

If we believe that the agricultural industry is a basic industry in this country then we in this House should be doing something about it. We should be doing all we possibly can to make the industry secure. This Bill is a very small attempt to do something to keep the farmer afloat. What we should be doing is making the industry secure.

The agricultural industry in Canada at the present time has a $22 billion debt. About $2 billion per year is being taken out of that industry to finance that debt. This is the highest level of debt that the industry has ever had, even if you take into consideration the inflation of the dollar. That is a very interesting statistic because what we are really saying is that there is something so badly wrong with this industry that the debt is increasing as we go along. Instead of an industry which pays off its debt and allows the people involved in it to be affluent and to make a living to pay for the production of their goods, we are getting further and further into debt.

The reason for this is fairly obvious. Last year the income of the agricultural industry across Canada was reduced by about 17 per cent. The predicted reduction in the income of the industry this year may be as high as 20 per cent. The return for the farmer is gradually getting closer and closer to zero. What we need to do here is not, as the previous speaker suggested, to have a Mickey Mouse Bill which helps a few farmers out who are in dire need. We need to look at the basic industry and change it so that it is a continuing industry with a return that is acceptable. We need to establish a base that is stable.

• (1750)

Over the years the Department of Agriculture has shepherded the industry. Since we are getting into such bad shape, we must recognize that that Department has not provided the country with stable marketing and income programs which make sense. This very important industry is quickly approaching a debt position where the value of the capital is being very quickly eaten up by the debt.

For years our Party has said that if we had a stable income from farm markets, we would not need the Farm Credit Corporation, or its use could be limited to the development of new farm areas or new industries within the farming context. Our Party feels very strongly that this sector of the economy should be self-sufficient in terms of its refinancing. If we are to continue to have a strong agricultural industry, its profits must be large enough to finance itself through generations. That is not happening.

As I pointed out, a continuous infusion of capital is required to keep this industry going. Over the past eight years, farm debt has been increasing at a very rapid rate. In 1947, payments on interest amounted to $473 million. In 1980 this reached $1.6 billion. That is just the interest to service the debt developed by this industry. The industry should be self-sufficient. However, a large portion of the productivity goes toward servicing the debt.

Maybe this industry is no worse off than the country. The same management which brought this country to the point where it has a $30 billion deficit this year and acumulative deficit of $150 billion has allowed the important agricultural industry to get to the position where it requires a continuous infusion of capital to keep going.

If farm income had increased to the point where the farmer could be assured of a return on production, there would be a little extra for each generation to have the security that is necessary. Instead the Government brings forward a Bill, which I agree is necessary, that only takes care of a very small group of farmers.

Before resuming my seat, I want to point out that although we will support this Bill, we admonish the Government to look at the total agricultural industry and do all that is necessary to put it on the basis where our children and our children's children can depend on a secure farm industry in Canada.

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

Some Hon. Members: Question.

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

Some Hon. Members: Agreed.

Motion agreed to and bill read the third time and passed.

Some Hon. Members: Six o'clock.

The Acting Speaker (Mr. Corbin): It being six o'clock this House stands adjourned until tomorrow at two o'clock pursuant to Standing Order 2(1).

At 6 p.m. the House adjourned, without question put, pursuant to Standing Order.

HOUSE OF COMMONS

Thursday, November 25, 1982

The House met at 2 p.m.

• (1405)

MOTIONS UNDER S.O. 43

[*English*]

WESTERN DEVELOPMENT FUND

FINANCING OF COUNTRY-WIDE PROJECTS

Mr. Jack Shields (Athabasca): Madam Speaker, last night on "The Journal" television program the Minister of Finance (Mr. Lalonde) indicated that a portion of the Western Development Fund would be used to finance housing for Indians living in western Canada. On November 3, 1982, Senator Jack Austin confirmed in the Senate that this expenditure was in fact national in scope. Like the payment of funds to farmers for losses as a result of the Soviet grain embargo, this is another example of how the federal Government is trying to delude the people of western Canada into believing that a fund for western development actually exists. I therefore move, seconded by the Hon. Member for Pembina (Mr. Elzinga):

That this House asks the Minister of Finance to get his facts straight concerning the Western Development Fund and that he admit that money from this Fund will be spent across Canada, not just in the West as promised.

Madam Speaker: Is there unanimous consent for this motion?

Some Hon. Members: Agreed.

Some Hon. Members: No.

* * *

CANADA DEVELOPMENT INVESTMENT CORPORATION

GROWTH OF ACTIVITIES

Mr. Dave Nickerson (Western Arctic): Madam Speaker, whereas the Canada Development Investment Corporation yesterday added to its portfolio of losers not only doubtful investments such as Massey-Ferguson, but also equally doubtful personages such as that well-known Grit who made a million dollars out of the Petro-Canada takeover of Petrofina, I move, seconded by the Hon. Member for Hastings-Frontenac-Lennox and Addington (Mr. Vankoughnet):

That this House deplores the octopus-like growth of the CDIC with its tentacles of Liberal patronage extending into every aspect of the Canadian economy.

Madam Speaker: Is there unanimous consent for this motion?

Some Hon. Members: Agreed.

Some Hon. Members: No.

* * *

SPORTS

CANADIAN AND SOUTH AFRICAN PARTICIPATION IN VETERAN ATHLETES CHAMPIONSHIP

Mr. Bob Ogle (Saskatoon East): Madam Speaker, I rise under Standing Order 43 on a matter of urgent necessity. The Canadian Masters Athletic Association has decided to allow its members to enter the 1983 World Association of Veteran Athletes Championship in Puerto Rico despite South African participation. Since the Canadian Government signed the Gleneagles Agreement on Apartheid in Sports, which commits the Government to combat apartheid by withholding support for any form of, and taking every practical step to discourage, contact or competition between Canadian and South African athletes, and since the CMAA receives funds from Fitness and Amateur Sports, I move, seconded by the Hon. Member for Beaches (Mr. Young):

That the Government endorse its policy against sporting links with South Africa and prevail upon the Canadian Masters Athletic Association to reverse its position which permits competition with South African athletes.

Madam Speaker: Is there unanimous consent for this motion?

Some Hon. Members: Agreed.

Some Hon. Members: No.

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PETRO-CANADA

SERVICE IN RURAL AREAS

Mr. Bill Vankoughnet (Hastings-Frontenac-Lennox and Addington): Madam Speaker, I rise on a point of urgent and pressing necessity. Recently an independent owner/operator, a Petro-Canada franchise dealer, informed me that as of the new year Petro-Canada is eliminating his franchise as his location did not suit Petro-Canada's image. In view of the fact that this franchise has existed over a decade and Petro-Canada has

spent thousands of dollars renovating its own stations, and also in view of the fact that this station is an independent dealer located in a rural area, the only Petro-Canada station for a 60 mile radius, and that this move will greatly inconvenience residents, I move, seconded by the Hon. Member for Simcoe North (Mr. Lewis):

That this House request the Minister of Energy, Mines and Resources to investigate the reduction of service by Petro-Canada in rural areas and instruct the Crown corporation, Petro-Canada, to re-examine its relationship with small business so as not to add to Canada's unacceptable high unemployment rate.

Madam Speaker: Is there unanimous consent for this motion?

Some Hon. Members: Agreed.

Some Hon. Members: No.

* * *

FINANCE

INDEPENDENT BUSINESS FEDERATION RECOMMENDATIONS

Mr. Don Blenkarn (Mississauga South): Madam Speaker, the Minister of Finance (Mr. Lalonde), in his various wanderings about the country keeps repeating to business audiences that we must rely on the dynamism and creativity of the private sector. I therefore move, seconded by the Hon. Member for Parry Sound-Muskoka (Mr. Darling):

That the Minister of Finance show good faith by accepting the suggestions of the Canadian Federation of Independent Business and, in particular, reinstate general averaging, reinstate full capital cost allowances, abolish the 12.5 per cent tax on small business dividends, and abolish the capital gains tax.

Madam Speaker: Is there unanimous consent for this motion?

Some Hon. Members: Agreed.

Some Hon. Members: No.

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MEMBERS OF PARLIAMENT

POSITION OF LIBERAL MEMBERS ON PENSION LEGISLATION

Mr. Sid Parker (Kootenay East-Revelstoke): Madam Speaker, I rise under the provisions of Standing Order 43 to move, seconded by the Hon. Member for Beaches (Mr. Young):

That this House present the Weathervane Award to the Hon. Members for Ottawa-Vanier and Vaudreuil for having already changed their minds twice on legislation which will reduce the pensions of retired Public Servants before the bill is even debated in this House, and as well present them with the Abraham Lincoln Award for devotion to principles for telling an audience of over 1,000 retired Public Servants that they would fight to protect their purchasing power but then changing their minds when the audience had gone home, and further that this House hold two more awards ready for the Hon. Members for Ottawa Centre and Ottawa West when they receive their marching orders.

Madam Speaker: Is there unanimous consent for this motion?

Some Hon. Members: Agreed.

Some Hon. Members: No.

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PUBLIC SERVICE

PAYMENT SOUGHT FOR THIRTY YEARS OF WORK

Mr. Stan Schellenberger (Wetaskiwin): Madam Speaker, in 1953 Simon Akpaliapiak was hired by the Government to help in a resettlement project on Ellesmere Island and has to date never been paid. He wishes now to be paid as his contract was never terminated. He feels his work is complete and would like to return home to Pond Inlet. One problem is that he cannot afford to do so. Another is that two federal Departments, the RCMP and the Department of Indian Affairs, cannot determine which is responsible. Therefore I move, seconded by the Hon. Member for Prince George-Bulkley Valley (Mr. McCuish):

• (1410)

That these two Departments search their records, assume their responsibility, pay this individual for work done, and see that he can return to the home he left 30 years ago on government business.

Madam Speaker: Is there unanimous consent for this motion?

Some Hon. Members: Agreed.

Some Hon. Members: No.

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FISHERIES

RESTRICTION AGAINST POLLOCK EXPORTS

Mr. Thomas Siddon (Richmond-South Delta): Madam Speaker, given that West Coast draggers are presently harvesting hundreds of thousands of pounds of pollock which cannot be sold through Canadian fish plants because of a restriction against pollock exports, imposed by British Columbia Fisheries Regulations No. 7.1, and whereas this regulation is denying income to many fishermen and shore workers at a time of unprecedented unemployment and financial hardship, I move, seconded by the Hon. Member for Surrey-White Rock-North Delta (Mr. Friesen):

That British Columbia General Regulation 7.1, which prohibits the export of pollock fish in the round, be suspended immediately so that West Coast fishermen can earn much needed income from the abundant stocks of this valuable food resource.

Madam Speaker: Is there unanimous consent for this motion?

Some Hon. Members: Agreed.

Some Hon. Members: No.

POLITICAL PARTIES

PARLIAMENTARY TACTICS OF NEW DEMOCRATIC PARTY

Mr. Benno Friesen (Surrey-White Rock-North Delta): Madam Speaker, Dennis McDermott, President of the CLC, and some say extra-parliamentary leader of the New Democratic Party, has called on two million union members to join a political crusade to destroy the Liberal Party. I move, seconded by the Hon. Member for Central Nova (Mr. MacKay):

That the Leader of the New Democratic Party in Parliament, the Hon. Member for Oshawa, co-ordinate his parliamentary tactics with the pronouncements of Mr. McDermott in order to achieve this worthy objective; since for years, as the House knows, NDP Members of Parliament have been propping up, aiding and abetting in every respect, the Liberal Party's grip on power.

Madam Speaker: Is there unanimous consent for this motion?

Some Hon. Members: Agreed.

Some Hon. Members: No.

* * *

REFUGEES

PROTECTION OF SALVADORAN REFUGEES IN HONDURAS

Mr. Dan Heap (Spadina): Madam Speaker, I rise under the provisions of Standing Order 43. In spite of urgent pleas by Canadian churches and the Canadian Government, the UN High Commission for Refugees has refused to send more representatives to Honduras, where Honduran troops have stepped up their attacks on Salvadoran refugees, and their invasions of El Salvador to attack the Salvadorans who resist El Salvador's police state. Therefore I move, seconded by the Hon. Member for Saskatoon East (Mr. Ogle):

That the Secretary of State for External Affairs request the UN High Commission for Refugees to reverse its decision and send more representatives to protect the Salvadoran refugees, and to observe the border activities of the Honduran army; and that the Minister also urge the Government of Honduras, which receives generous aid from Canada, to sign the UN Convention on Refugees.

Madam Speaker: Is there unanimous consent for this motion?

Some Hon. Members: Agreed.

Some Hon. Members: No.

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CANADA DEVELOPMENT INVESTMENT CORPORATION

Hon. John C. Crosbie (St. John's West): Madam Speaker, I rise under Standing Order 43. In view of the takeover by the CDIC of Crown corporations and ailing private-sector companies, which was announced yesterday, to be led by the men who gave us the Canadian ownership charge of 4.5 cents per gallon imposed to permit Petro-Canada to purchase Petrofina from the Belgians, now to save Dome from itself, and next to float the sinking subsidiaries of CDIC, I move, seconded by the Hon. Member for Simcoe North (Mr. Lewis):

That this House conclude that
With Austin, Strong and Bell
The public sector is going to hell;
With deals that startle by smell
The country is clearly not well;
Canadians now toil for Joel Bell,
Their land is Strong's—it's time to rebel.

Some Hon. Members: Oh, oh!

* * *

EDUCATION

SUPPORT FOR POST-SECONDARY INSTITUTIONS

Mr. Howard Crosby (Halifax West): Madam Speaker, the presidents of Canadian universities have expressed dismay and deep concern at continuing federal-provincial disagreement over the funding of post-secondary education and the definition of objectives for higher learning. The future of Canada's universities and colleagues is in jeopardy as a result of restraint programs and governmental neglect. Accordingly, I move, seconded by the Hon. Member for Fundy-Royal (Mr. Corbett):

That this House direct the Government of Canada to honour the public commitments made by the former Secretary of State to maintain the vitality and strength of post-secondary institutions in Canada, and to protect the educational future of Canadian university students.

Madam Speaker: Is there unanimous consent for this motion?

Some Hon. Members: Agreed.

Some Hon. Members: No.

ORAL QUESTION PERIOD

[*English*]

CANADA DEVELOPMENT INVESTMENT CORPORATION

USE OF PROFITS

Hon. Michael Wilson (Etobicoke Centre): Madam Speaker, my question is to either the Prime Minister or the Minister of Finance. It is in connection with the expansion of the role of the Canada Development Investment Corporation. The Government has created a "Bail-Can" here, a group of companies some of which are profitable and some of which are stretcher cases. I direct my question to either the Prime Minister or the Minister of Finance. Is it the objective of the Government, in creating CDIC, to apply the profits of companies such as CDC and Teleglobe to the losses of companies such as Canadair and Massey-Ferguson, and in so doing avoid

the painful exercise of coming to Parliament for money to bail out the great mistakes of these corporations?

• (1415)

[*Translation*]

Hon. Pierre Bussières (Minister of National Revenue): Madam Speaker, in his question, the Hon. Member has shown that he is a little confused about the Government's objective in giving this mandate to its new holding company. The Hon. Member wondered whether the purpose was to transfer funds from certain corporations that are making a profit to others that are less profitable. The Government's objective is, first of all, to provide for stricter management of shares held by the Canadian government in the Canada Development Corporation, and also to provide for stricter management of other commercial corporations that are wholly owned by the Government of Canada. The Government also intends to offer opportunities to private companies that might be interested in a joint venture with the government, both with respect to ownership and management. Thus, by diversifying ownership of companies and by increasing management control through the expertise that will be provided by the people heading this new corporation, we will improve the financial well-being of corporations that may be experiencing difficulties, and we will be giving the private sector an opportunity to obtain an interest in corporations that are financially more attractive.

[*English*]

Mr. Wilson: Madam Speaker, I do not quite understand where the Minister of National Revenue comes in on this particular topic.

PRIVATIZATION OF CROWN CORPORATIONS

Hon. Michael Wilson (Etobicoke Centre): Madam Speaker, the former President of the Treasury Board, in the first speech he made after he became the Minister, said that he was going to follow the policies proposed by the Government of the Right Hon. Leader of the Opposition to privatize Crown corporations. Since then nothing has happened, even though there have been many opportunities.

Can the Prime Minister give any assurances, such as giving specific deadlines of when companies will be privatized, or is this CDIC just another example of the same old Liberal shell game of shuffling mistakes around to make it appear things are being done, but in fact the whole process is simply one of hiding gross errors?

[*Translation*]

Hon. Pierre Bussières (Minister of National Revenue): Madam Speaker, first of all, I would like to apologize to the Hon. Member and explain why I rose in the House just now. The reason is that the minister responsible for this corporation sits in the Senate, and thus the Prime Minister asked me to answer in the House on behalf of this new corporation, namely, the Canada Development Investment Corporation. I would like to point out to the Hon. Member that in view of his experience in business and the capital markets, he ought to know that it would not necessarily be very wise from the financial point to set definite dates for the partial or total privatization of a company that is owned by the Government of Canada. He knows perfectly well that where diversification of ownership or privatization of a company is concerned, the government must try to get the best possible return on these assets, and that in such cases, it must consider market conditions and wait until those conditions and any offers made have been assessed in terms of the resulting return on the investment made by all Canadians in these corporations.

[*English*]

Mr. Wilson: Madam Speaker, I think the translation of that is yes, it is the same old Liberal shell game.

Some Hon. Members: Oh, oh!

MINISTERIAL RESPONSIBILITY

Hon. Michael Wilson (Etobicoke Centre): Madam Speaker, the three men who are most involved in this Corporation are Senator Austin, Maurice Strong, and Joel Bell. Over the past few years these men have been characterized as socialist entrepreneurs who have been closely associated with increasing the role of Government and involvement of the state in industry, and increasing the socialist approach to Government. Can the Minister tell the House if there is any possible reason why the CDIC should be in the hands of the Minister of State for Social Development apart from advancing the known philosophical objectives of these three men of increasing Government involvement and the role of the state?

• (1420)

[*Translation*]

Hon. Pierre Bussières (Minister of National Revenue): Madam Speaker, I think the Hon. Member is mistaken in his assessment of these people. Management has always been their strong point, as well as their ability to put into practice the policies formulated by the Government. In this particular case, the Government's policy is to provide for stricter management of its commercial corporations and of shares held by the Government, and these individuals, who are top management people, have the ability to bring to this new corporation the essence of the strict management practices they have demonstrated in the past. In addition, the Government also wishes to attract participation by private companies in these commercial corporations, and I am sure that since the people involved have an excellent reputation in the business world, they will be able to attract capable management executives and to interest the private sector in the Government's diversification policy.

[*English*]

TERMS OF CHAIRMAN'S EMPLOYMENT CONTRACT

Mr. Don Blenkarn (Mississauga South): Madam Speaker, my question is directed to the same Minister. We all know the excellence in management that we have had from these particular people. Let us deal with Mr. Maurice Strong who obtained a $1 million fee for negotiating the purchase of Petrofina at twice its market value. That is excellent management. Could the Minister advise us if part of Mr. Strong's employment contract is that he move back to Canada, and bring his Geneva bank account back to Canada?

Will the Minister advise if Mr. Strong, in his part-time capacity, will be able to continue to negotiate on behalf of Canada or otherwise for his usual $1 million fee schedule in buying and selling Crown corporations?

[*Translation*]

Hon. Pierre Bussières (Minister of National Revenue): Madam Speaker, I think the question put by the Hon. Member has demonstrated that he is not really serious in his approach to issues that are of vital concern to all Canadians. The people who have been responsible for operating, managing and directing the new corporation, as I indicated earlier, are very high calibre management executives, who in the past have demonstrated their ability to carry out the mandates entrusted to them by the Government of Canada.

[*English*]

Mr. Blenkarn: Let us get off Mr. Strong for a moment. He is the fellow who cost us money twice for Petrofina.

TERMS OF PRESIDENT'S EMPLOYMENT CONTRACT

Mr. Don Blenkarn (Mississauga South): Madam Speaker, I should like to talk about Joel Bell now. He is the person who has absolutely no experience in the private enterprise field. I wonder if the Minister could confirm that Mr. Bell has insisted on a ten-year no-cut contract to take over this Corporation on the basis that he is afraid there will be a change in Government. Would the Minister advise Mr. Bell right now that, no matter what his contract says, he will not be receiving any fancy separation allowances just because of his political connections?

[*Translation*]

Hon. Pierre Bussières (Minister of National Revenue): Madam Speaker, I think the Hon. Member is aware that the terms of remuneration of employees and people working under contract in such areas are confidential, and he will understand why I shall not comment on his question.

[*English*]

PUBLIC WORKS

REQUEST FOR ANNOUNCEMENT OF JOB CREATION PROGRAMS

Hon. Edward Broadbent (Oshawa): Madam Speaker, my question is directed to the Minister of Public Works. As the Minister knows, in the past 12 months we have lost more than 500,000 jobs in the Canadian economy. Yesterday the Conference Board predicted that we will continue to have massive lay-offs this winter and throughout the coming year. Instead of waiting for the paltry new programs the Government announced for job creation, which come into effect in January, is the Minister prepared to show some urgency by announcing some new Government job creation programs to give Canadians hope before Christmas that they can get jobs?

• (1425)

Hon. Roméo LeBlanc (Minister of Public Works): Madam Speaker, if the Hon. Member's conversion to not wanting a greater deficit was not so recent, I might have forgotten it. The fact is that I see no possibility of starting Public Works projects without substantially increasing the deficit.

There is one technique which we suggested in Bill C-91, that is, to go through the lease/purchase option which would in fact allow us to create considerable activities in certain parts of the country. Perhaps the Hon. Member will want to convince the people on his right, those in the Official Opposition, that if they can forget their hang-ups about some of the construction in Hull and look at this Bill on its merits, they might want to pass it.

Mr. Broadbent: Indeed, I suggested to the Government, within its accepted fiscal framework, a proposal for creating new jobs.

SUGGESTED MUNICIPAL CAPITAL WORKS PROGRAM

Hon. Edward Broadbent (Oshawa): Madam Speaker, considering that a short time ago the Minister received a letter from me outlining a proposal for a $400 million municipal capital works project, and that in another context I have made a specific suggestion about where the Government could obtain revenue to finance it, will the Minister indicate to the House whether he is prepared to embark upon such an imaginative program which would provide pay cheques for people who are working, rather than unemployment cheques for people who are doing nothing? Will the Government take some kind of new initiative?

Hon. Roméo LeBlanc (Minister of Public Works): Madam Speaker, when the figures are published on the take-up of the home owning grants, I believe the Hon. Member will realize that our efforts to stimulate that sector have been more successful than I suspect we even dared hope.

On the question of public works projects, the Hon. Member should know that if we had the money in the budget of Public

Works we would be ready to put development plans into effect very, very quickly.

REQUEST FOR EARLY INTRODUCTION OF PROGRAM

Hon. Edward Broadbent (Oshawa): Madam Speaker, considering that the Government's annouced NEED Program will provide only 20,000 jobs over the next six months for people who are coming off unemployment insurance benefits, and will not provide a single job for the more than 1.5 million Canadians who remain unemployed and would like to have an opportunity to work, and considering that the municipalities have indicated that there is a need well beyond what the Government has recognized in terms of its funding, and that Canadians would like to have jobs now, will the Government, before the new year, bring in a municipal capital works project of significant proportions to provide jobs for Canadians who want them?

Hon. Roméo LeBlanc (Minister of Public Works): Madam Speaker, as Minister responsible for public works and housing, I have asked my people to prepare for the eventuality when infrastructure money or other programs could be put into effect. We are doing that. If the financial situation were such that money is made available to us, we would be in a position to spend it very quickly.

* * *

TRADE

GATT CONFERENCE—GOVERNMENT POLICY

Hon. John C. Crosbie (St. John's West): Madam Speaker, my question is directed to the Prime Minister. As he knows, the 88 Trade Ministers are now meeting in Geneva for the first time in nine years under the terms of the GATT Agreement, and the meeting is chaired by the Secretary of State for External Affairs, our fugitive from Finance. That Minister said at Geneva, and I quote him, "Protectionist policies, by obstructing internaional trade, are accumulatively destructive of employment," meaning jobs, "and, by undermining efficiency exacerbate inflation," meaning increased inflation. Is this the Government's policy and belief? If so, will the Government now eliminate its own protective policy which it has adopted and that we have seen evidence of in recent months?

• (1430)

Did the Government, in preparing for this very important meeting consult, with the U.S. Government? Have we developed a joint strategy with the United States, and are we working with the U.S. in that Government's attempt to liberalize world trade?

Right Hon. P. E. Trudeau (Prime Minister): Madam Speaker, in terms of consultation, this subject has come up at least at the two most recent Summits which Canadian representatives attended, first at Versailles and then in Montebello. On both of those occasions Canada was one of the strongest voices in fighting against any tendency toward protectionism. We all know the evils that the beggar-my-neighbour policies caused in the 1930s, and I think it is fair to say that the industrialized countries, particularly the Summit Seven, are very concerned about the possibility of a return to that type of protectionism. That is the role the Secretary of State for External Affairs is taking as Chairman of the Conference, but that is more particularly the role which the Minister responsible for international trade will be playing as head of the Canadian delegation in the Geneva meetings.

Mr. Crosbie: Madam Speaker, the Prime Minister said that we have been a strong voice for the elimination of protectionism, and for free trade. Is our Government going to act, in addition to having a strong voice, because if the Government acts differently than it says, then that is hypocrisy and it does not persuade anyone? In the future is this to be the guiding principle and will it be acted on by the Government?

JOINT STRATEGY

Hon. John C. Crosbie (St. John's West): Madam Speaker, the Prime Minister did not answer my query as to whether we have developed a joint strategy with the United States. If not, are we trying to develop a joint strategy with the European Economic Community with whom he has a contractual arrangement? Is that contractual arrangement worth anything, because today people are taking a very protective attitude at Geneva? Are we co-ordinating and do we have a joint strategy with the United States? If not, do we have a joint strategy with the European Economic Community? Will the Prime Minister tell us whether we are going to act to eliminate protectionism and help free trade, in addition to voicing that principle which is so often not observed and breached?

Right Hon. P. E. Trudeau (Prime Minister): Madam Speaker, in terms of a joint strategy I thought I had indicated in my reply that the Seven Summit countries and, indeed, the European Economic Community representatives, tried to establish such a strategy, and that Canada was part of it. Naturally within that over-all strategy of fighting collectively against protectionist trends, Canada's strategy is mainly to protect itself. I discussed these matters with the European leaders whom I met last week, the German Chancellor, the French President and Prime Minister. We are aware of some general willingness to act together in this, but I would not say that the strategy will be the same in all cases for everyone.

In so far as lowering our protectionist barriers is concerned, I would be the first to admit that there are some protectionist barriers erected by Canada in the case of some very soft industries, like textiles, the leather industry, and the clothing industry. This is true, I believe, for just about every industrialized country. Certainly it is true in the case of textiles for the U.S. to a much more massive degree than for Canada. We are all sensitive to this reality and that is why Canada, in particular, is trying to phase out even those protectionist measures. We hope we will be successful, but I will not pretend that we

can overnight withdraw all protection to these particular industries and still indicate our concern for the Canadian economy.

I do not believe seriously that Hon. Members opposite would propose that all quotas be lifted immediately in those particular areas. If such is their policy, I would challenge them to make it clear. If such is not their policy, they are just as protectionist as I am, which is to say not very much.

LUMBER EXPORTS TO UNITED STATES

Hon. J. Robert Howie (York-Sunbury): Madam Speaker, my question is for the Acting Minister responsible for International Trade. The United States International Trade Commission has found that imported Canadian lumber may be injurious to the U.S. lumber industry. Will Canada oppose any American move to block Canadian lumber exports, and what does the Minister intend to do about it?

[*Translation*]

Hon. Charles Lapointe (Minister of State (External Relations)): Madam Speaker, as far as this question is concerned, the Government of Canada, in co-operation with the provincial governments and especially with industry, has already notified the American authorities that we do not agree with the preliminary finding which alleges that a subsidy was attached to provincial royalties with respect to logging operations. A joint representation has been made to the American authorities. The Secretary of State for External Affairs has mentioned the matter directly to the U.S. Secretary of State, Mr. Schultz. Last week, when the Minister of State for International Trade was visiting Washington, he, too, mentioned this to the American Secretary of State for Trade, and we are continuing our joint lobby with the provinces and industry to prevent this preliminary finding regarding a possible subsidy from going any further, but in any case, the U.S. Administration will not be making a decision much earlier than March or April.

[*English*]

Mr. Howie: Madam Speaker, I would like to thank the Minister for his encouraging report. I am sure the Minister is as aware as I am of the very serious effect that this major export market has on the Canadian lumber industry, particularly in the Atlantic provinces and in British Columbia.

UNITED STATES RESPONSE TO REPRESENTATIONS

Hon. J. Robert Howie (York-Sunbury): Madam Speaker, my supplementary question is also for the Acting Minister responsible for International Trade. In addition to the representations he has made, can the Minister indicate to us what the American response has been, and will the matter be raised at the GATT meetings that are now going on in Geneva?

[*Translation*]

Hon. Charles Lapointe (Minister of State (External Relations)): Madam Speaker, the U.S. Administration's response has been to show some degree of concern with respect to a large number of protectionist measures the U.S. Congress seems to be about to propose at the present time. Their response was not much more detailed than that. We have already advised the GATT committee in charge of complaints that this could become a problem in relations between Canada and the U.S., and that if the U.S. Administration found that there was a subsidy in royalties for logging operations in Canada, the entire question would be brought before GATT. We have advised GATT that we do not agree with this allegation.

* * *

[*English*]

FINANCE

LEGISLATION TO AMEND LIFE INSURANCE TAXATION

Mr. David Weatherhead (Scarborough West): Madam Speaker, my question is for the Minister of Finance. In view of representations by the life insurance industry, can the Minister confirm whether draft legislation containing proposed income tax amendments affecting taxation of insurance will be tabled in the House of Commons in the near future?

Hon. Marc Lalonde (Minister of Finance): Madam Speaker, I indicated in a previous answer that my intention was to table a draft bill on this particular subject for consideration and discussion. However, pursuant to meetings which the Minister of State for Finance, my Parliamentary Secretary, and I have had with representatives of the industry, along with representations made to the parliamentary committee and to my caucus, as well as representations made by the Hon. Members for Kitchener, London West and London East, we have made such good progress that I will be able to table amendments to the Income Tax Act in early December, together with the Ways and Means Motion, which will include the various amendments to the life insurance proposal.

Mr. Crosbie: Retreat No. 43.

Mr. Lalonde: I hope they will be satisfactory to all Members of the House, particularly to those Members on the Government side who have done such good work on the subject.

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HEALTH

STUDY OF PERSONS EXPOSED TO ATOMIC RADIATION

Mr. Ray Skelly (Comox-Powell River): Madam Speaker, my question is for the Minister of National Health and Welfare. It relates to Canadian atomic veterans and civilians who have petitioned and appealed to the Government to

undertake a comprehensive medical study to attempt to determine whether the health problems they are experiencing relate to their exposure to radiation. The Government made a commitment last June to fund the study and that it would be released wihtin six months.

It now appears that the study has not been approved and, in the event it is approved, it will not go forward until January. It seems that restraint has drastically cut the proposed study to the point where it is useless in terms of providing new information on the subject, and useless in terms of providing assistance to the veterans and civilians who are now applying for pensions before the Workmen's Compensation Board. These people are moving but their cases are being turned down out of hand because they do not have the supporting information.

• (1440)

Could the Minister explain to the House how the Government's commitment went sour, and what she intends to do to ensure, through her Department, that adequate funding is put forward to make this comprehensive medical study a reality and assist those veterans and civilians who have served the country?

Hon. Monique Bégin (Minister of National Health and Welfare): Madam Speaker, the information I have received is to the effect that in recent months, since the spring, we have had discussions with the interested parties. We reiterated several times that the NHRDP, which is a program of applied health research in my Department, might be the best funding agency for a proposal answering the question put by the Member. Unfortunately, the doctors who were supposed to apply and put forward a proposal did not do so under that particular branch of my Department.

However, my colleague, the Minister of Veterans Affairs, has commissioned a study to look into that matter. He is not in the House today so I cannot give more details to the Hon. Member, but I will accept questions with pleasure and look for information.

Mr. Skelly: I think the basic problem with the approach is that this is a serious health problem not only affecting veterans but civilians who have approached the Workmen's Compensation Board on the same grounds. They are waiting for appeals to proceed and cannot do so without it. The Minister said that the commitment was made—it was made six months ago.

REQUEST FOR MINISTERIAL COMMITMENT

Mr. Ray Skelly (Comox-Powell River): Will the Minister give us a commitment that it is not the restraint within her Department that is holding this study back, and say that the Government failed to consult with the veterans, with the result that we have a study, which is now in its format stage, that will be absolutely useless? Will the Minister give us a commitment that adequate funds will be put up to do the job, and that there will be detailed consultations with the veterans so they will know that the study will relate to their applications for pensions? Can she give us those hard commitments as far as the responsibility relates to her Department?

Hon. Monique Bégin (Minister of National Health and Welfare): Madam Speaker, I can answer that the study will be useful and that there has been no restraint whatsoever in any of my medical research programs on this particular proposal.

The other points are simply not even accurate and not of any interest as far as I am concerned. The only point on which I do not have an answer and on which I will have to consult my colleagues is the question concerning past consultation with veterans. I am not sure, and I will check that point.

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ENVIRONMENTAL AFFAIRS

B.C. HYDRO PROJECT TO STORE POLYCHLORINATED BIPHENYLS

Mr. Jack Shields (Athabasca): Madam Speaker, my question is directed to the Minister of the Environment. I am sure the Minister is aware that B.C. Hydro plans to establish a storage dump for very toxic PCBs at the site of the Peace Canyon Dam at Hudson Hope, British Columbia. Has the Minister given his approval to B.C. Hydro for the site and, if so, does he not think that a storage dump for PCBs on the banks of a river in a major watershed is a ridiculous place for a storage dump? Does he not realize that 8,000 to 10,000 containers of PCBs stored in an old warehouse, on the banks of a major river, with the resulting dangers of rust and leakage, threaten to contaminate not only the Peace River but the Athabasca Delta which is one of the largest freshwater deltas in the world?

Hon. John Roberts (Minister of the Environment): Madam Speaker, of course the management of PCBs and the problem that the PCBs pose to us are a matter of great concern to us. This is a matter not only of national concern but international concern.

The Hon. Member has cited a particular case. I am glad that he has brought it to my attention. I do not have a specific reply at my fingertips but I will look into the matter as quickly as I can and give him as many details as possible.

Mr. Shields: For the Minister's information, apparently the dumps in the Lower Mainland of British Columbia are full, and therefore B.C. Hydro is going to establish a dump on the banks of the Peace River.

REQUEST THAT OFFICIAL ATTEND CITIZENS' MEETING

Mr. Jack Shields (Athabasca): Madam Speaker, there will be a meeting in the community hall at Hudson Hope at 7.30 p.m. on November 30. It is an information meeting for the citizens of Hudson Hope. Will the Minister be sending a senior representative from his Department to that meeting?

Hon. John Roberts (Minister of the Environment): Madam Speaker, I am certainly tempted to say yes, but I would like to verify some more details before I make a decision.

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WELFARE

LEVEL OF PAYMENTS

Mr. W. C. Scott (Victoria-Haliburton): Madam Speaker, my question is directed to the Minister of National Health and Welfare. I, and other Members of Parliament, are informed daily of cases where welfare is refusing to assist even those in dire straits. Will the Minister consider, if not increasing the federal Government's share of the welfare payments, immediately negotiating with the Provinces and municipalities to increase the over-all level of payments? Something must be done to tide people over until NEED and other programs take effect?

Hon. Monique Bégin (Minister of National Health and Welfare): Madam Speaker, I have heard, without any examples, rumours to that effect. That is why I published an insert with all of the Family Allowance cheques to Canadians in September which explained their right to welfare and the mechanism to which they must apply if welfare is ever refused. I cannot act directly on it myself, but if any case which is known to Members is reported to me, I will direct them to the proper provincial Minister of Welfare to make absolutely sure the basic rights of people are covered.

REQUEST THAT MINISTER CONSULT COLLEAGUE

Mr. W. C. Scott (Victoria-Haliburton): Will the Minister of National Health and Welfare discuss with her colleague, the Minister of Employment and Immigration, how they can, together, be of some assistance to those who cannot wait for a cheque in the few months ahead, so they can put food on the table for their children?

Hon. Monique Bégin (Minister of National Health and Welfare): Madam Speaker, I think the Hon. Member is not at all aware of how the welfare system functions. That mechanism is already in existence. It is called welfare. It is a provincial program, and there is assistance for people in emergency situations, or "un système de dépannage" which is part of regular welfare to help do exactly that. I automatically reimburse 50 per cent of these costs. That mechanism does exist.

Since the Member began with an accusation which is quite serious, if he has any cases of people who have been denied welfare, please report them. It is the right of the poorest in our society, and we will protect them.

ENERGY

MANAGEMENT OF RESOURCES OFF NEWFOUNDLAND SHORE

Hon. James A. McGrath (St. John's East): Madam Speaker, my question is directed to the Right Hon. Prime Minister. On November 23 the Prime Minister wrote a letter to a St. John's newspaper and indicated that the federal Government was reassessing its position on the offshore question. In the interest of resuming negotiations, is the Government of Canada prepared to soften its position, since it has taken a very hard position on the question of joint management?

Right Hon. P. E. Trudeau (Prime Minister): Madam Speaker, did the Hon. Member read that I said I was reassessing my position?

POSSIBLE RESUMPTION OF NEGOTIATIONS

Hon. James A. McGrath (St. John's East): Madam Speaker, the Prime Minister said this in the letter:

> Since the Supreme Court hearing has been set back to February 22, I believe that we have yet another chance to review our positions.

This indicates, of course, that the Government of Canada was doing just that in the next sentence, reviewing its position. In reviewing the position of the Government of Canada, is the Prime Minister prepared, in the interest of resuming negotiations and settling this dispute, to soften the position of the federal Government on joint management? Is he prepared to enter into a position with the Government of Newfoundland where there will be real joint management in which no side will control the management board?

Right Hon. P. E. Trudeau (Prime Minister): Madam Speaker, I do not propose to negotiate this matter with the Hon. Member, respected as he is in the House. I have met Mr. Peckford. This letter says that I am prepared to meet him again. Since he is the one who called for greater delay from the Supreme Court, other than procrastination, which I do not suspect him of, it must be that he has something more to say. Therefore, I would suggest that when I said "review our positions"—it is the famous "s" that we discussed yesterday—I think if he is prepared to review his position I would be prepared to review mine. He is the one who asked for this delay, I suppose because he thinks he wants to make another proposal.

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CANADA MORTGAGE AND HOUSING CORPORATION

DELAY IN PROCESSING APPLICATIONS FOR ASSISTANCE

Mr. David Orlikow (Winnipeg North): Madam Speaker, my question is directed to the Minister responsible for housing. A large number of applications are being made by Canadians to the Government's housing assistance programs as exemplified in the Homebuyers Grant Program and the Residential Rehabilitation Assistance Program. There is now a large

backlog of applications, partly due to a shortage of staff in Canada Mortgage and Housing, and partly because the funds will be exhausted with the success of the Programs. Given these facts, would the Minister take action to eliminate the staff shortages at CMHC so it can deal with the applications more expeditiously, and would he consider increasing the funds available for these kinds of programs so that Canadians who want to use them can have their applications considered?

• (1450)

Hon. Roméo LeBlanc (Minister of Public Works): Madam Speaker, on the two issues, as to the question of backlog, yes, I recognize that the volume of applications is putting a heavy load on our CMHC staff. I was speaking to one regional group earlier in the week and some of the employees were coming in in the evening, even though they were not being paid for that time. I recognize that, and to their credit they have tried to deal very quickly and effectively with the problem. In some cases they have taken on additional persons. As the Hon. Member knows it is not easy to bring somebody in on a short contract basis to make judgment on some of these rather complicated forms.

On the second item, the Hon. Member knows that the Minister of Finance announced a prolongation of the program for existing and new houses until the end of the present calendar year, and for new houses only until the end of April, 1983, and I will stand by his statement.

REQUEST FOR EXTENSION OF PROGRAMS

Mr. David Orlikow (Winnipeg North): Madam Speaker, given the fact that we have a million and a half unemployed, and given the fact that we have close to 200,000 construction workers who could be working and producing and paying taxes rather than drawing unemployment insurance, would not the Minister at least urge his colleague, the Minister of Finance, to increase the amount of money and extend the time under which these programs are to operate, so we can begin to make an appreciable reduction in the exorbitantly high number of unemployed we have at the present time?

Hon. Roméo LeBlanc (Minister of Public Works): Madam Speaker, I am afraid that the level of take-up of the programs is in fact creating some problem of backlog. The figures that have been granted to the two programs mentioned by the Hon. Member, appear to be quite adequate, if one judges by the number of applications that are coming to us.

* * *

[*Translation*]

CORPORATE AFFAIRS

IMPACT OF BILL S-31 ON QUEBEC COMPANIES

Mr. Jean-Guy Dubois (Lotbinière): Madam Speaker, my question is directed to the Minister of Consumer and Corporate Affairs and concerns an article that appeared in the newspaper *La Presse* and refers to a statement made by the Quebec Minister of Finance with respect to Bill S-31. The article appeared under the heading: After twenty years, efforts of Quebec government threatened, and quotes Minister Parizeau. The article also mentions several Quebec companies. I wonder if the Minister of Consumer and Corporate Affairs could inform the House whether the allegations of the Quebec minister have any basis in fact.

Hon. André Ouellet (Minister of Consumer and Corporate Affairs): Madam Speaker, it seems to me that Bill S-31 does not prevent the Government of Quebec from helping a Quebec company. In fact, it can do so in many ways. Mr. Parizeau's opposition to Bill S-31 appears to be based on false premises. I fail to understand why Mr. Parizeau insists on becoming co-owner of a Quebec company in order to help it. We, that is, the Government of Canada, recently gave Bombardier some very special assistance, without, however, demanding a seat on the board of directors or shares in the company in return.

* * *

[*English*]

NATIONAL PARKS

BANFF LAND EXCHANGE—NATURE OF GOVERNMENT'S OBLIGATIONS

Right Hon. Joe Clark (Leader of the Opposition): Madam Speaker, my question is to the Minister responsible for Parks Canada and responsible for the deal for Judd Buchanan and his friends. The Minister has said that the decision on the land transfer was taken in September. However, the building permit was not issued until November 16, issued by an official who has resigned because he was acting under coercion, and issued 12 days after the Banff-Lake Louise Chamber of Commerce had expressed their objection.

The Minister has said there are legal obligations that the Government must honour.

Will the Minister tell the House, what is the exact nature of that legal obligation and does that obligation arise from the decision respecting the land transfers, or does it arise from the issuance of the permit?

Hon. John Roberts (Minister of the Environment): Madam Speaker, I am not sure, not being a lawyer, that I could give the Right Hon. Gentleman a legal opinion, even if that were a proper thing for me to do. What I can do is report to him that I did ask my officials to look into the legal possibilities, and I was told that by virtue of the agreement that had been made in mid-September it was not possible to undertake the revision or the rescission of that decision without risking the kind of legal consequences which I have already described to the House yesterday.

REASON FOR DECISION TO MAKE LAND TRANSFER

Right Hon. Joe Clark (Leader of the Opposition): The reply of the Minister is a little more vague than yesterday. He talks about legal risks. There may well not be a legal liability. He says he does not know or, if he knows, he is not telling us. But whatever there is apparently relates to the decision regarding the transfer of land.

Will the Minister tell the House of Commons why that decision was taken, and will he give us an immediate undertaking now to publish all representations and all other information, including records of telephone calls between Mr. Buchanan and himself, or between Mr. Buchanan or Mr. Buchanan's agents and anyone in the Department that affected that decision?

Hon. John Roberts (Minister of the Environment): Madam Speaker, as I have already I think clearly indicated to the Right hon. gentleman and to the House, the reason why the decision to make the swap was made was because Parks Canada officials and experts believed that that exchange was in the best interests of Parks Canada and the Banff townsite.

I do not propose to undertake the kind of fishing expedition that the Right hon. gentleman has described. If the Right hon. gentleman has any reason to believe that there is a specific and verifiable wrongdoing by any individual in this case, let him make that allegation. Let him make it now. If he is not prepared to do so, let him cease attacks which are nothing more than smear and innuendo, not simply against me but against Privy Councillors who are not in this House to defend themselves, and which relate to private citizens as well.

Some Hon. Members: Hear, hear!

AUTHORITY FOR ISSUING BUILDING PERMIT

Right Hon. Joe Clark (Leader of the Opposition): The Minister first blames his officials. He says it was their decision, and he is not going to inquire into it.

Secondly, he refuses to make available to the House of Commons the information, including records of telephone calls, between himself and Judd Buchanan or other interested parties, which would allow the House of Commons, which is the ultimate body to make these decisions, to know exactly what went on.

I repeat my question to the Minister. Will he table all of those documents? If not, why will he not table them?

While I am on my feet, let me ask him another question. He will know that Mr. Tom Ross, the Acting Superintendent of Banff National Park, and Mr. Lee Racine, the official who resigned because he felt he had been coerced to make a bad decision, both of those gentlemen said they took the decision because they were instructed to do so by the Calgary office. The Director of the Calgary office, Mr. Lightfoot, said "We do not recommend issuance of building permits. I don't have that right." So he did not issue the order. He did not apply the coercion. Who applied the coercion, and why?

Hon. John Roberts (Minister of the Environment): Madam Speaker, the hon. gentleman, clearly, having been asked if he had any specific and verifiable allegation of wrongdoing to make, has not done so. What he has done again is smeared officials of my Department. His conduct I consider to be irresponsible, dishonourable, and contemptible.

In terms of the specific questions which he posed, I have at no time blamed any of my officials for an action which they took in relation to this issue, nor is there, to the best of my knowledge, any telephone call from Mr. Buchanan nor indeed from anybody else on this subject. It may be the practice of the Right Hon. Member to record and take notes on calls that are made to him by private citizens, but it is not my practice to do so.

Some Hon. Members: Hear, hear!

Mr. Roberts: As far, Madam Speaker, as the decision on the issuance of the permit, it was made by the Parks Canada officials who are responsible for so doing. It was not an instruction which came from me; it was not an instruction which came from my office. It was a decision which was taken by the Parks Canada officials who are responsible for those decisions. If he believes specifically otherwise, let him say so specifically—

Mr. Taylor: I say so, now.

Mr. Roberts: —and let him do it in a way which is verifiable.

• (1500)

REQUEST FOR PUBLICATION OF REPRESENTATIONS RECEIVED PRIOR TO DECISION

Right Hon. Joe Clark (Leader of the Opposition): Madam Speaker, the Minister well knows that public servants cannot be questioned in this House. Ministers can be. The decision was taken by a Department for which this Minister replies in this House. He cannot evade that responsibility by saying he has not asked the questions. He has an obligation to ask questions, and this House has an obligation to know what exactly led to a decision which was opposed by people in the Park, and which was imposed by coercion upon officials in the Park. Therefore I repeat my question to the Minister. If he has nothing to hide, if this is a normal transaction, will he make an undertaking now to publish all information, including records of calls or records of representations that led to that decision, and if not, will he tell us what it is that he is trying to hide?

Some Hon. Members: Hear, hear!

Hon. John Roberts (Minister of the Environment): Madam Speaker, there is nothing to hide. I have been in this House for three days answering as fully as I can, and as directly as I can, all of the questions which Hon. Members have put to me. I am prepared to continue to do so if they wish to pose more questions. It appears to me contrary to the public interest. If there is any specific fact, or if there is any specific question which they wish to ask that they feel I have not replied to, I will be happy to receive it in the House or in writing, but I am not

going to accept that we should engage in some wild fishing expedition when I get the kind of wild, unsubstantiated, smearing statements which come from the hon. gentlemen opposite.

* * *

[*Translation*]

PETITIONS

TABLING OF REPORTS OF CLERK OF PETITIONS

Madam Speaker: I have the honour to inform the House that the Clerk of the House has laid upon the Table reports of the Clerk of Petitions stating that he has examined the petitions presented by Hon. Members on Wednesday, November 24, 1982, and finds that the petitions meet the requirements of the Standing Orders as to form.

* * *

[*English*]

BUSINESS OF THE HOUSE

WEEKLY STATEMENT

Mr. Nielsen: Madam Speaker, I have a question for the Government House Leader. He was good enough to inform me this morning that today we would be proceeding with Bill C-131, an Act to amend the Old Age Security Act, and the legislation which would follow if that were disposed of. I wonder if he would be kind enough to outline the business that the House will be dealing with tomorrow and for as far into next week as he can.

While he is doing that, would he also inform the House when he intends to call the motion standing in his name, commencing at page 3 and going over to page 4 of today's Order Paper, dealing with the third report of the special committee dealing with parliamentary reform. I ask him that because I anticipate that the House will want to express its views on the very excellent work that was done by committee Members from all sides of the House in producing that third report, and I assure him at the same time that we will be supporting the motion to concur in that report.

Some Hon. Members: Hear, hear!

Mr. Nielsen: We will be supporting the motion. We have no intention of requiring any division.

Mr. Pinard: How long will it be debated?

Mr. Nielsen: I will get to that in a moment. We want to see it adopted before Christmas so that we can commence the experimental period that has been recommended by the special committee. We believe, however, that the House will want to express its views on the very excellent work done by that committee and to express our understanding of the intent of the committee and its report with respect to the implementation of that experimental period.

I do not foresee a lengthy debate on the matter. In fact, I would not even describe it as a debate, but rather a discussion. I suggest that the Government House Leader might set it down for a short day, either a Wednesday or a Friday, with the assurance that we do not intend to require a division and that we intend to support the motion.

Some Hon. Members: Hear, hear!

Mr. Pinard: Madam Speaker, I welcome the openmindedness expressed by the Hon. Member. I thank him and his colleagues for having expressed support for the unanimous report of the special committee on parliamentary reform. As he well knows, we on this side very much support that experiment. We would like to know as early as possible when the whole House will approve this motion so that we can prepare the work necessary to implement the experiment on time. Some work will have to be done within the coming days and weeks in order to prepare the new committee size, and so on. Therefore, the sooner the motion is adopted, the better.

I welcome the offer made by the Hon. Member. I conclude from his remarks that this motion will be brought forward and adopted within a day. He even mentioned a short day. I will be generous with him. If he agrees to a House Order that this motion be adopted at the end of a day, as he said, I will call that motion on Monday so that as many Members as possible have an opportunity to speak on the motion, and by ten o'clock on Monday night this reform will be accepted by Parliament and the experiment will commence December 22. If he confirms that, it will help me to establish the order of business for the coming days.

Mr. Nielsen: Madam Speaker, we have no problem with that suggestion by the Government House Leader. Indeed, we see no reason for there being a House Order. I am stating to the Government House Leader as House Leader for the Opposition in the House that he has the undertaking of the Opposition that Monday will be quite satisfactory for a full day's debate. As a matter of fact, it is a generous offer by the Government House Leader. We will come to a conclusion.

Having said that, I think there is ground for a useful discussion with respect to implementation. We missed our House Leaders' meeting this morning. Otherwise, I would have raised it at that time. Perhaps we can meet later today or tomorrow to discuss one problem, more by way of explanation, with regard to the implementation contained in his motion, his motion differing from the recommendation of the committee. There is just that explanation I will seek from him. It is a technical matter. I am sure it could be clarified very quickly if he would agree to a House Leaders' meeting later on today or tomorrow.

Mr. Deans: Madam Speaker, I am delighted to listen to the exchange between the House Leader for the Government and the House Leader for the Official Opposition. I know that the House Leader for the Official Opposition did not intend to leave the impression that only his consent was required. I just want to make it unanimous that we in this Party, whose

consent is also required, and I assume the Hon. Member who sits as an independent Member will also give his consent, agree to allowing either a House Order to be put before the House or, for that matter, just simply agree that on Monday next we will have a discussion on this matter and have it disposed of by the end of the sitting day.

As a Member of the committee, I am particularly pleased to say on behalf of myself and my colleague for Winnipeg-Birds Hill, who also served on the committee, that the work of the committee was of such a nature that the experiment cannot help but work. The commitment of Hon. Members from all Parties, making sure that the experiment which was promoted and proposed was one that could serve the best interests of the House of Commons in general, was a commitment which I found very impressive.

• (1510)

Therefore, I am looking forward to seeing these new rules in place at the beginning of the new year so that we can make for a better House of Commons and not have the public wrath descending upon us as frequently as it has in the past.

Mr. Pinard: Madam Speaker, I thank the Hon. Member for Hamilton Mountain. To clarify the situation, yes, we will call that motion on Monday; yes, I am willing to meet with House Leaders later this afternoon to look at the technical problems. I gather that if we fail to agree on the technical matters, it will not jeopardize the whole project and the motion will be considered on Monday. We will meet at five o'clock for that purpose. We are openminded and are acting in good faith. We want the experiment to work. We want Parliament to become more modern, more efficient and more human, and that is what we had in mind.

In so far as House business for today, is concerned, Madam Speaker, I confirm to the Hon. Member that we will be dealing with C-131 and C-132; but the first item will be under Standing Order 60(10) to concur in Ways and Means Motion No. 47. The first item of business tomorrow will be Bill C-98, followed by C-12 and if need be Bill C-85. We will be dealing with the motion relating to parliamentary reform on Monday. On Tuesday and for the rest of the week up to and including Thursday evening, we will be dealing with Bill C-136, report stage and third reading, hopefully, which will be followed by Bill C-131, if we have not concluded debate today, and Bill C-132.

ROUTINE PROCEEDINGS

[*English*]

MACDONALD ROYAL COMMISSION

TABLING OF ORDERS IN COUNCIL APPOINTING COMMISSIONERS

Right Hon. P. E. Trudeau (Prime Minister): Under the provisions of Standing Order 41(2), I wish to table copies in both official languages of the Orders in Council appointing persons to serve as Commissioners on the Royal Commission on the Economic Union and Development Prospects for Canada.

Right Hon. Joe Clark (Leader of the Opposition): On a point of order, Madam Speaker, may I ask the Prime Minister (Mr. Trudeau) why he did not choose to make a statement on Motions with regard to the finalization of the composition of this Royal Commission? If it is, indeed, as important to the future of the country and to the plans of the Government as he pretends, that is the sort of thing that a Government having respect for Parliament would introduce in Parliament by way of a statement on Motions, allowing debate. Why did he not show that respect for Parliament?

Mr. Trudeau: Madam Speaker, if there was any lack of respect, it seems to me it came from his own Party when a Member on this side asked me a question about the proposed Royal Commission in early November and about a rumour reported in the press that this Commission was being set up. I assured the House at that time, and I assured the Right Hon. Leader of the Opposition (Mr. Clark), that it had not been my intention to make an announcement by way of an answer to a question, but in view of the leak it was inevitable that I proceed in that way. I apologized at the time to the House for the undue haste which was an inconvenience not only, I am sure, to the Opposition, but to the Chairman of the Commission and to Members of the Cabinet. But the deed was done, as it were, and I indicated then that I was prepared to answer other questions. My suggestion was met with nothing but applause from the other side.

* * *

STANDING ORDERS AND PROCEDURE

THIRD REPORT OF SPECIAL COMMITTEE

On the Order: Government Notices of Motions:

November 23, 1982—The President of the Privy Council:

That, commencing at 5.59 o'clock p.m., on Wednesday, December 22, 1982, or, as the case may be, at the time that the House concludes its consideration of Government Business on that day, the temporary changes to the Standing Orders set forward as Appendix C of the Third Report of the Special Committee on Standing Orders and Procedure, tabled Friday, November 5, 1982, shall take effect;

That the proposed changes in the Standing Orders shall be applied in the spirit expressed in Part II (entitled "Recommended Experimental Changes") of the Third Report of the Special Committee on Standing Orders and Procedure;

That, subject to future Order of the House, the said temporary changes to the Standing Orders shall cease to have effect at 5.59 o'clock p.m., on Wednesday,

December 21, 1983, or, as the case may be, at the time that the House concludes its consideration of Government Business on that day;

That, subject to the provisions of this Order, the dates and times of the commencement and cessation of the effect of the said temporary Standing Orders shall be valid whether or not the House is sitting; and

That the Clerk of the House be authorized and instructed to print revised and renumbered Standing Orders of the House incorporating the temporary Standing Orders and any technical or consequential amendments necessary.

Madam Speaker: Pursuant to Section (2) of Standing Order 21, this Government Notice of Motion stands transferred to and ordered for consideration under Government Orders at the next sitting of the House.

* * *

QUESTIONS ON THE ORDER PAPER

(Questions answered orally are indicated by an asterisk.)

Mr. David Smith (Parliamentary Secretary to President of the Privy Council): Madam Speaker, the following questions will be answered today: Nos. 2,733, 2,734, 4,369 and 4,405.

[*Text*]

INSPECTION OF MAIL BY RCMP

Question No. 2,733—**Mr. Cossitt:**

1. At any time in the past ten years, did the RCMP enter the premises of the post offices in the Parliament buildings for the purpose of inspecting mail or of making any inquiries whatsoever about mail and, if so, in each case (a) what were the details and who authorized the entry (b) what was the reason for the inspection?

2. During the same period, did the RCMP on any occasion open mail either addressed to a Member of Parliament or being sent by a Member of Parliament and, if so, in each case, what were the details?

Mr. David Smith (Parliamentary Secretary to President of the Privy Council): 1. RCMP technical services were set up in 1971, at PCO request, to examine mail received under cover and parcels addressed to the Prime Minister and his family. The service has always been available to Members of both Houses of Parliament, directly, or through their post office services. It would be in this context that the RCMP x-ray technician would have entered the Parliament Buildings to pick up and return mail submitted for x-ray inspection.

2. Yes, at the addressee's request and with his/her authority. If a piece of mail or parcel submitted for x-ray inspection is found suspect after such examination, the addressee is informed and asked for direction regarding disposal.

Question No. 2,734—**Mr. Cossitt:**

1. Did the RCMP inspect on three occasions in 1981 a copy of the Legion magazine published by the Royal Canadian Legion and addressed to an individual in the Privy Council Office and, if so (a) for what reason and why was it done three times (b) does the Government consider the Legion magazine subversive literature (c) what is the name of the highest-ranking RCMP officer or government official authorizing the inspection?

2. Did the magazine wrapping have the House of Commons postmark on it?

3. Are members of the RCMP authorized to inspect mail in the House of Commons and, if so, by whom?

4. Did the RCMP make the inspection in a House of Commons Post Office and, if so, which one?

Mr. David Smith (Parliamentary Secretary to President of the Privy Council): 1. Not knowingly. (a) As mail is examined in bulk, it is possible that the magazine was examined on three occasions. (b) No. (c) The Commissioner, RCMP. The service is provided under the operational authority of the Commanding Officer, "A" Division, at PCO request.

2. Impossible to determine.

3. Since the inauguration of the service, inspection has been carried out in the East Block, which, until 1976, housed the Privy Council Office and the Prime Minister's Office.

4. No.

RENTAL SPACE FOR LIBRARY OF PARLIAMENT

Question No. 4,369—**Mr. Baker (Nepean-Carleton):**

1. Did the Treasury Board, on behalf of the Library of Parliament, discuss with the Royal Bank the possible rental of office space in the Royal Bank Tower on Sparks Street for use by the Library and, if so, how much space would be rented and at what cost per square foot?

2. Were other less costly locations investigated and, if so, what would be the cost of alternative accommodation?

3. Is the Royal Bank insisting that its own lease forms be used and, if so, would this contravene Treasury Board policy?

Mr. David Smith (Parliamentary Secretary to President of the Privy Council): I am informed by Treasury Board and Public Works Canada as follows:

1. No. Public Works Canada, on behalf of the Library of Parliament, entered into lease negotiations with Globe Realty, a subsidiary of the Royal Bank of Canada for 3,217.5 m^2 of office space in the Royal Bank Centre at Sparks Street, Ottawa, Ontario. The resulting offer to lease had an annual rental rate of \$174.40/m^2, and a total occupancy cost (first year) of \$293.99/m^2.

2. No available leased premises of sufficient size existed within the geographical area demanded by Library of Parliament.

3. The Globe Realty's offer to lease which was subsequently rejected by Treasury Board was conditional on the use of their lease document which is different from the type of lease form employed by Public Works Canada. The use of an owner's lease form is not in contravention of Treasury Board policy.

POSTING OF GASOLINE PRICES

Question No. 4,405—**Mr. Mitges:**

Will the Government be introducing legislation calling on all service stations across Canada to post clearly and in a prominent place the current price of all grades of gasoline, not just lead-free gasoline as is presently the case, and, if so, on what date?

Mr. David Berger (Parliamentary Secretary to Minister of Consumer and Corporate Affairs): This issue was raised in February of this year by the Consumers' Association of Canada during the petroleum inquiry hearings before the Restrictive Trade Practices Commission. At that time several major oil companies publicly announced that they would post

prices of all grades of gasoline. Since that time these companies have proceeded to advertise prices at outlets under their control and many other gasoline marketers have followed suit. As this trend appears to be continuing, the Government does not see the necessity for introducing mandatory legislation.

[*English*]

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

[*Translation*]

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

Some Hon. Members: Agreed.

GOVERNMENT ORDERS

[*English*]

WAYS AND MEANS

PETROLEUM AND GAS REVENUE TAX ACT

Hon. Paul J. Cosgrove (Minister of State (Finance)) moved that a Ways and Means motion to amend the Petroleum and Gas Revenue Tax Act, laid upon the Table on Wednesday, November 17, be concurred in.

Motion agreed to.

* * *

OLD AGE SECURITY ACT (NO. 2)

MEASURE TO AMEND

The House resumed from Thursday, November 18, consideration of the Motion of Miss Bégin that Bill C-131, an Act to amend the Old Age Security Act (No. 2), be read the second time and referred to the Standing Committee on Health, Welfare and Social Affairs.

Mr. Gordon Taylor (Bow River): Madam Speaker, I spoke on this Bill for about ten minutes on November 18 and I am certainly very happy to have the opportunity to say a few more words.

I started to review the purpose of indexing. Indexing was brought in in order to enable people on fixed incomes to meet rising costs due to the increasing cost of essential food, clothing and shelter, and general inflation. They both have an effect on those on fixed incomes. Therefore, in order to permit a person at least to maintain a reasonable standard of living, indexing was invoked and made law in the country. If the purpose of indexing in the first place was to make sure that those on fixed incomes were going to be able to continue to live, warm their houses and provide clothes for themselves and their dependants, then I would like the Hon. Minister to tell me how these people are going to meet their needs if it is not continued.

I recall some time ago the Prime Minister (Mr. Trudeau) stating that all these people had to do was change their priorities. People who have large incomes, or inheritances, such as the Prime Minister himself, or those receiving other pensions, are quite able to change priorities. But I want to say that a large number of pensioners, just about half of them according to the Minister's own statement, are in a class where they will be affected by this deindexing, and out of that group I suppose there is no more than 10 per cent who are in the heavy financial areas.

• (1520)

There are a lot of Canadians past the age of 65 who are still working and have not accepted the old age pension in spite of its universality or the CPP, even though they have paid into it for several years. When you consider the number who are not pensioners at all, then that increases the number of pensioners who really need indexing.

Now, I am not arguing in favour of those who do not need indexing to have a reasonable standard of living. Not at all; they should bear their share of the costs of running the country. But to place the mass of old age pensioners in that group is not fair at all. I suppose every Hon. Member in this House who has helped pensioners fill in forms or look after their problems knows that a very large number of those pensioners are just on the edge of getting GIS. Every time there is an increase in the indexation, it brings in a few more people because the amount they are allowed to earn goes up. Now that amount will go up at a slower rate than it did before. Consequently, there will still be that group which is left to live entirely off the basic pension, many of them with practically no other income. If they are not getting GIS, they must have other income.

Those who have any experience with this at all know that the GIS Is based on the income of a year ago, not the current year. People may have secured money from relatives or other sources a year ago, but many of these people are now having a tough time; they no longer have any other sources of income, and they are now going to have to stay in that group for another two years because the pension they receive is not going to rise and their income is going to go down. As the basic income is cut, those who are on basic pension are going to receive less money.

A program put out by the Department of National Health and Welfare shows that the amount of money coming from this source in 1983 will be $90 million. In other words, $90 million is taken out of the income of pensioners in this country. Many of them cannot afford it; they need that money themselves. In 1984 it will amount to $150 million. That amount of money will remain in Government coffers and will not go into the marketplace. Pensioners spend their money, and over the two years that is $240 million which is not going to get into the pockets of pensioners and out into the economy. Many of them can ill afford to have this happen.

I was interested to hear a few moments ago the President of the Privy Council (Mr. Pinard) say that the Government wanted to be more human in the reform of Parliament. Well, fine, Mr. Speaker; but I want the Government to be more human with regard to its treatment of the senior citizens of this country and those who are in need. If the Government is going to be more human it can show it by withdrawing Bill C-131 and Bill C-133. Bill C-131 alone will deny the $240 million which rightfully, under present legislation, would go into the pockets of the pensioners of this country, and from there into the stores where it would help those who are trying to stay in business. The $240 million over the years 1983 and 1984 comes under Bill C-131, not Bill C-133 which deals with supplementary retirement benefits and is almost a companion Bill to Bill C-131. It is hard to discuss one without discussing the other.

In looking at Bill C-131, Mr. Speaker, the first two words are very revealing, particularly with regard to the actions of this Government. The bill starts out by saying in Clause 1(5):

Notwithstanding anything—

That is how this Government operates. Notwithstanding anything, if the Government wants to do something, it does not matter whether it is human or right or wrong; it does not matter who is going to pay the bill or suffer because of it. Notwithstanding anything, the Government is going to do it, as Hon. Members opposite now say they are determined to pass this Bill notwithstanding anything—notwithstanding the fact that some of their own Members have publicly said that they cannot support this Bill. I admire them for that, but I will admire them more if they will stand up and tell the world when the vote is being taken that they cannot support this Bill. That will be the proof of the pudding, because talk is easy and talk is cheap.

Mr. Breau: Well, shut your mouth.

Mr. Taylor: Well, you should stand up and express your views. At least I am not afraid to say what I think and what my constituents think.

Notwithstanding anything, this Government will be doing a lot of things, including desecrating and destroying a beautiful park in Banff. Notwithstanding anything, whether it is right or wrong, the Government is quite prepared to do that. I still question the Government's authority to reduce indexation under Bill C-133, because that money was paid by the participants themselves into a separate fund. The Government has a contract with the senior citizens of this country but it does not have any hesitation about breaking that contract. Yet the Minister of the Environment (Mr. Roberts) said he could not break a contract. Why he ever made such a ridiculous contract involving parkland is more than I will ever know. Why did he not check into it before he signed the contract, before permitting the permit to be issued, before allowing the land to be transferred? That is what a proper Minister would properly have done.

When I asked the former minister of finance a few months ago what authority he had to stop indexing the pensions of superannuates, he said, "Well, we will get the authority; we may not have it but we will get it". And there is the Bill that is going to do it. The Government simply changed the contract in mid-stream.

Well, Mr. Speaker, that is not good enough in a country like Canada. If we are going to break contracts with senior citizens, those who cannot defend themselves, and then refuse to break contracts with favourite sons, well, it is a pretty bad situation. It tells the people what is going on in this country.

Dealing for a minute or so with why this Bill should not be passed, inflation is now 10.4 per cent. Senior citizens have nothing to do with inflation but the Government has. The Government's wild expenditures over the last few years have been a major cause of inflation. The Government kept telling the people to tighten their belts but kept increasing its own expenditures. Even this year it is increasing the deficit. The Government asks everyone to cut back to what it calls six and five, but is the Government cutting back? Why does it not cut out the waste in Government before it starts taking $240 million out of the pockets of senior citizens who are on the basic pension? Many of these people are having a difficult time making ends meet. Even the increase in pension through indexing does not meet the increase in their costs, many of which are directly due to the policies of the Government.

• (1530)

In 1982 the average increase in the cost of energy all over the country was 16.4 per cent. That did not come about through any action taken by senior citizens, or anyone else for that matter; it came about because the Government was money hungry. Every petroleum tax possible was increased and so was the tax on heating oil. In Alberta alone, in one case $1.85 of the $2 increase in the cost of energy went to the federal Government in taxes.

The Government now calls on people to help it fight inflation but, Mr. Speaker, the Government aggravated inflation and added to it. Senior citizens had no say in that but now the Government is asking them to cut back or go without. Why does it not appeal to the group of senior citizens who can get by without Old Age Security and the Canada Pension? The Government knows the income of every person who applies for the old age pension and Canada Pension. It now claims that the Canada Pension is not affected by this measure because citizens have contributed to it. Well, Mr. Speaker, the superannuates contributed as well under a different type of arrangement, but the Government is not hesitating to say it will cut off some of the money in that fund. It is not going to touch the Canada Pension—and I do not think it should—but neither should it touch the indexing of the superannuates. How is someone who does not qualify for the Guaranteed Income Supplement going to meet the increase in the cost of energy, for instance? The Prime Minister has told them to change their priorities, to turn down the heat and not use so much light. A lot of them are doing their utmost to comply, but it is not easy.

The last time I spoke on this subject in the House, Mr. Speaker, I spoke about a senior citizen and his wife whom I visited. He was wearing a heavy sweater and she was wearing a heavy kimono. For the thirty minutes I was in the home I left my overcoat on and I can tell you I was cold, but they were trying to co-operate with the Government. They do not receive the Guaranteed Income Supplement because their income is just above the qualifying line. In effect, the Government is now going to take the money that should go into their pockets while telling them to change their priorities.

The 16.4 per cent increase in the cost of energy is largely due to the actions of the Government and its hunger for money. The price of clothing has increased by 4.9 per cent. Now that we are approaching winter people must have warm clothes, but how are they going to get them? As the Prime Minister says, they will have to change their priorities—perhaps go without food. Sometimes a male senior citizen is unable to get around so his wife has to go out and do their business. She must have warm clothes or she will freeze to death in our cold winters. But how is she going to get them?

I am speaking of people on fixed incomes, many of whom are barely getting by. Some people have to apply for welfare because they just cannot get by on the basic pension. That is a great tribute to this country with its tremendous wealth, I must say! People who have spent a lifetime building the country are being told that the indexing is to be removed from their pension but that they can apply for welfare. That is the only way many of them would be able to change their priorities, as the Prime Minister has suggested. Of course, he can change his priorities any time he likes, but people who have worked and laboured throughout the years cannot all do that. The price of food has increased and, of course, people have to eat. Does the Prime Minister want them to change that priority as well? Perhaps they will have to live on pork and beans entirely, but even the price of pork and beans has increased.

Statistics show that in 1982 the price of energy increased by 16.4 per cent, clothes by 4.9 per cent and food by 6.5 per cent. That is almost 27 per cent in total, Mr. Speaker, Now the Government proposes to cut the indexing of pensions and wants pensioners to get by on that. They might get by, but it will be pretty tough and it is a disgrace to the country.

Some historian said that we evaluate a country by the way it treats its disabled, its handicapped and its senior citizens. Our senior citizens have spent a lifetime building the country and in many cases have contributed to other causes to the point that they have little left for themselves. Those aged 65 and over came through the Depression and now the Government is threatening to cut more off their incomes, as if they did not contribute enough in the hungry thirties.

A good motto for the Government to use in the next election would be "Notwithstanding anything, we will do what we like if we have a majority. We will not listen to what the Opposition says."

As a matter of interest, Mr. Speaker, there is not one Minister in the House. I suppose I might just as well be talking out in the backwoods for all the good it does in this place. Ministers do not remain to hear what the Opposition has to say although they often complain that the Opposition has nothing to offer. I do not know of a provincial Government in the country in the last 20 years where the Minister responsible for legislation did not remain in the House to listen to debate on his or her Bill. I know a lot of Provinces where the Premier and Ministers spend a good deal of time in the House and stay there all the time when something concerning their Department is being discussed. After question period here, however, it often happens that there is no Minister present, or sometimes only one or two. There is a handful of faithfuls opposite who are there pretty nearly all the time. People are rapidly catching on. This will not go on forever.

• (1540)

The Minister says that the Government needs the money, that it needs $240 million. First it should cut out some of its needless waste. There is no need for the Government to send a public servant to Paris to study for a year. If anyone else in the country wants to go to Paris to study, he or she has to pay for it. I would imagine that it is a wonderful place to study. I would like to go there myself; I would have liked to go there a few years ago but I could never afford it.

Mr. Nielsen: It is possible on Ed Clark's salary.

Mr. Taylor: Yes. If one gets into the right Department and gets to know the Prime Minister and the Minister, he can do it, notwithstanding anything. Whoever wrote this Bill sure knew what he was writing—"nothwithstanding anything". The Government sent this man Clark to study in Paris, I suppose at the Sorbonne. I do not know how much it will cost. He is getting his wages and enough to live handsomely on in Paris. That could have gone quite a way toward reducing the deficit or eliminating the need for $240 million being taken out of the pockets of the senior citizens of the country.

Notwithstanding anything, if a person is the right one, he can go to the Riviera, of all places, for a year at Government expense. If she wanted to learn French, why did she not learn it in Quebec? There are excellent teachers there; it was not necessary to go to the Riviera. In fact, she could learn it right here in Ottawa as many other public servants are doing, at their own expense. In many cases the Government pays the cost of the instruction; in many cases it does not. Some people are paying for their own instruction, but the Government can send one person, the favourite daughter, the favourite of the Prime Minister, to the Riviera.

There must be $100,000 spent per year on these two people in terms of wages, subsistence, air fare and everything else in the Riviera and in Paris. If that is not waste, I do not know what waste is. Then the Government takes $240 million out of the pockets of senior citizens. It takes money out of the pockets of superannuates, people who have spent part of their lives improving the country, or R.C.M.P. being shot at. What about members of the Armed Forces who spent part of their lives on the battlefields of the world, or public servants who spent

countless hours trying to work out the best policies for Canada? We will break the contract with them if we pass Bill C-133.

If this is the type of policy the country is going to have, we need a new government. It is almost the last straw when the Government starts picking on people who cannot defend themselves.

Telephone bills are up. Some people ask what right they have to have telephones. "They are senior citizens living on the basic pension and they are not supposed to have telephones", one chap said to me. "Why do they want telephones?" They want telephones because they are human beings. For many of them it is the only way they can talk to other people. Because their health will not permit them to go out, they have to phone for their groceries and everything. I could take you, Mr. Speaker, into some of the homes of people in that category. Telephone costs have risen. How will senior citizens be able to meet this increased cost, especially when the Government starts cutting down their pensions by cutting their indexing?

Water rates have risen. They have to have water. I suppose some smart public servants, speaking on behalf of the Government, maybe those who prepared this legislation, may say, "They do not need to take baths; let them have their cup of water a day but they do not need to take baths." Some of them are now only taking baths once or twice a month simply because they cannot afford the water bills. I know pensioners who wanted to water their gardens last summer but did not dare do it because they could not afford it.

Sales taxes are up, and the Government introduces a Bill which puts an excise tax on gas, making the price of food go up. It is one of the most terrible things the Government has ever done because it affects almost all the people of Canada, not only farmers. It adversely affects farmers because some of them cannot afford fertilizer. What will that do to the land? In time it will hurt the land and hurt production. The other day a knowledgeable farmer in Alberta said that many farmers this year could not afford fertilizer because of the excise tax. The Government is putting everything out of reach, and we wonder how people will live.

Another point in connection with this Bill is the overpayments. I wish the Government could understand the agony created in the hearts of our senior citizens when it sends them cheques and then discovers six months later it has sent them too much. The pensioners have spent the money but still have not met all their needs, and then they receive letters which frighten them because they are told that they have to pay back the money. From where will they get it? It was the Government's mistake in sending the money out. If someone deliberately tries to defraud the Government, then let him take his punishment. In many of these cases it is the Government's bookkeeping, computer and calculations that were wrong. When the pensioners received the money, they had every right to expect that it was theirs.

I see the Speaker rising because my time is up, but I want to say that the Bill should be defeated roundly. When we defeat it, I hope we also defeat the Government.

Mr. Stan Darling (Parry Sound-Muskoka): Mr. Speaker, it is a privilege to have the opportunity to speak on Bill C-131. First I want to say what good things may be said about the Bill, and then I shall come to the "but". I am afraid it will not take very long to come to the "but".

The ostensible purpose of the measure is to assist in getting our economic house in order. It is pretty hard to find fault with this laudable aim. Surely it is and must be our most immediate and pressing task, as well as our highest priority. Mr. Speaker will find no disagreement with that role on this side of the House; indeed, we have been pressing the same on the Government for some time now.

This was the aim of the budget of the Hon. Member for St. John's West (Mr. Crosbie) of December, 1979, two and a half years before the Party opposite noticed that there was a problem. Or at least, to give it the benefit of every doubt, before it acknowledged publicly that the world would be unfolding better than it seemed to be at the moment.

How much of the time of the House is taken up with piecemeal band-aid attempts to remedy the earlier sins of omission and commission of that gaggle of happy fumblers opposite. Nevertheless, an awareness of the fact that all is not well in the land has penetrated the consciousness across the aisle. Good. They have decided to do something about it; also good.

This is not the time to address its program per se. However, it really cannot be avoided entirely because, as I see it, the only reason the Bill before us now has been presented to the House is to support that forlorn, desperate six and five program. This Party supported that program, but we did so as a by no means ideal method of addressing the problem at issue, the malfunctioning economy, which had been brought to its present disastrous state by the policies of the Party in power, the Party that now wants the collusion of this House in making its makeshift repairs.

• (1550)

Secondly, we did so, as has already been made abundantly clear, with the intention of limiting its effects on the working population of this country. It is not the intention of my Party to ride out this depression or recession—Mr. Speaker, let us call a spade a spade—on the backs of the poor and it is certainly not our intention to do so on the backs of the elderly. Surely we have enough resources to hand in this blessed nation of ours that we need not set our so-called golden-agers adrift on an economic ice floe, an ice floe marked six and five.

Let me reiterate. The only justification for this unjust and unnecessary Bill is that it supports the program of six and five. Six and five has, in fact, become more than a program. It has become more than a slogan. It has sort of become a golden calf. "Bow down to the golden calf marked six and five, and if enough people do, we can be re-elected."

Like Kilroy of World War II fame, who scribbled his name on everything movable and immovable on the continent of Europe, this Government has to scrawl its "Kilroy was here"

on all within its ever-reaching grasp, only it is not "Kilroy was here," it is six and five.

What about public sector wages? They are under the six and five umbrella. I would point out to the Liberal Party on the other side and those to my left that when we voted for the original six and five we voted for restraint on our own salaries as well. Yes, the public goes for it. Then private sector firms with Government contracts sell six and five across the country. It has spread the word of six and five. Everything, you name it, is six and five, with one exception, and that exception is the Government's own spending and Government-administered prices. The Government does not need to conform to six and five. No, not the Liberals.

What about Old Age Security? It is six and five for Old Age Security, you want to believe it. What a cheap shot. What a low blow. The generation which now comprises our senior citizens, the generation to which I am proud to belong, is one which has paid its dues. Many of us have lived, struggled and survived through two wars and a depression. This is a record of survival to which this Government seems determined to add a second depression. These people have scraped and sacrificed to bring to maturity the generations who form the work force of today. They do not owe us anything. We owe them. This is a pretty measly way of paying the debt. It is not as though this measure would have a significant effect on the deficit, or on any other aspect of the Government's fiscal or monetary stance. If it did, I, as a representative of the affected generation, would be prepared by all means to accept it as a part of the over-all package. But it does not. The amount by which Government pay-outs are reduced by the changes to the old age pension, the child tax credit and the family allowance comes to about $10 million. That is peanuts. It is literally peanuts compared to the amounts blown, for example, on bail-outs for corporate friends of the Party across the aisle, or perhaps it is a still grosser insult to our collective intelligence and integrity compared to the amount by which the public purse was looted to buy out the competition for our so-called "window on the oil industry."

It bespeaks a strange ordering of priorities that we see there across the aisle, and a strange, a very strange, ranking of values. I am aware that the Liberals propose to increase the Guaranteed Income Supplement by an amount sufficient to offset the reduction in basic Old Age Security in the hands of those who receive it, and for this gesture, at least, I commend them. But as a matter of principle, I favour simplicity, be it in legislation itself or in the administrative procedures which support that legislation.

Those of our elderly citizens who do not need Old Age Security and would be relatively unaffected by its not being fully indexed would return the difference in their income tax payable under the tax legislation already in force. In short, the measures we have before us here will serve only to complicate the administrative procedures already in place. In fact, this legislation serves no useful purpose whatsoever. It renders more complex an already complex procedure. It does not greatly affect the Government's fiscal or monetary stance. It does one thing and one thing only. It provides one more surface upon which the Government can stretch six and five. That, effectively, is all that it does. As the sole reason for deindexing an entire generation, and this generation above all, it is reprehensible.

I want here to re-emphasize a point made by my colleague, the Hon. Member for Kingston and the Islands (Miss MacDonald). Elderly, single pensioners with incomes of $9,000 will lose $290 in this two-year period. But a couple with two children and an income of $27,000 will lose less than $50 during the same time frame. Is this what the Government intends? As I see it, there can be only two reasons for this inequity. Either this is the Government's intention, this is the effect it really wants to create, or—and this conclusion would seem inescapable—it really has no idea what it is doing at all.

The Government wanted to appear to have a program. Above all, it wanted to have one more thing upon which to hang the slogan of six and five, and so, with no more consideration of its downstream effects than that, it has hatched the Bill that sits before us now. I do not want to believe this. I do not want to believe what the Lord knows. But on the basis of what we see before us and how this Government has operated in the past, I must conclude that this is very possible.

There is yet another matter which should be looked at, and that is the question of the demographics of our population. There is a hump which is passing along the demographic chart, a hump representing the post-World War II baby boom. This hump is at present well within the work force age group, but at some stage in the not too distant future that hump is going to pass into the category of senior citizen. Some time fairly soon the proportion of our population 65 years of age or over will radically increase. If we approach that time with the same set of assumptions in place as now exist, we are going to have a very serious set of problems on our hands. This is not news; we are all aware of it. But we have not yet done anything to anticipate the adjustments that will have to be made.

I want to suggest to you, Mr. Speaker, and to the House that this presents a most opportune time to do so. It is a time of crisis when the Government insists that certain changes must be made in the Old Age Security legislation. Perhaps it is the time when we should examine all the parameters of our Old Age Security system and decide just what we want of it, what we want it to do and how we want it to be structured to meet the conditions of the present day, 20 years from now and beyond, even into the twenty-first century. I want to suggest that this should be a time for thoughtful building and of far-reaching decisions well reasoned out.

• (1600)

The role that Old Age Security has played and has been expected to play in our society has changed and developed through the years. The legislation must be expected to face some dramatically altered conditions over the next several years. I suggest that if we are to tamper with it now, then that tampering should be done in order that it may better meet the

requirements we and the Canadian people shall demand of it in the years to come.

It is not the time to take a heedless measure such as this one before us now which hurts many, benefits no one, including the Government's deficit position, except in a very minor way, and is introduced for no reason except to further impress the stamp of six and five.

There was an item in *The Globe and Mail* on November 23 concerning Bill C-131. It is headed "Old fighters" and reads:

> Health Minister Monique Bégin suggests old-age pensioners should be at the forefront in the fight against inflation. Quite right. So many of them were at the front during two world wars and at least one depression—why should they be allowed to rest on their laurels?

It would seem that this is what the Minister and the Government wish to portray.

Miss Bégin: Mr. Speaker, I rise on a point of order. I would just like to make absolutely sure that the Hon. Member understands that I never said that. I do not think he wants to mislead the House. I would appreciate a correction.

Mr. Darling: Mr. Speaker, I say to the Minister of National Health and Welfare (Miss Bégin) that I was simply reading an aritcle in *The Globe and Mail* of November 23. I certainly am not quoting that and the Minister has refuted it. The article was written by R. C. Gaschen of Toronto. I suggest that the Minister write to him and tell him that she has been incorrectly quoted.

An Hon. Member: Tell her to withdraw the Bill.

Mr. Darling: That would be one solution which would certainly please Mr. Gaschen and I suspect most people in Canada.

As I said, this Bill will cause the greatest hardship to many of our old age pensioners who receive the basic old age pension, possibly a few savings, some Government bonds or a very small private pension and are just above the poverty line. They are the ones who will feel the pinch.

I might suggest to the Minister or those who control the purse strings that they consider the possibility of establishing a base which exempts old age pensioners who have incomes of less than $18,000 from the restrictions of six and five. I am sure the Minister realizes that there are many senior citizens who are drawing very large pensions. They certainly should be paying their share of the money which the Government wants to save.

As was mentioned by an Hon. Member, I can also recall many years ago when the first old age pension of $20 a month was introduced. I remember my grandmother, who was a widow raising six girls, finally being able to receive that pension of $20 a month. I was involved in getting it for her. She was very proud when she received that pension because it was her own money. She was proud to take that money rather than accept money from her daughters, even though she took excellent care of the household.

Of course, pensions have risen dramatically since then. In those days one had to undergo a means test before receiving a pension. You had to prove beyond a shadow of a doubt that you had nothing. Today, the old age pension is a right to which all senior citizens are entitled. There is no stigma attached to it at all. The stigma attached to old age pensioners today is the fact that they are having to cut corners in their everyday lives because of inflation and the high cost of many goods and services today. Our old age pensioners are finding it difficult to get along.

The cost of clothing has been mentioned. I suppose we should be thankful that senior citizens do not have to buy as many new clothes as those who are in the work force or younger people. While old age pensioners require certain services and need to provide for the necessities of life, they are entitled to a few luxuries as well. I believe the Minister of National Health and Welfare is certainly very sympathetic. I see some of my hon. friends looking at me with surprise when I say that. However, while the Minister wishes to help the senior citizens, I believe that she is having a very hard time trying to talk to some of those hard-nosed Members on the treasury bench.

I will not mention names but there are some very concerned Members on the Government side, including some who sit in places of high authority presently, who share our concerns. Let us hope that they can convey that message to their caucus and, more importantly, to the Cabinet so that this Bill will be withdrawn.

Bill C-133 will come before the House shortly. This represents another instance when the Government will renege on a signed contract which gave the Armed Forces pensioners and Government pensioners an indexed pension. This legislation will now reverse that decision and break the contract unless some Members on that side of the House put pressure on the Government. Even if ten of them say, "We will nail your hides to the mast," I am quite sure that the Government will have a repentant feeling and introduce a more acceptable Bill.

Mr. Cyril Keeper (Winnipeg-St. James): Mr. Speaker, I welcome this opportunity to participate in this debate. I consider it to be an important one in view of the press reports I have been reading regarding the splits which appear to be happening within the Liberal caucus. Perhaps there is some hope that this legislation will not be passed by the House. It is certainly the intention of this Party to fight with all our energy and might against this legislation.

I enjoyed hearing the remarks of my Conservative colleague. However, I was somewhat disappointed since the Conservative Party supported the six and five program last August. If they had fought it, as we did, this legislation would not be before the House today and senior citizens would not be faced with the threat of having money taken from their pockets. This sham of a Government policy would not be before us. Therefore, I question and doubt the intention of the Conservatives.

Mr. Darling: We voted to reduce our salaries; you did not.

Mr. Keeper: You should vote to reduce your salaries, particularly since it is your actions which have contributed to taking money away from pensioners.

I would like to put my comments on the record with regard to this legislation, Bill C-131, an Act to amend the Old Age Security Act. The purpose of this Bill is to limit the indexation of Old Age Security to 6 per cent and 5 per cent. In essence, this is an application of the Government's six and five policy to the pension system.

The six and five policy is the Government's so-called economic strategy. I say "so-called" because it really is a sham. Inflation has been decreasing in spite of the program. It is not surprising that inflation has been coming down, given the depth of the recession that we are in today and even the predictions made by the Conference Board of Canada that the recession will last longer than was foreseen. While inflation has been coming down, wages have been trailing inflation.

• (1610)

Why did the Government come up with the six and five program? It is my judgment that the Government has no economic policy but could not appear before the Canadian people to reveal that fact. It had to put up some sort of a front and the front was the six and five. It decided that it would "attack inflation". Then as inflation comes down due to the depth of the recession, it can claim credit for having done something about inflation and for having an effective economic policy. This is not economic policy; this is political strategy of the worst kind.

The other day *The Globe and Mail* quoted a study on wages by Citibank of New York and it demonstrated that wages in Canada have in fact been trailing those of most other western industrialized countries. The notion that the Government has been putting forward that somehow unjustified wage demands are the cause of our weakness in the international market today just does not stand up when examined and analysed, and it certainly was refuted by the Citibank study.

You have to ask, Mr. Speaker, if wages are not the cause of our problems in the international market, why has the Government focused its attention on wages, through six and five and the pension system? It is my conclusion that the Government simply wanted to put up a good front. It wants to be able to say to people that it is doing something, when in fact it is not. This is political strategy, not economic strategy.

I want to turn to the application of the six and five principle to pensions specifically. The Government claims that it will be saving some $31 million by this measure. Some of the calculations that we have done have indicated that it will be taking even more than that from the pockets of pensioners. But even if we accept the Government's figures that it is going to be reducing expenditures in the area of pensions by some $31 million, we really have to ask the question as to what real impact can a reduction of $31 million from pension expenditures have on a Government deficit of $23.6 billion. Clearly, it is not going to have any real impact on the deficit.

Even if it took this $31 million that it claims to be taking from pensioners and applied it to job creation, to employment, which is the most severe problem the country faces today, what real impact could it hope to have with regard to the level of unemployment? There are some two million people unemployed in this country. How could the Government take $31 million and put those people back to work? It is not going to have any real impact, Mr. Speaker.

The reason I point that out is that there are other places where the Government could find federal dollars for job creation, if it so chose. I will give a few examples. These are examples that have been given by my Leader previously and suggestions that we have made as to where the Government might find some money for job creation, rather than taking it out of the pockets of elderly citizens.

We could reduce the level of money that the Government is allocating to advertising. This budget runs in the neighbourhood of $180 million a year. That budget could be reduced significantly and some real dollars for employment creation could be found. The minister could do away with the Canadian Unity Office, which is simply a propaganda arm of the Government, and freeze for the moment the construction of embassies abroad.

These three measures alone would save $400 million which could be applied to job creation and dwarf the amount of money that the Government is going to be getting from the pension system by limiting the indexation of the pension system. The Government claims that it will be getting $31 million. Rather than taking this amount of money from pensioners, why not take $400 million from these three aspects of the federal Government's budget that this Party has suggested, create significantly more jobs and leave the money that pensioners need in the pocket of the pensioners? I think this would be a more rational and more humane approach.

Other examples of where the federal Government might find money, I suggest, are—

Mr. Tousignant: Mr. Speaker, may I ask the Hon. Member through you to give us the details of that $400 million he is talking about that we could save?

Mr. Keeper: I would be glad, Mr. Speaker, to entertain any questions at the end of my speech, but I have just given you the details of where that $400 million is going to come from. One, from the federal advertising budget; two, by freezing the construction of embassies abroad—

Mr. Tousignant: How many embassies? Which ones?

Mr. Keeper: —three, from the Canadian Unity Office. These are three measures that the Government could take to stop wasting money, and could apply that money to job creation rather than taking money away from pensioners.

Another place the Government could take money from would be to stop bailing out their political friends. I think of the Maislin Trucking Company. Why, in a nation this size, is one trucking company given millions of dollars to bail them

out? There are other people in this country who are having economic difficulties. Rather than wasting money like that and rather than robbing pensioners, take it from a place that makes sense, and do something that is reasonable. I hope that gives a little information to the Member. Perhaps he will give it some reflection. If he has further questions I would be glad to answer them at the end of my address.

Mr. Schroder: Mr. Speaker, I know the Hon. Member would not like to give misinformation to the House, but I think he would like the record corrected in that the help that the Government gave to Maislin was simply a loan guarantee. No money has yet been given to that company. I know the Hon. Member would like to see that corrected.

Mr. Keeper: Mr. Speaker, surely there is an economic impact from giving somebody a loan guarantee, a significant loan guarantee. That still does not explain why one trucking company is bailed out while many others are having a difficult time. This money should be used properly.

I will give another example, Mr. Speaker, if somebody else would like to get up and ask a question and stimulate me a little further here.

Mr. Deputy Speaker: With all due respect to the Hon. Member, I call to his attention the Bill before us and its subject matter. He appears to be straying from the Bill before us.

Mr. Keeper: Mr. Speaker, I would like to indicate that the matter I am speaking to is the fact that the Government is taking away money from pensioners. I am suggesting that there are other places where the Government could get money, and that is why I am giving those four examples.

The Government has given some $8.7 billion in incentives to the petroleum industry. Why not take that $8.7 billion which will have some real impact on the economy in terms of job creation or reducing the deficit, rather than robbing pensioners? That is the relevance of these figures to the pension legislation, Mr. Speaker. I would be glad to entertain any other questions that come from that side.

Mr. Kempling: He has all the answers.

Mr. Keeper: It is possible that the Government's estimates with regard to how much money it is going to get from limiting the indexation of pensions is wrong. It is possible that it is going to be taking more money away from pensioners than the $31 million. If that in fact is the case, that would indeed be cruel and insensitive and inhumane.

It is also possible that it may have erred the other way, that it may not get $31 million by limiting the indexation of pensions, that the amount of money gathered may in fact be less than that. If that were the case, then this move makes even less sense in terms of the expenditures of the Government, in terms of any possible economic impact, which is simply to say that the move is a public relations move, is a sham and has no economic rationale behind it. It certainly has no social policy rationale behind it.

• (1620)

One of the arguments which the Government uses in terms of applying six and five to pensions is that we must all share the cost of the recession. The Government is in effect appealing to our sense of community, our willingness to sacrifice for our community. However, a pensioner living on $9,000 a year who is limited to a 6 per cent increase will only receive an additional $540. An executive with a $100,000 income with the same 6 per cent increase if he is in the Public Service, and with no limit if he is in the private sector, will receive an increase of $6,000. Is it just to increase the income of the pensioner by $540 while increasing the income of the executive by $6,000? Where is the justice?

Clearly that is unfair, particularly in light of the fact that a previous budget document indicated that a number of people in this country, I believe the figure was 705, earn $100,000 a year or more and pay no income tax. They do not make any contribution to the over-all cost of running the community. Therefore, the application of six and five to pensioners is unfair. It is an abuse of some very strong and shared values we have of the community and our willingness to sacrifice for the community. Therefore, I say this is a misdirected appeal and an abuse of those values.

Six and five attacks a number of pension principles of which I would like to take note. The first is that limiting the rise in pension to 6 per cent rather than the cost of living increase sets an arbitrary level; pensions are not related to the cost of living. That attacks the notion that pensions are to give every citizen upon retirement an adequate and secure income. The basic purpose of pensions is being affected by this legislation.

This legislation places greater emphasis on that portion of the pension system which is subject to a needs test, the Guaranteed Income Supplement, rather than Old Age Security which is universal. In introducing this legislation, the Government is attacking the important principle of legislation, universality, the principle that every citizen of this country is entitled to an adequate and decent income in retirement years. This legislation is a direct attack on that principle because it makes the GIS a greater portion—

Miss Bégin: Mr. Speaker, I rise on a point of order. I hope the Hon. Member will not mislead the House for a second time. He is saying that the old age pension is no longer universal. I ask him to correct that statement, to tell the truth, that it remains fully universal. Nothing is more dangerous to the pensioners of Canada than to hear inaccuracies in the debates of the House of Commons.

Mr. Keeper: Mr. Speaker, I will be glad to restate the argument and make it clear to the Minister so that she can understand the implications of the legislation. I am glad that I am stimulating some reaction from that side of the House. What I am saying must be getting under their skin. Somebody

has to do that in order to convince them to withdraw this legislation.

Miss Bégin: Tell the truth.

Mr. Keeper: The truth is that this legislation is a direct attack upon the principle of universality.

Miss Bégin: Prove it.

Mr. Keeper: I will prove it. It goes like this. It limits the indexation in OAS and GIS. The GIS is income-tested. Therefore, the GIS will become a greater portion of the overall pension income rather than the OAS, which is the universal aspect. It places a greater emphasis upon the income-tested portion rather than the universal aspect, the OAS. That is a direct attack upon the principle of universality of pensions, a principle which this Party respects. It is necessary if we are ever going to have fair pensions in this country. It is a shame that the Government has brought forward this legislation and does not now have the courage to withdraw it.

Rather than taking money out of the pockets of pensioners, this and every other Government should be working on reforming the pension system. There are many Canadians who live below the poverty line. Canadians who have worked all their lives should receive an adequate pension. We should be moving in the direction of pension reform rather than taking money away from the pensioners.

The pension problem affects women more than men. There are more women as a proportion of the population who receive inadequate pensions. There should be equality among the sexes. The pension system should be reformed in such a way that it provides an adequate income on retirement for all people. Both men and women should receive adequate income on retirement.

In the past many women were deprived of an adequate income because they stayed home to raise their children. That should be corrected. There should be an opt-out clause for those women who stay home to raise children so that they do not lose benefits as a result of time lost in the job market. The provision should apply equally to men and women. If it is the man who stays home to look after the children, it should apply to them as well.

In addition to those women who stay home, women in a career position often receive lower income than the average man, roughly 60 per cent. Although they pay into the Canada Pension Plan or the Quebec Pension Plan, their income would be significantly lower than that of a man. Therefore, the inequities that exist throughout their adult life continue in their retirement years.

The application of six and five to pensions is wrong on two counts. It is wrong as economic policy and wrong as social policy. We need a real economic policy for this country and reform of the pension system so that everyone will have a secure and adequate income on retirement. Rather than the sham of six and five, we need an industrial strategy and a manufacturing base which will permit us to compete in international markets. We must have the base to compete in international markets rather than laying a heavy trip on workers and taking money away from pensioners.

Rather than applying six and five to the pension system today, Mr. Speaker, rather than taking the $31 million, out of the pockets of pensioners, what we should be doing is moving towards pension reform. We would be capable of doing that if we had an adequate economic policy in this country. We have to start by having a real economic policy, and then some humane pension reform.

• (1630)

PROCEEDINGS ON ADJOURNMENT MOTION

[*Translation*]

SUBJECT MATTER OF QUESTIONS TO BE DEBATED

Mr. Deputy Speaker: Order, please. It is my duty, pursuant to Standing Order 40, to inform the House that the questions to be raised tonight at the time of adjournment are as follows: the Hon. Member for Vegreville (Mr. Mazankowski)—National Energy Program (a) Impact on petrochemical projects. (b) Future of megaprojects. (c) Minister's actions; the Hon. Member for Kindersley-Lloydminster (Mr. McKnight)—Ports (a) Removal of grain elevator from port of Montreal. (b) Offer to purchase elevator; the Hon. Member for Kootenay East-Revelstoke (Mr. Parker)—Canada Labour Code (a) Application to British Columbia Telephone Company lay-offs. (b) Necessity for notification.

GOVERNMENT ORDERS

[*English*]

OLD AGE SECURITY ACT (NO. 2)

MEASURE TO AMEND

The House resumed consideration of the motion of Miss Bégin that Bill C-131, an Act to amend the Old Age Security Act (No. 2), be read the second time and referred to the Standing Committee on Health, Welfare and Social Affairs.

Mr. Vince Dantzer (Okanagan North): Mr. Speaker, normally I receive a great deal of pleasure in speaking to the various Bills which come into this House, but this afternoon I speak to Bill-131 with a certain degree of sadness and regret. Because in this Bill I see the destruction of what I think is a fairly good pension system for Canada.

Our pension system rests on four tiers. We have the Old Age Security and the Guaranteed Income Supplement, which give

a basic amount of money to people who retire, we have the Canada Pension Plan which supplements that amount of money for those people in the working force, and we have private pension plans, which are many and varied. Finally, of course, we have personal savings, which include our house and mortgage and RRSPs. This system provides a fairly good pension system in this country.

The Minister of National Health and Welfare (Miss Bégin) I am happy to see is in the House this afternoon, because it must take a great deal of courage to come in and support this Bill which I know in her heart of hearts she does not support. The Hon. Minister travelled throughout Europe and examined the pension systems there. On her return she said the two systems which provide the best Government support are in Sweden and in Canada. I agree with the Minister, but my question is, why then Bill C-131? This Bill portends the destruction of our basic pension system.

It is not often that I agree with the Hon. Members on the far left side of this House, but I do agree with the statement made by the Hon. Member for Winnipeg-St. James (Mr. Keeper) that this Bill cancels out the universality of OAS. The Minister became very upset when the Hon. Member made that statement, but I can tell you why it is true. First of all, this Bill allows for indexing only to the extent of 6 per cent for OAS this year and 5 per cent next year. At the moment our inflation rate is well over 10 per cent. If it stays that way, gradually more importance will be placed on GIS and there will be fewer and fewer people relying on OAS. Eventually, we will have a system where most of the money for that basic pension system is under GIS. We will not have a universal system then because GIS is income-tested, and if most of those poor over 65 years of age are getting their basic money from GIS, how can we say we have a universal system?

I suggest that the Minister agrees with me, and I would like to quote from the National Pension Conference where she said:

> Consider another key issue; pensions which are not protected against inflation naturally tend to dwindle over the years. People who thought they had purchased protection for the rest of their lives find they have more serious financial problems the older they become.

Of course. That is exactly what is going to happen. It should be recognized by the people of Canada that Bill C-131 marks the beginning of the end for our universality in the OAS system, which was at one time the pride of this country.

I would like to quote from the Minister again, and if I am wrong, I hope she corrects me. On September 26, 1981, in an article in the Vernon *Daily News* which stated 54 per cent of pensioners receive GIS, the Minister said: "That's scandalous; there's something wrong in the system." I agree with the Minister. The Guaranteed Income Supplement was originally put into the system only to support those few people who did not quite reach the poverty level with the moneys they were getting from their retirement schemes. It is scandalous that instead of covering just a few people it now covers a great majority, and it will have to cover more people in the future because of this Bill which the Government has placed before this House. Certainly Bill C-131 represents, I think it is fair to say, the kind of double-talk, double-thinking and double-cross which has gone on with this Government over the past two and a half years. Its action certainly does not follow its words.

The Prime Minister (Mr. Trudeau) at a national press conference said: "We are determined to bring about substantial pension reforms during our present mandate." Is Bill C-131 pension reform? It is taking money away from pensioners who are at or about the poverty line and bringing many more pensioners down close to it. Surely everyone knows what the poverty line is. It is an "Alice in Wonderland" figure, because if you happen to live in a city where expenses are high it is different than if you live in the country and own your own home.

This Bill is from a Government whose Minister of National Health and Welfare at the time the Government first brought in this particular Act, the Hon. Judy V. LaMarsh, stated on November 9, 1964 and I quote from *Hansard* at page 9899:

> —that all future old age security pensions will be pegged to the cost of living index and will increase automatically if living costs increase.
>
> SOME HON. MEMBERS: Hear, hear!

Of course, the Hon. Members would say "Hear, hear". It was a good idea then and it is a better idea now because of high inflation. She went on to say, and I again quote from *Hansard* at page 9899 of that date:

> This is a new departure in old age security. It is in response to the oft heard cry of those in receipt of pensions that they are unable to keep up with their own expenses if the cost of living rises—

These are the words of a Minister who paid attention to the "oft heard cry" of poor pensioners. I ask this Minister, what has she done in this respect? I am quite prepared to agree that pension payments are a very large problem in this country. They take a large part of our gross national product. Last year it totalled somewhere around $7.5 billion, which was 3 per cent of the gross national product. That has doubled since 1966 when old age pensions only took about 2 per cent of the gross national product. It is estimated that in 1990 old age pensions will take 12 per cent of the gross national product, and in the year 2025 will take 18 per cent of the gross national product. There is no doubt that it is an area that should concern this House and deserves a lot of time and study, because we can rest assured that in the future we are going to have great difficulty in this particular area.

• (1640)

That is why I find it so difficult to understand. Instead of building, as it promised to do, instead of helping pensioners, this Government continues to destroy them. It is not that the Government does not recognize the problems. The Canadian Government report on aging, a briefing book used by this Government, says that inflation has had a serious effect on the real value of pensions and annuities. There is an emerging consensus that corrective action must be taken.

Now, why, I ask you, when this is the kind of thing the Government puts out in books, do we have an Act like this which reduces the indexing of our basic pension scheme? The

OAS is the pedestal upon which everything is built. It is no answer to say, "Well, we are going to increase GIS so no one will fall below the poverty line." It is that group of people just above the poverty line who will lose money. They will not be affected by the GIS because they will not qualify, and we will be taking money from the poor. I think it is a national scandal that we should have that kind of legislation and expect the people of this country to sit idly by.

Earlier someone mentioned the demographic problem we are having. It is very true that from 1946 to 1966 there was a large increase in the number of births in Canada. I think the biggest result is, and everyone should be well aware of it, that at the moment there are seven workers supporting one pensioner. In the year 2025 when that population bulge reaches retirement age there will be two, or three at the most, workers supporting every pensioner.

So the question we have to ask ourselves now is, will those workers continue to pay the kind of taxes necessary to support those pensioners? We have already seen the experience of Sweden where there was a tax revolt among the workers. They refused to pay taxes because too much was being taken from them.

Not long ago I had the opportunity, along with some other Members of this House, to go to Vienna for a conference on aging. I would like to thank the Minister of National Health and Welfare for giving me that opportunity. My only regret is that she was not able to accompany us. At that conference some 1,200 people from some 100 countries talked about the same kind of problem we have here, the problem of an aging population with the number of aged growing dramatically in the next couple of decades. During the two weeks we spent there a great deal of work was done by the delegates preparing a plan of action which would later go to the United Nations, presumably to be adopted by the UN and then given to all countries. It was really a plan of action for guidance as to how to handle the problem of the aged and the aging in all societies. Canada is not alone in this, and many countries, even some Third World countries, will face far more serious problems than we in this regard.

In any event, they came to many conclusions, of course. One was that you cannot deal simply with the question of pensions; you have to deal with the whole problem of aging. You have to deal with health problems because the aged generally have more health problems, therefore requiring more government expenditures. You have to deal with housing for senior citizens. How do you involve senior citizens in this whole process? Because, as we all know, senior citizens are healthier and more active than they have ever been and want to get involved.

As I said, Mr. Speaker, that conference in Vienna came up with a plan of action, well over 100 recommendations. The Canadian Government was there, ably represented, and we did very well, I thought, in terms of making a great contribution. I presume the Canadian Government adopted and signed this plan of action; at least, that was its purpose. I would just like to read recommendation No. 28, Subsection (b), which says that we must ensure that the minimum benefits will be enough to meet the essential needs of the elderly and guarantee their independence. Social security payments should be adjusted taking into account previous income. Efforts should be made to maintain their purchasing power. Ways should be explored to protect the savings of the elderly against the effects of inflation.

Here we have a Bill which this Government has put before us, Bill C-131, which reduces indexation for old age pensioners to well below the inflation rate. This is the Government which worked on and signed this document. I ask you, Mr. Speaker, how can Liberal backbenchers sit there and not protest? Not one of them has spoken on this Bill. Not one. If they think so much of it, why do we not hear a few words as to why it is a good thing? Because they know it is not a good thing, they know it is a very bad thing. I do not think we can long survive if we do not pay more attention to the needs of our elderly.

It is interesting, Mr. Speaker, that the Government is imposing six and five on our pensioners, yet it never seems to go the other step and index its own expenditures and requirements. I would like to refer to a Supply and Services memo which I hold in my hand dated August, 1982. This memo indicates that pensioners at level one, with family coverage, face a 32.38 per cent increase in their premium rate for group surgical and medical insurance. Now, what kind of justice is that? The Government limits the pensioners to 6 per cent and then increases their costs 32 per cent. No wonder that no member of the Government is prepared to get up and talk on this particular Bill.

Mr. Nielsen: They have been told to keep quiet.

Mr. Dantzer: That can be the only reason.

I remember, Mr. Speaker, the first Throne Speech that I heard. In that speech the Governor General said that the House of Commons will be asked to consider a program of action designed to respond to individual needs by promoting greater security for the elderly. Now, what has happened? Surely Bill C-131 does not promote greater income security for the elderly. Yet here we are two and a half years later fulfilling the program of this Government. If that is not double-talk and double-think and double-cross, I really do not know what is.

Now, Mr. Speaker, we have heard a lot about Bill C-133 and the large amount of opposition coming from a few Government members. They are saying they will not vote for any Bill which limits to six and five the indexing of civil servants' retirement benefits. They say it is the breaking of a contract, and I agree with them. But it is kind of interesting that most of that talk is coming from Members in Ottawa who have large numbers of civil servants as constituents. There is nothing wrong with that, but have they forgotten all about the other elderly people who receive OAS? Where is some word of support from the backbenches of the Government for all those other elderly poor? It is very, very strange. One would almost think that they only vote this way when it is to their political advantage to do so. Why are they prepared to defend organized lobby groups but are not prepared to speak out on behalf

of the unorganized elderly? It seems to me, Mr. Speaker, that those Members who have said they will put their seat on the line for the superannuates should do the same thing for the hundreds of thousands of elderly poor who will be affected by this legislation.

• (1650)

Hon. Members opposite should realize that a lot of the people in their constituencies whose OAS will be reduced by six and five have sons and daughters. If we have an election within the next two years, I suspect that a lot of those elderly people and their sons and daughters and grandchildren will remember what is happening today when they go to vote. On average, this Bill will directly affect the pocketbooks of 13.5 per cent of eligible voters in the country, and in some ridings the percentage will be higher.

Until recently the Hon. Member for Ottawa Centre (Mr. Evans), who is not in the House, has been very vocal about the effect this legislation will have. I wonder if he realizes that 14.9 per cent of eligible voters in his riding receive OAS? I am sorry that the Hon. Member for Ottawa West (Mr. Francis) is not present today, because 17.7 per cent of his constituents receive OAS and they will be affected by this legislation. I am told that in the constituency of the Minister of National Health and Welfare only 8.2 per cent of constituents receive OAS. Perhaps the Prime Minister is not worried if he is not going to run again, but over 19 per cent of his constituents receive OAS and they will be affected by the legislation.

The Government should reconsider this legislation and the effect it will have upon the elderly. According to what it claims, its intentions are of the best. Certainly the Minister of National Health and Welfare has gone across the country talking about the problems of the pension system and about the 500,000 elderly men and women who live under the poverty line. She has promised that her first priority is to help them. I understand some of the difficulties she faces because the Government changes the Finance Minister almost as often as the Prime Minister changes the flower in his lapel. I suppose this makes it difficult for her to communicate.

For about two years we have heard about the green paper on pensions which the Government is going to bring forth. I plead with the Minister to expedite this. Speaker after speaker has said that we face a horrendous cost in the financing of pensions for the elderly in the years ahead. We know that if the Canada Pension Plan fund is not increased it will soon be without money, and that by the year 2001 there will be a net outgo. We also know that private pension plans have to be improved. There will need to be more coverage and earlier vesting.

The country is prepared to discuss these things, but that cannot take place until the Government offers an over-all plan. Experts hold that an average employer who contributes $100 today will have to contribute $350 in the future to pay for the improvements to private pension plans. Surely the country deserves the opportunity to discuss these things.

The Canadian Labour Congress has spoken about increasing the amount of the CPP contribution from 25 per cent to 50 per cent. That would impose a tremendous cost on both employer and employee, but it is something that should be discussed. There are people who favour an increase in the Canada Pension Plan generally to overcome some inequities, particularly those suffered by women. That is another matter that we should discuss. There are other alternatives. The public is entitled to enter the discussion and to be presented with the facts. I plead with the Minister to bring the green paper forward so that we can get on with improving the security of old age pensions, as the Government promised.

I am sure we all know that we live in what is called a "zero sum" society—that you do not get anything out unless someone else puts something in. We all know that our capacity and ability to provide social services, such as pensions and health care, depends on productivity. We all know as well—except perhaps some Members to my left who do not seem to understand it—that there is no such thing as a free lunch. With all this talk about improving pensions, we must also talk about improving productivity. The job cannot be done by Members of the Opposition, however; it has to be done by the Government. Why has the Government waited so long, Mr. Speaker?

This Party will fight tooth and nail against the legislation as it stands, because it is bad legislation. It affects virtually every senior citizen in the country.

Someone has said the measure will bring the Government $31 million. The Government has already spent $100 million on advertising and $25 million for a monument in darkest Africa. It is a shame that it does not look after the people of the country better.

Again, I plead with the Government to withdraw this legislation which will be a hardship on the elderly poor of the nation.

The Acting Speaker (Mr. Corbin): The Hon. Member for Peace River (Mr. Cooper).

Mr. Cooper: May I call it five o'clock, Mr. Speaker?

The Acting Speaker (Mr. Corbin): Is it agreed that we call it five o'clock?

Some Hon. Members: Agreed.

The Acting Speaker (Mr. Corbin): It being five o'clock, the House will now proceed to private members' business as listed on today's Order Paper, namely, notices of motions (papers), private bills and public bills.

PRIVATE MEMBERS' MOTIONS FOR PAPERS

[*English*]

All items preceding No. 54 allowed to stand by unanimous consent.

ENTERPRISE DEVELOPMENT BOARD

Mr. Hal Herbert (Vaudreuil) moved:

That an Order of the House do issue for a copy of any agreement signed between the Enterprise Development Board and General Aluminum Forging Ltd. of Hamilton, Ontario, including copies of all communications and minutes of meetings between the two parties prior to the signing of the agreement.

He said: Mr. Speaker, I rise with some measure of sadness this afternoon, recognizing that we are coming to the end of this Thursday afternoon "Hal Herbert Happy Hour". The changes in the rules which we hope will go into effect at the end of December will mean that this, I was going to say "ridiculous" but I guess I should not call it a ridiculous procedure, but a procedure which is rather ineffectual, will be terminated.

I must admit that I was a Member of the committee that made the recommendation to the House that has been accepted—and I fully support it—to change the rules to eliminate this procedure which we go through regularly on a Thursday afternoon. It is a procedure which has come about simply because the session has gone on so long that we find ourselves looking for something to fill up the hour between five o'clock and six o'clock on a Thursday.

• (1700)

In an attempt to pick a subject of interest I chose this motion, which incidentally goes back quite a way. In fact, it originated with a news release in December of 1980 when the then Minister of Industry, Trade and Commerce announced:

—that the Enterprise Development Board has agreed to provide support to General Aluminum Forgings Ltd. of Winnipeg, Manitoba in the form of a guarantee of 90 per cent of $3.1 million loan to be raised by the company, a subsidiary to Sterlake Enterprises Ltd. of Hamilton, Ontario. The company is establishing a new facility at Winnipeg to manufacture precision aluminum forgings.

Total cost of the facility will be in the region of $7.1 million.

Construction of the new plant has already started and it is anticipated that the plant will be ready by the fall of 1981. The plant is expected to provide employment for about 52.

The release went on to say that the Minister and his officers:

—have been in touch with the McDonnell-Douglas Corporation which has offered to place contracts with the new firm as part of the industrial benefits accruing from the CF18 new fighter aircraft.

I know nothing of the company referred to in the news release. I do not want to say that I am not interested in the company; I am interested in any company which is operating in an efficient fashion, but the primary motivation of the motion is not the company itself. Immediately following the release, I wrote to the Minister in December, 1980 in which I put this simple question to him:

—what does the Government receive, if anything, in return for its guarantee?

Being unaware of the way the system worked, I asked:

Is there any DREE money in this project?

My letter was dated December 11, 1980. As so often is the case—and I have spoken about this many times before—I waited patiently and nothing was forthcoming—no response, no acknowledgement. On April 3, 1981, I put a motion on the Order Paper, the one that is up for discussion today.

On May 6, 1981 I received a response to my letter of December, 1980. I want to read the relevant parts of it and I emphasize once again that this discussion does not centre particularly upon the company named in the motion but upon the procedures and support programs of the Government. In his letter the Minister said:

—EDP structures financial packages and insures loans for companies, particularly smaller and medium-sized operations, who encounter difficulties in obtaining financial backing because of the risk factors in relation to the size of the operation involved. All loan insurance is on a last resort basis, that is, when financing is not available on reasonable terms without the insurance.

In the particular case of General Aluminum Forgings Inc., it was the judgment of the Enterprise Development Board that a loan guarantee was necessary to enable the principals to secure the financing needed to establish the plant.

Then the Minister went on to say:

To answer your question, the Government itself does not materially receive anything in return for its guarantee, with the exception of a recoverable 1 per cent insurance fee, but rather achieves some success for the event which, in turn, contributes to job creation and industrial development. In this particular case, the loan guarantee contributed directly to the creation of 52 jobs—

The Minister also told me in his letter:

DREE will also participate in the project and has made a grant offer of $1.265 million based on estimated eligible capital costs of $4.02 million. Both the EDP loan insurance and the DREE grant are contingent upon a company contribution or investment of $1.5 million.

Those are the details. What I was looking for was, of course, the general Government approach to assistance to industry. As I said, the motion was placed on the Order Paper in April, 1981. With nothing forthcoming in the way of documents, the motion was transferred for debate on December 16, 1981. Even after a motion is transferred for debate—in other words, the motion for the production of papers is no longer there for the Government to act upon—there is no reason the Government should not produce documents at that particular point in time. Alternatively, it might contact the Member—and whether it is a Government Member or an Opposition Member is irrelevant—and discuss the information which the Member is seeking. Surely the purpose is to ensure that Members are as well informed as possible.

In my own case my interest was not in the company named in the motion but in the operation of the program. Obviously because I represent an area with a large industrial base, I was interested in ensuring that the companies in my own riding would have full knowledge of the program and would be able to take advantage of any of its benefits.

Enterprise Development Board

I should put on the record the little I learned about the Enterprise Development Program. Apparently it was introduced in April of 1977 by the Department of Industry, Trade and Commerce. It was to replace the Automotive Adjustment Assistance Program, the Program for Advancement of Industrial Technology, the General Adjustment Assistance Program, the Pharmaceutical Industry Development Assistance Program, the Industrial Design Assistance Program, the Program to Enhance Productivity, and the Footwear and Tanning Industry Adjustment Program. Those fancy-sounding names are all represented by initials. I am now led to believe that two of them, PAIT and IDAP, no longer exist. Also it was introduced because:

Responding to messages from Canadian businessmen to make programs more widely know and more easily understood, IT and C formulated EDP to subsume these programs. The forms of support that were available under the old programs are available under EDP.

I was trying to make the Program more widely known in my own riding and for the benefit of all businessmen. If documents are lodged on the floor of the House, then they are in the public domain and available to everyone. The forms of assistance under the Program were loans or loan insurance for adjustment projects, grants for innovation projects, grants for product design, grants to study productivity improvement projects, grants to identify new products, and so on. These were all very well described.

I should like to refer to a private publication, a publication of Price, Waterhouse entitled "Government Financial Assistance Programs in Canada," which indicated under the heading "Objective":

The program is designed to provide financial support, by means of grants and/or loan assistance, to Canadian businesses involved in high risk and innovative projects or adjustment projects designed to increase efficiency and competitiveness—

Surely today we need to increase efficiency and competitiveness. I continue:

• (1710)

—that can be expected to yield attractive rates of return on the total investment and/or provide economic benefit to Canada through an increase in, or sustaining of, exports and/or employment.

What could be more worthy?

Before coming into the House I wanted to refer to the latest annual report of the Ministry of Industry, Trade and Commerce. In my files I have the 1980-1981 report. I asked for the 1981-1982 report, which would be for the year ending March 31, 1982. I am sorry to report that the 1981-1982 annual report of the Department has failed to be produced. I am sorry because, of course, I can only then look at what was happening a couple of years ago as shown in the 1980-1981 report. I read in the report of that year the following:

The Enterprise Development Program (EDP) provides assistance to manufacturing and processing firms to improve their viability and international competitiveness.

During 1980-1981, 151 adjustment assistance loan guarantees valued at $231 million were authorized. In addition, $98.2 million in contributions were authorized towards the cost of 549 innovation and product development projects in such industries as machinery electronics, chemicals, ship components, automotive vehicles, building components and textiles.

Under the program, insurance of $111.5 million was authorized for 142 loans made by private lenders to manufacturing firms.

I had a secondary interest in pursuing this particular motion on this subject. Ever since I came here I have taken an interest in the Estimates which are tabled every year. I have studied them. It took me many years before I had any idea of how I could either read these Estimates or make any sense out of them. I must admit I am still much confused, even after being here ten years. I find it sometimes very difficult to obtain answers that I would accept as satisfactory.

My question to the Minister contained in the motion obviously deals with any benefits occurring to the Government to compensate it for its risks. I was told about the 1 per cent, which is the insurance charge.

In the Estimates for 1981-1982, one can read under the Department of Industry, Trade and Commerce that the insurance payments under the Enterprise Development Program show expenditures for 1979-1980 at zero. One can read that the Estimates for 1980-1981 are also indicated as zero. The Estimates for 1981-1982 are listed as $6.2 million. In that same book of Estimates one can also read under the heading "Industry Development":

Contributions to promote the establishment, improvement, growth, efficiency or international competitiveness of manufacturing, processing and service industries in Canada, including contributions under the Enterprise Development Program.

The forecast expenditures for 1980-1981 are shown as $60.673 million. The Estimates for 1981-1982 are shown as $76.638 million. I read these figures to show how one can be confused, because I then turned to the Estimates for 1982-1983. Under the same item for the Department of Industry, Trade and Commerce and the heading "Trade-Industrial Program" we see:

Statutory—Insurance Payments under the Enterprise Development Program.

We find that the expenditures for 1980-1981 are $8.402 million. Remember, I just read the Estimates for the previous year and they were zero. The Estimates for 1982-1983, the year in which we are at present, are $7.2 million. That is the expense that is shown in the Estimates for the Department.

Reading also from the 1982-1983 Estimates, in the same line as I read previously for 1981-1982, under the heading "Industry Development", I now see forecast expenditures for 1981-1982 of $142 million. Remember I read the Estimates for 1981-1982 and they were $76 million. From Estimates of $76 million, the figure has climbed to forecast expenditures of $142 million. The Estimates on that same page for the current year are shown as something over $124 million.

Thus, there are two motivations in bringing this particular motion to the House. I repeat, I do so not in any way to make any difficulties for the company concerned or to inquire into the business of the company that is mentioned in the motion. This motion is to inquire about the way the program operates. It is an attempt to publicize the work that is being done by the

Department of Industry, Trade and Commerce in the industrial sector. It is also to inquire into the funds that are being used, the risks, the amount involved, the money we may lose as a result of our guarantees and the amount that comes back into the treasury, presumably into general revenues, since I cannot find this item in the Estimates.

You will see, Mr. Speaker, there are a multitude of questions on my mind even after all these years. I plead once again, because it appears we will not have this opportunity to discuss the subject much longer, that the Government try to help Hon. Members who are, in turn, trying to help the Government in being just a little freer in the way it provides information to us, to try to answer our questions and to try to provide us with the ammunition we need in order to sell Government programs.

As I said at the beginning, we may be near the end of this particular period on a Thursday afternoon when we can discuss motions for the production of papers. I wonder if anything has been accomplished over the years of trying to change the system. I can only hope in the new year when the new rules of the House take effect and the new procedures are put into place that we will more effectively be able to encourage the Government to improve communications between Government Departments and Members of Parliament.

[*Translation*]

Mr. André Maltais (Parliamentary Secretary to Minister of Industry, Trade and Commerce and Minister of Regional Economic Expansion): Mr. Speaker, I wish to thank the Member for Vaudreuil (Mr. Herbert) for his presentation on his motion. I believe that, like all motions, it is significant, and the right answers and the right solutions must be found if issues raised by Hon. Members are to be given satisfactory clarification. There is a problem, however, and that is how to answer all questions simultaneously, and how to be very specific in a case where there is still a confidential aspect to be reckoned with.

Therefore, I understand the Member for Vaudreuil who has been waiting for a long time to get information on this company, namely, General Aluminum Forging Ltd. This case was of particular interest to Manitoba, because of the company's job creation potential, which is directly related to the aerospace industry. To get to the subject of the motion itself, I would like to explain to the Hon. Member that when the plant was opened on October 30, 1981, the Minister of Supply and Services (Mr. Blais) gave all the facts on the kind of subsidies, the exact amounts of those subsidies and what programs had been used to give direct assistance to the company in establishing its facilities.

But before going any further, I would like to explain for the benefit of the House, that at the Department of Industry and Commerce, we have one basic tenet, and that is the confidentiality of certain documents. Failure to observe this rule would jeopardize the industrial strategies of certain companies vis-à-vis their competitors, and therefore, when examining a particular case, it would be unthinkable to publish all elements of our negotiations with the company, because then we would get to the point where we would no longer be able to guarantee confidentiality to a company that has put its trust in the department. The department must ensure that its programs are known to the public and clear in their objectives concerning demand, but it must also protect the confidentiality of the details of each case, and just as we at the Department of Industry, Trade and Commerce and DREE deal with the confidentiality of corporate files, the Department of National Revenue, for instance, is responsible for the confidentiality of the files of individuals.

• (1720)

Therefore, when an Hon. Member demands production of papers before an agreement is signed, there are many factors, including the legislation and regulations in effect and the rule of confidentiality, that prevent the minister from producing papers at that time. Similarly, once the agreement has been finalized, and once the actual work has begun, certain aspects of the file cannot be published without jeopardizing a company's competitive position, since free competition is one of the principles of our economic system.

That being said, for the benefit of the Member for Vaudreuil (Mr. Herbert) I should now like to provide the following information regarding the agreement with General Aluminum Foreign Ltd. The Department of Industry, Trade and Commerce contributed $1.5 million to the project, while the Federal Development Bank provided a minimum loan of $700,000. That was the Federal Government's contribution under the program, and if the Member for Vaudreuil wants to know more about the various programs, perhaps I could tell him about the funds available at the Department of Industry, Trade and Commerce, the funds allocated to each program, and the percentage earmarked for Quebec, Ontario and Canada as a whole. Of course, I would have liked the department to get me the necessary information more quickly so that I could give the Hon. Member a more complete answer. I believe that it is important to give a direct answer, because, as too often happens in the House of Commons, Hon. Members indulge in lengthy debates just for the purpose of killing time, and I deplore this, and personally, I would have preferred to have a more thorough discussion of the legislation this afternoon. I agree with my Hon. colleague who asked that the rules be changed. I think this is vital because, Mr. Speaker, what this country needs is hard work. There is urgent legislation before the House, and if we start providing information like this at the end of the day just for the sake of making the 5 to 6 period a little more interesting, I think the rules of the game should be changed very quickly, for the benefit of all concerned.

Now, to provide some clarification of the budget of the Department of Industry, Trade and Commerce, I may point out that for the year 1980-81, $98.2 million were set aside for subsidies under the Enterprise Development Program, and of

this amount, Quebec received more than $47.9 million or 48.8 per cent of the total budget for Canada. This was for subsidies, which are non-refundable. As for guaranteed loans, $231 million was budgeted for all of Canada, and of that amount, $25.5 million, or 11 per cent, was allocated to Quebec.

The purpose of the Enterprise Development Program is to enable companies in a strongly competitive market to become more diversified, more mechanized, and to introduce advanced technology in order to achieve strong penetration of new markets. This is vitally important. The department has a number of brochures that explain very clearly the exact objectives of the program and the types of subsidies available. I am not going to read them in the House, because I do not want to bore Hon. Members, but there are a number of programs of this kind that are available and that can be looked into at any time. Any suggestions for improvements will certainly be welcome and should be addressed to the minister or to departmental officials.

I referred earlier to the Enterprise Development Program and the grants and guaranteed loans for the defence industry. We often hear about this program and, in the case of the company mentioned in the motion, General Aluminum Forging Ltd., about how it relates to the defence industry. We often hear about these budgets in Quebec and Ontario. For the information of the Hon. Members, the total budget for the defence industry in Canada was $142.9 million in 1980-81, and Quebec received $66.6 million of this amount, or 46.6 per cent. This is enormous because the budget of the defence industry includes all technical research in the field of radar, radio and aerospace technology, which makes Quebec as well as Ontario more competitive with similar American industries. The same holds true for small business loans. The total budget in Canada is $408.4 million and Quebec received $120.9 million or 29.6 per cent of this total.

Another important matter, and the Hon. Member for Vaudreuil (Mr. Herbert) referred to it in his motion, is the budget of the Department of Regional Economic Expansion. This matter is often discussed across Canada because people wonder what is really the mandate of the Department of Industry, Trade and Commerce compared with other Departments. I want to point out that the total budget of DREE for 1980-81 was $180.6 million, which amount was increased to $206.9 million in 1981-82. I believe that a good question to ask in this House would be: What is Quebec's share of this budget? Out of a budget of $180.6 million in 1980-81, Quebec received $118.4 million or 65.6 per cent, and out of a total budget of 206.9 million in 1981-82, $123.1 million was spent in Quebec, or 59.5 per cent. These figures speak for themselves and show how the presence of the Department of Industry, Trade and Commerce and DREE is important for a region.

I think, Mr. Speaker, that it is readily realized how important this can be for Eastern Canada, and so that the Chair may have all the relevant information, I have with me figures for both Eastern and Western Canada. As concerns programs which benefit Eastern Canada, the Department of Industry, Trade and Commerce spends over 20 per cent of its total budget in the Atlantic provinces, which means that it considers regional economic development a major concern.

As for the motion of the Hon. Member for Vaudreuil, who has asked that certain documents be tabled, I would point out that the figures I have just mentioned are available to the public. They can be looked up at any time. As for the internal communications between the company involved and the Department, I would like to say that correspondence was exchanged over a period of two years and that there were also discussions meetings and minutes. In his motion, the Hon. Member requests that these minutes be made public, and this, at the request of the Department and the company before the negotiations. The parties involved agree on which documents will be made public and which will not be, and this is extremely important from a the procedural viewpoint. The Hon. Member has asked that the Department be allowed to provide more explanations, regardless of the rules, but it must be kept in mind that there will always be some documents which cannot be made public, and this holds true for any negotiation since certain interested parties must be protected. I therefore must say that, whatever amendments are made to the regulations, whether in the House or in the Department, there will still remain confidential elements in the files.

Now that the file has been closed since the plant has been built, the situation has improved and the construction is now finalized, could other documents be made public? On this point, I would like to ask the Hon. Member for Vaudreuil which specific documents he would like to see and which other maybe less important documents he would like to check.

• (1730)

At this stage, I would like to receive a formal request to go and check with the department, so that a distinction may be drawn between available and unavailable documents. To make the task of the Hon. Member easier it might also be useful at that point to ask the company itself whether or not it objects to our releasing certain documents because this is the third time I have to approach the department on that type of a case. The applicant company is always asked whether it agrees to the release of certain documents. This is most important, and neither party acts without the other's consent. Otherwise, documents of course could be leaked, and an application could be jeopardized for the sole reason that certain documents were to be kept secret at the negotiation stage.

Other aspects of the program are significant to industry and commerce, namely the Federal Business Development Bank. In respect of the program that was implemented concerning General Aluminum Forging Limited, I would like to point out that the Federal Business Development Bank made a concrete contribution within the business establishment itself. The

Federal Business Development Bank granted a $700,000 privileged loan on top of the $1.5 million put up by the Department of Industry, Trade and Commerce. Federal Business Development Bank loans across Canada totalled $484 million in 1980-81. That was the funding. There were $113.2 million for Quebec, or 23.4 per cent, and last year, for 1981-82, $460 million were available for loans, of which $163.9 million or 35.6 per cent for Quebec, which is enormous.

Concerning the Federal Business Development Bank, there is an interesting question that is often put in our areas: "Does the Federal Business Development Bank take risks? Do they have risk capital?" On that point I would like to state that $13.6 million are earmarked as risk capital for the whole of Canada, of which Quebec received $4.3 million, or 31.6 per cent of the 1980-81 funding. Also in 1981-82, there were $15.6 million available as risk capital for the whole of Canada, of which $4.7 million for Quebec, or 30.1 per cent of total loans granted in terms of risk capital. This is important, because it is often stated that the Federal Development Business Bank lends money at rates somewhat similar to those charged by chartered banks. But again caution is warranted here, because the Federal Business Development Bank does not give a loan unless the applicant was turned down by a chartered bank, and second, the Federal Business Development Bank rate is indeed lower than the market's. However, the main point here is that a significant amount of risk capital is available at the Federal Business Development Bank, which opens the way for closely monitored ventures.

I would now like to turn to the small business development bonds. I like to quote those figures because the Hon. Member earlier asked for information on the department. In my view, the motion put by the Hon. Member for Vaudreuil (M. Herbert) boils down to a request for information in the first place: First on the company as such, the negotiations that were held between the department and the company. I think I responded directly to that part of the question earlier, when making clear that $1.5 million were coming from the Department of Regional Economic Expansion and $700,000 from the Federal Business Development Bank. But over and above that, the Hon. Member asked for more information on the department. So I will carry on on this subject, because I have information here from my office that can be of use to every Member in this House. Well, as far as the small business development bond is concerned, this is very interesting, and I read: $3.553 billion for Canada last year, that is for fiscal 1980-81. Of that, Quebec received $1.184 billion, or 33.3 per cent. For fiscal year 1981-82, and this concerns the Export Development Corporation, there were $4.203 billion for the whole of Canada, while there were $1.539 billion for Quebec, or 36.6 per cent of the total expenditures and the total capitalization for the Export Developments Corporation.

Perhaps I might digress briefly and mention that it was thanks to the Corporation that Bombardier was able to gain a foothold on the American market, to the same extent that we were able with Aerospace to export Canadian technology as far away as Brazil. That is very important because, when the provinces make certain claims on the federal government, the officials in the Department of Industry, Trade and Commerce and in the Department of Regional Economic Expansion may just be somewhat slow on the uptake in the sense that they fail to provide information in terms which people may readily understand. But when we are dealing with figures ranging between $3.5 billion and $4.5 billion, I think we ought to be specific. The Bombardier contract alone still represents for Quebec an investment of $1 billion in state of peak technology since this contract has made it possible for us to prove that we can indeed compete very favourably with French and American manufacturers. And, of course, that opens up very promising future for Bombardier. And what about the workers and staff at La Pocatière and Valcourt who stand to benefit directly from the economic fallout? Indeed we owe all of that to our Minister and to the Export Development Corporation. Perhaps the Corporation is not widely known, but it should be because the figures we are talking about give an excellent idea of the work done by the Corporation.

Some people often say that Quebec does not get its fair share of the billions of dollars spent by Industry, Trade and Commerce Canada and the Department of Regional Economic Expansion. I have a couple of points to make about that. With respect to the total budget of the Department of Regional Economic Expansion—and I repeat this because we have so few opportunities to explain it—Quebec has received $123.1 million out of $206.9 million for all of Canada, which accounts for 59.5 per cent of the entire DREE budget. As for the Export Development Corporation, I did mention earlier $4.203 billion for Canada in 1981-82, including $1.539 billion for Quebec, or 36.6 per cent. I take pleasure in explaining those figures because they are indeed very meaningful data which Hon. Members can use to keep their constituents informed. What do we do with all that money and what sort of direct planning is possible with a budget of that size? That is what I explained a moment ago when referring to Bombardier and Aerospace, and I might say the same thing about de Havilland and Canadair. Mr. Speaker, I do not know whether I can get the unanimous consent of the House, but I would like to continue to explain the budget of the Department of Industry, Trade and Commerce, all the more so since that is what the Hon. Member for Vaudreuil has asked—

The Acting Speaker (Mr. Corbin): Order, please. The time allotted to the Parliamentary Secretary has indeed expired. He may continue if there is unanimous consent.

[*English*]

Is there unanimous consent to allow the Hon. Parliamentary Secretary to continue his remarks?

Some Hon. Members: No.

[*Translation*]

The Acting Speaker (Mr. Corbin): There is no unanimous consent.

Mr. Herbert: Mr. Speaker, would the Parliamentary Secretary entertain a question?

The Acting Speaker (Mr. Corbin): Order, please. Since the time allotted to the Parliamentary Secretary has expired, he would be allowed to accept a question only if there were unanimous consent.

[*English*]

Is there unanimous consent to allow the Member for Vaudreuil to put a question to the Hon. Parliamentary Secretary?

Some Hon. Members: No.

[*Translation*]

The Acting Speaker (Mr. Corbin): There is no unanimous consent.

Mr. Henri Tousignant (Parliamentary Secretary to Minister of Indian Affairs and Northern Development): Mr. Speaker, I am also pleased to take part in this debate on the motion presented by the Hon. Member for Vaudreuil, and, with the Hon. Members who preceded me this afternoon, the Member for Manicouagan (Mr. Maltais) and the Member for Vaudreuil (Mr. Herbert), I am prompted to say that we are all anxious to have parliamentary reform introduced as soon as possible in the House, so that at this time of the day, we will no longer have to kill time just to keep the debate going until six o'clock, instead of using the precious time of the House to debate other subjects that are far more important and of much greater benefit to Canadians.

• (1740)

Nevertheless, our parliamentary system has provided us in Canada with a democratic system of government that is probably the envy of the whole world. The fact that all Hon. Members may freely express their views here often means that the passage of legislation is delayed, but at least everyone has a chance to say what he thinks and sometimes to make some very important points. Once we have this minireform, which, as we all know, will be presented in the House on Monday, we will probably be able to avoid those soporific speeches during which Hon. Members, and often visitors in the gallery as well, tend to drop off to sleep. Incidentally, our visitors must often wonder what is going on in the House. Mr. Speaker, I think an explanation is in order, because people should realize that when the House barely has a quorum of twenty, the other Hon. Members are not all on holiday or partying somewhere else, but they are working in the Standing Committees of the House. There are a number of committees of the House, and Hon. Members are Members of these committees so they are actually working.

I would have liked parliamentary reform to provide for a rotating schedule for Hon. Members, namely, three weeks in the House and then one week in their ridings to attend to their constituents, but it seems this was not approved. In any case, Mr. Speaker, I would like to take this opportunity—

[*English*]

Mr. Shields: Mr. Speaker, I rise on a point of order. With all due respect, I am very interested in hearing about parliamentary reform but the notice of motion requests "a copy of any agreement signed between the Enterprise Development Board and General Aluminum Forging Ltd." I have heard no reference to that whatsoever, and would ask that you rule as to relevance.

The Acting Speaker (Mr. Corbin): The Hon. Member for Athabasca (Mr. Shields) has a valid point of order. The Chair was about to call the Hon. Member to order and ask that he speak to the subject at hand.

Mr. Shields: If the Hon. Member does not have anything to say about agreements signed by the Government with corporations, I will be happy to contribute a few words.

[*Translation*]

Mr. Tousignant: Mr. Speaker, I realized just now that the Hon. Member was practically the only one of his party on the opposite side of the House, so I wanted to make a contribution to his education, but in any case, I was just going to address myself to the subject at hand. If he would like to add a few words, however, I have no objection, if my hon. colleagues agree to let him speak on this matter.

Since we are discussing the Department of Industry, Trade and Commerce, I would like to take this opportunity to express some reservations and also make some comments with respect to the new department, since it now includes DREE, and I would like to inform the House that DREE, as we knew it, was an entirely exceptional instrument for regional development in Canada. However, now that the department has been restructured, we do have some reservations.

Mr. Speaker, I must say that I have heard hon. colleagues expressing some concern about the restructuring of DREE. It is practically common knowledge that what we now have is pitched battle between senior officials of the department, who are wondering who is going to get which position. Functions are being centralized, while the original purpose of the department was, of course, to develop the regions. They are centralizing in the large urban centres, comfortably ensconced in their ivory towers, and the bureaucracy—I am sure my hon. colleagues opposite are going to appreciate this, since they are very unhappy about all the bureaucracy in Government—the bureaucracy is steadily increasing and we now have a department that is practically immune to change. I forget which French writer said that bureaucracy was a monster administered by pygmies. That is quite true, when you think about it.

For instance, DREE in Montreal has 190 employees, in a department which is supposed to be concerned with regional economic development. Montreal has 190, Quebec City has 40, and in the regions where the work is actually done, there are 20. That gives a pretty clear picture of how this bureaucracy operates. It is more or less the same in the other provinces. So there certainly is cause for concern. And what kind of results can we expect? Of course, since the department was restructured, it is now being led by an exceptional man who deserves all praise, but I wonder how one man is going to control this bureaucracy.

I have the impression that my hon. colleague opposite has something to add, so if he is prepared to do so now, I am prepared to give him the floor.

[*English*]

Mr. Jack Shields (Athabasca): Mr. Speaker, I thought I would get my colleague off the hotseat and maybe contribute a little. I know that he was struggling very hard to keep the debate going. I do have a contribution to make. In Notice of Motion No. 54, the Hon. Member for Vaudreuil (Mr. Herbert) requests "a copy of any agreement signed between the Enterprise Development Board and General Aluminum Forging Ltd."

I have had a similar experience as the Hon. Member. I requested copies of the agreement between Imperial Oil and the Department of Energy, Mines and Resources with regard to the loan to Imperial Oil to continue its activity in Cold Lake. It was somewhere in the neighbourhood of $40 million. We understand that part of the agreement, as indicated in the news release, was that if the plant did not go ahead within the year, the grant would be lost.

I think this is pertinent and follows very closely what we are talking about in this private members' hour. It is incumbent on the Government to make this agreement available so that we can fulfil our responsibility to our constituents and account for what the Government is doing. To do this, we must have access to these documents. I have repeatedly risen in this House under Standing Order 43, I have placed a motion on the Order Paper, I have questioned the Minister of Energy, Mines and Resources (Mr. Chrétien), and the former minister of energy, mines and resources, with regard to the agreement which was signed at a cost of $40 million to the taxpayers of this country, and I have yet to receive the courtesy of a reply and I have yet to receive those documents. Indeed, Mr. Speaker, they will probably never see the light of day during this session of Parliament.

• (1750)

In the same vein, I have made repeated requests of the Department of Energy, Mines and Resources, again by way of the Order Paper, by questions in this House of Commons during Question Period, and by way of motions under Standing Order 43, for all relevant material, all studies done, which indicate what the impact on the economy of Canada would be with the construction of the Alsands project and the Imperial Oil project in Cold Lake. We are looking at a $12 billion to $14 billion investment in the Alsands project and we are looking at a comparable investment in the Cold Lake project. Those are direct expenditure dollars, 1980 dollars. The direct flow-through, then, to the rest of the economy into virtually every Province in this country, the employment that it would generate, is vital information for this House of Commons I am convinced that if we had the available information which I requested with regard to those two plants all Members in this House would take a serious look at the policies which are forcing those two plants into oblivion. I am confident that these studies are in the hands of the departmental officials in Energy, Mines and Resources. I am also confident that if Hon. Members had access to that information, they would see the multiplication of the $24 billion investment in those two plants, what it would do to the economy over a 20 to 25-year period, and the jobs which could be created when we are in a position of having one and a half million people unemployed across the country.

When we see industries in Ontario and Quebec closing down, when we see whole communities shut down because they are dependent on a mine and the mine is closing out and when we see the auto industry pulling back, we can imagine the effect of a $24 billion investment in the oil sands which can produce energy security for Canada, which can create jobs across the country and inject into our economy an estimated $500 billion in a ripple effect. I am confident, Mr. Speaker, that if Hon. Members had access to the information which is there in the Department of Energy, Mines and Resources, probably sitting on a shelf, or maybe hidden on a shelf, I am sure there would be a revolt in the Liberal ranks, among backbenchers over there, that would make this Government's head spin.

It is the responsibility of all Members of this House, not only to play partisan politics, but to gather all the information which they possibly can in order to make sound decisions for the health of our country. I have just given two examples of information, such as agreements and studies, that should be available to all Members of this House yet are being held back.

I agree with the Hon. Member for Vaudreuil when he asks why this is not made available. I truly cannot see one reason why I should not have access or, indeed, any Member of this House, to the agreement which cost the Canadian taxpayers $40 million. I believe it is our right, Mr. Speaker, to have that agreement in our hands in order to ensure that the Government has used that money wisely. But all I was able to get was smart-aleck answers from the former minister of energy, mines and resources when I questioned him on that agreement.

I think it is the absolute right of every Member of this House of Commons to have in their possession copies of the studies done by Energy, Mines and Resources showing the impact on the economy right across the country with regard to the Alsands and the Cold Lake projects, because then, and only then, can we in this House do the job which we were sent here to do by our electors.

Mr. Stanley Hudecki (Parliamentary Secretary to Minister of National Defence): The time allotted to me is very short, Mr. Speaker, and I would just like to make one or two points. The Motion on the Order Paper deals with the Enterprise Development Board and the General Aluminum Forging Ltd., allegedly of Hamilton, Ontario. It was the location of the company in Hamilton, Ontario, which motivated me to look into this subject, and I would like to correct the Hon. Member for Vaudreuil (Mr. Herbert) and indicate to him that there is no company by that name in Hamilton. Indeed, it is headquartered there under the name of Sterlake Enterprises Ltd. I believe that an inaccuracy should be corrected because in this particular Bill there is criticism, perhaps, of the Government, and by inference the company which is named is also considered guilty by association. I think that in presenting a motion of this nature such an implication should be taken into consideration. Information that is submitted may be valid in so far as being critical of the Government is concerned, but there is another side to the issue, and the other side here is the company involved. Many such companies are high risk companies which have to battle carefully for recognition and support, and presenting a motion such as this before Parliament, does bring about publicity, and that publicity could be interpreted as being unfavourable. Therefore, I feel there should be greater study of the presentations made, keeping in mind the effect it has on enterprising, innovative, companies which look to the Government for assistance, as for example this company which intends to open up the aluminum forging industry in Canada.

[*Translation*]

The Acting Speaker (Mr. Corbin): Order, please. The hour provided for the consideration of private members' business has expired. I do now leave the Chair until eight o'clock this evening.

At 6 p.m. the House took recess.

AFTER RECESS

The House resumed at 8 p.m.

GOVERNMENT ORDERS

[*English*]

OLD AGE SECURITY ACT (NO. 2)

MEASURE TO AMEND

The House resumed consideration of the Motion of Miss Bégin that Bill C-131, an Act to amend the Old Age Security Act (No. 2) be read a second time and referred to the Standing Committee on Health, Welfare and Social Affairs.

Mr. Albert Cooper (Peace River): Mr. Speaker, I am pleased to have an opportunity to speak on Bill C-131. I am particularly pleased to have the opportunity to follow my colleague, the Hon. Member for Okanagan North (Mr. Dantzer). Of course, he is the pension critic for our party and he knows a good deal about it, which will make it a little difficult for me to follow him. He knows so much about pensions for two reasons. First, obviously he has put an awful lot of work into his critic's role. Second, he has been collecting an old age pension himself for about 30 years. Well, I exaggerate a little.

I really want to talk about two things tonight with respect to what I think the Government is doing to our senior citizens. The Government is making things very hard for those people right now. Secondly, it is making sure that our senior citizens are going to have difficulties in the future. Essentially, what Bill C-131 sets out to do is to impose the famous six and five regime on a group which I believe is less able to bear that kind of hardship. I think all of us—certainly I do—approve of limiting Government spending, but not in this particular area. Why does the Government not look at eliminating some useless projects, some of these expensive things that we have watched the Government get involved in over the last year? But why, why, cut back on needed programs such as Old Age Security? The bulk of our senior citizen population in Canada depends very much on these pensions. They are not a cushion or extra income. They are in fact, in many cases, the only source of income. Of Canadians presently receiving Old Age Security, as I understand it, approximately one half or about 1.2 million Canadians, do not receive the guaranteed income supplement, but that does not mean they do not need it or could not use it. Many of those people are the ones who are going to feel the full impact of Bill C-131. They are the ones to be penalized by the Government, the very ones who have worked hard, planned and done everything possible to secure their financial independence for their old age. This Bill will jeopardize that security, jeopardize the savings they have worked for years and years to accumulate. It is also going to jeopardize, in many cases, something which is very important to these people, their own homes; the one thing that gives them a stable base and a real sense of security.

Indexing Old Age Security was the Government's answer to inflation. But not now. Now we find that the Government is going to place an unequal burden on a part of society which has virtually no clout with which to fight back. What the Government should be looking at is some kind of catch-up, not a penalty, which is certainly what Bill C-131 is all about. I do not think the Government has recognized the kind of limits there are on the savings of these people. The Government—I am sure this is going to happen—is going to force elderly Canadians to dig into their savings. That will have a particular impact today for one reason, the fact that people can now expect a much longer lifespan. They can expect to be pensionable for a much longer period of time. And what is very significant is that any losses they experience now are losses which will never be recouped. But the elderly are going to have to shoulder a permanent reduction in their standard of living because of what the Government calls, in Bill C-131, a temporary measure.

Let us stop and just look for a minute. Mr. Speaker, at private pensions. For example, they are not indexed. We also find that only about 40 per cent of our senior population enjoy private pensions. Therefore, many of our seniors will in fact lose their one inflation cushion, the one thing which allows them to cope with today's inflation. But it is not just a reduction of the savings of pensioners which is the problem. By keeping the amount that they receive at a lower level over the next two years, the Government is effectively reducing the base amount when full indexing returns. So the over-all pie is shrinking. Very simply, what that means is a permanent loss of that cushion against inflation. It is a permanent betrayal of this Government's promise. Senior citizens affected by Bill C-131 will live with six and five for the rest of their lives. It is going to become a permanent structure and permanent problem for them for as long as they live, and the Government insists on calling it a temporary measure.

If you look into the area of pensions in some detail, Mr. Speaker, you will find that it very much affects single people, and certainly women. We find that under the GIS the cut-off point for a single individual is around $8,900, and for couples it is about $15,000. That hovers very close to the poverty line. Anyone making that amount of money or more is fully indexed. Therefore, they will feel the full impact of Bill C-131. I think all of us would recognize that in this time of a high cost of living, $8,900 is not really very much. For a couple to live on $15,000, certainly in some of our urban areas, is not very much at all. In fact, it will be very difficult to maintain any kind of comfortable lifestyle on that income. Yet this Government has somehow managed to decide that it is enough to shoulder a part of what is supposed to be a temporary burden in the six and five fight. In fact, I think it is enough to threaten the savings of our senior citizens, and it is enough to limit their Old Age Security income forever.

We were relieved of course that the Government decided to use the GIS, but where we have some concern now is that many in fact will fall through that line which governs whether or not they will receive the GIS. As I mentioned earlier, that line is very close to the StatsCan poverty line.

• (2010)

I really believe that the Government has done the barest minimum it can to improve Guaranteed Income Supplement levels. It has been recommended that the GIS be used to bring even those who fall below that line, up to the level of the poverty line. This was recommended by the Canadian Life and Health Insurance Association, the Canadian organization of small business and something called the Business Committee on Pension Policy. On April 20 the Minister indicated that she would be interested in doing that "as soon as funds are available", but it has never been done, Mr. Speaker. Instead, we find that there has been an attack on the whole plan of Old Age Security.

As I understand it, there are approximately 400,000 people in Canada receiving pensions—most of them women—who fall below the poverty line. The implications of this Bill for our future is very important, Mr. Speaker. Earlier the Hon. Member for Okanagan North drew our attention to the effects of the baby boom, showing that at present there are seven workers for every pensioner and that by the year 2020 there will be three workers for every pensioner.

What I find frightening about the Government's approach to Bill C-131 is that it offers no comprehensive fiscal plan to deal with the problems that face us. The Canada Pension Plan will need contributions of around 9 per cent of earnings in future, instead of the present 3.6 per cent, to maintain the present level of benefit.

Unless some comprehensive planing takes place very soon, a heavy tax increase will have to be imposed on workers by the year 2000.

At the present time the Canada Pension Plan is short of cash. Things are very tight indeed. It tooks as if the fund will be bankrupt by the year 2020. A lot of the money in the fund has been lent to the Provinces at low rates of interest, and there is a popular belief that much of that money will never be paid back. It is imperative that Canadians, individually, be allowed to prepare for retirement independence. Instead of that, however, we find that the Government is aggravating the situation, and that will have an effect on the future. It is discouraging Canadians from investing for their old age or retirement. Interest borrowed on money to purchase RRSPs and Registered Home Ownership Plans is no longer tax deductible. This is another disincentive to deferred spending and to the intense saving that is usual in the years before a person buys a home. The RRSP was designed to give our senior citizens some measure of liquidity in their retirement years. The home is usually the single largest family asset that families can acquire, but this dream is becoming something of a pipedream now. It is the one thing that could have provided an accumulation of sale capital or accommodation security.

The foregoing are not only indirect barriers to savings, Mr. Speaker, there are others, such as the high level of taxation, the erratic interest rates that are eating up the savings of senior citizens and, worst of all, the economic mess the Government has created. It seems to be blindly forging ahead without trying to improve the situation. That is just a small list of the things that have been happening.

The unemployed are spending the reserves that they should have been able to put away for their retirement. The unemployed cannot save, they cannot buy homes, they cannot contribute to the Canada Pension Plan and they cannot contribute to their own private pension plans. The Government is creating a generation of pensions that will likely need full Government support just to stay at the poverty line. Private savings should be encouraged.

The Government should be worrying about the present state of the economy and looking to things like the National Energy Program to stimulate the economy and create jobs. It should be looking at ways to encourage deferred spending or, in other words, various forms of saving.

The Government should be concentrating on preparing the country for the years ahead. It must look after its present obligations, but not by the means proposed in Bill C-131. The impact this Bill will have cannot be stressed enough. It will cut into the spending or the "coping power" of the senior citizens very severely. It will mean great hardship for them and will reduce the savings of those who have planned their retirement.

It seems that some Members of the Government have some reservations about reducing some pensions. A number of Members opposite have stated for the record that they will not support Bill C-133 in its present form. This Party will not support Bill C-133 nor will it support Bill C-131, Mr. Speaker.

Members of the Government seem to be able to make a distinction between the two classes of people affected by these Bills. On the one hand they are willing to protect the indexing that affects their own constituents, but they are not willing to do the same for the average senior citizen. Why are we not hearing from Members of the Government? Why are they not speaking out on this issue? Why have they decided not to support Bill C-133 but are prepared to go blindly ahead with Bill C-131?

Members of the Government who represented the capital region seem to understand why one Bill should not be meddled with but they cannot understand why the other should not. I do not think the other Members of the Government understand the implications of this. If they did, they would find themselves in a compromising position.

Bill C-131 would not have an equitable impact, Mr. Speaker. It would attack those least able to absorb the six and five regime, the group least able to influence changes on their own behalf. That group is being asked to shoulder a burden that will have a greater impact on them than on many other, if not all other, segments of Canadian society. It is not a temporary burden and it is not evenly distributed. It is a great contrast to the Government waste that we have seen over the last few years. It is a reduction in a program that is already underutilized, a program that needs growth, not pruning.

The Government does not recognize its responsibilities. It has shown a complete lack of willingness to look to the future and the problems it will bring. It is a Government that seems almost two-faced about its moral responsibilities and the narrow political motivations of its regional caucus.

I am pleased to have had this opportunity to speak on Bill C-131, Mr. Speaker. I think the Government should reconsider its stand on this legislation in direct correlation to Bill C-133.

Hon. J. Robert Howie (York-Sunbury): Mr. Speaker, the debate so far has been very constructive. I should like to commend my colleagues and all Members of the House who have taken part in it.

• (2020)

I contend that if the Members of the Party sitting on Mr. Speaker's right had really thought this Bill through, if they had put it in a realistic context, and if they had respect for the people it will affect, they would withdraw it. It is a bad Bill, and I will tell the House why. Like the rest of the six and five program, it assumes its effect will be equal on all people if it is applied evenly to everyone.

I cannot understand how anyone can accept this line of thought. It must be obvious that a pensioner with a $20,000 per year income from stock dividends, maturing bonds, RRSPs or a private source can afford to lose a bit of real purchasing power, far more easily than a widow living on just over $8,900 per year, the cut off line for the Guaranteed Income Supplement.

To put this income in context, Statistics Canada indicates that the poverty line for single individuals living in metropolitan areas is $8,922 or $10 more than the cut-off point for the Guaranteed Income Supplement. While it may be true that the GIS will be indexed to compensate for the limited indexation of the Old Age Security pension, the loss of any amount at all will be very difficult for the single pensioner whose income is about $9,000 to $10,000 per year, or the married couple with a combined income of slightly over $15,000 per year.

I would ask all Hon. Members to consider the restrictions and privations imposed by incomes this low. Assuming an inflation rate of only 7 per cent, a single pensioner will lose $150 over the next two years, while a couple, both over 65, will sacrifice $300. At 10 per cent inflation, the individual gives up $270 and the couple, $540. The low-income pensioner living on the edge of poverty just cannot afford this loss of buying power. That is one reason this is an unfair, mean-spirited Bill. It takes the greatest toll on those who can afford it the least.

Another reason I cannot support the Bill is that it penalizes the people who survived the hungry thirties, served their country in wartime and built up our industries in the post-war era. Assuming that 1.2 million pensioners will not qualify for the GIS, and that inflation will average 10 per cent, the Government will save $32.4 million from Old Age Security pensions over the next two fiscal years. The Government should not be proud of this. I do not believe our pensioners should lose almost $32.5 million of income, even in a period of restraint. I do not believe they should lose one penny.

Until the pension system is completely reformed, I contend that pensioners should not have desperate measures like the six and five grafted onto their income security program for the sake of blind uniformity. The Minister of National Health and Welfare (Miss Bégin) said last Thursday night:

> We are asking 1.1 million old age pensioners to help lead the way in the fight against inflation.

I say that her use of the word "ask" is a jarring euphemism. I suggest that she actually ask a couple of hundred randomly-selected senior citizens if they support limited indexing of the Old Age Security pension, which is the only source of income for over 300,000 seniors in Canada. I coax her to ask them if they would volunteer to be on the front line of restraint. I am sure she would get quite a different tally of votes than the one the Government expects from the House.

Although $32.5 million is a lot of money, it pales in comparison with the $400 million the Government just spent to

strengthen the equity base of Canadair and de Havilland. It pales in comparison with the $500 million it is offering Dome Petroleum to help pull that Corporation out of its financial quagmire. I do not believe that many Canadians would disagree with maintaining the buying power of the old age pension for senior citizens, but any Member who listens to his or her constituents knows that many voters do not approve of big corporate bail-outs like the Dome deal.

The Minister of National Health and Welfare said that it would take roughly $250 million above current expenditures to bring 725,000 single and widowed Old Age Security pension recipients just up to the poverty line, but claimed that it was impossible to find the money elsewhere in any foreseeable future. Yet, she is a frontbencher of a Government that feels it is able to whisk away some $660 million from energy programs, $245 million from Official Development Assistance, and $230 million for national defence over the next two years for other programs.

On one hand the Government proposes to take radical measures to reduce inflation. On the other hand it has seen fit to add $400 million to the equity of de Havilland and Canadair and to offer Dome $500 million, a sum which it may yet get to keep. Then there is the $990 million reduction in interest payments on the public debt. I am sure we would love to know what will become of that money. It certainly has not stopped the increase in unemployment. In the midst of all this free-floating capital, how can the Government hope to justify this mean, penny-pinching Bill? Obviously the Government does not have control of the purse strings. These anomalies are evidence of crisis management, piecemeal programming and a sad lack of a global overview of fiscal policy.

In short, the Government apparently has no idea how to save or spend public funds. Yet it touts six and five as if it were the cure for all ills, like a quack doctor's bloodletting, love potions and mustard plasters. The fiscal charlatanism the Government practises has not worked in the 12 years or so that it has held power to date. Its latest illusion, six and five, is not going to work either. It cannot simply superimpose six and five on social programs and expect it to make a bad program good or an expensive program reasonable and satisfactory.

I could address fiscal policy at length, but I will restrict my remarks to pension programs. It is safe to assume that all three Parties seated in the House support the concept of a minimum standard of income for all senior citizens, yet poverty persists in the country. Over 61 per cent of single persons over age 65 live in poverty, and about 14 per cent of families headed by persons over 65 are poor. In 1981, 3.7 million Canadians were below the poverty line, a figure which has not changed since 1977 in spite of the introduction of the spouse's allowance and enrichment of the Guaranteed Income Supplement.

While family allowance payments decrease annually as our birthrate declines and the population ages, this gain is more than offset by the 3.3 per cent compound annual growth rate of the senior citizen population. The substantial movement of women in the labour force where they may contribute to the Canada Pension Plan and private sector pensions, as well as the growth of personal savings among new retirees, will help keep down the cost of tax-supported income security programs in the years ahead. However, to break the persistent hold of poverty on such a large percentage of our elderly and to guarantee a decent standard of living for present and future pensioners, pension reforms must be made now.

We must give real incentives to save for retirement, incentives which will be fair to persons in all income brackets. Private pensions must also be encouraged with respect to portability, vesting, indexing and survivor's benefits. There are many ways to reconstruct the pension system, but one way we should not follow is to limit indexing of the basic Old Age Security pension to six and five per cent over the next two very difficult years.

Our seniors have given enough to this country. We will make their golden years a lamentable farce if we force them to join the front lines of restraint and to give even more. Our senior citizens have served. They should not be called on again. It is our turn to lead the attack, not theirs.

Some Hon. Members: Hear, hear!

• (2030)

Mr. Bob Ogle (Saskatoon East): Bill C-131 that we are discussing tonight is an extremely important Bill. It marks a part of the history of our country that I think will cause a serious setback. We are talking about the situation of senior citizens in Canada and the situation they will have to face in the future. I feel this particular Bill will, in many cases, put our senior citizens into a situation that is worse than the one they know now.

First, I want to speak a little bit about the life of the elderly in other cultures. I think it is important Canadian people in general take a look at how we treat our senior citizens. This is important because it says something about the way we look at human dignity and the value of people.

I have travelled a bit during my life and I have seen different cultures. Interestingly enough, in many cultures, the oldest citizens are the ones who get the greatest respect. They are the ones the rest of society looks after in a very special way.

I have travelled to Africa and through many villages. These villages have very little in the way of modern convenience as we know it. Yet the senior citizens of those villages are kept in honour. People go about their daily tasks, but the senior citizens, the wisdom of the community, are held together and are looked after and cared for by the whole community.

For centuries the Chinese have respected the wisdom of the old. That is true today in their culture. Right now in Singapore, which is a booming modern city, modern apartment blocks are set up for a family, but the apartments themselves are always set up as an apartment and a half. The apartment has a place, not only for the family, but for senior citizens.

In Canada other cultural forms have developed even in my own lifetime. One great step forward has been the idea that a senior citizen gets a pension and a senior citizen can look

forward to some kind of secure income. I can remember as a boy the fear that old people had that there was no future for them, that they had nothing to look forward to at all except what used to be called the poor house. That was basically unfair. I congratulate this House and all the people in Canada who worked over the years to bring about universal pensions for our senior citizens.

This Bill is a setback to the very idea that we had accepted as a people that our senior citizens should be looked after in a special way.

My riding is Saskatoon East. Saskatoon East has a unique situation. In my riding there are probably proportionately more elderly people than in any other riding in Canada. Saskatoon is a city in Saskatchewan, and Saskatchewan has a very interesting age pattern. Sixty or seventy years ago, in the early days, young people from all over the world came to settle in Saskatchewan. My father said that when he went West in 1912 to take up a homestead, there were no people there with white hair. He does not remember seeing anybody who was old. Everybody was young. The person who was 30 years of age was considered old. Most people were 20 or 21 years of age. Those people were the pioneers and formed the Province. They were the ones who broke the Prairie, built the homes, built the schools, made the roads and built the towns. These people aged together. Right now in Saskatoon East I believe we have 18 or 19 senior citizen homes. We have St. Ann's home, the Jubilee buildings and Cosmopolitan Court. We have all these different places which the citizens have set up. When I speak to this Bill, I speak representing a lot of people who will be affected directly by the cutback in their pension and the fact that their pension will not keep up with the cost of living. I believe that is a direct challenge to the dignity of each one of those people.

As a priest I have done pastoral work for 30 years. One of the things a priest does is to visit senior citizens. Anyone working in pastoral work will tell you that there is one thing you must do and that is to visit senior citizens. They are lonely people. Many of them live with fear. Each one of us as we get a little older and our hair gets a little whiter—and, Mr. Speaker, you know what I am talking about when I talk about white hair—has within himself the question of security. A person will ask himself "How and where am I going to end up?" Yet, when we have our health and are able to carry on our responsibilities, that note does not strike as hard as when we get to the point in our lives—and it will come for each and every one of us—of reaching old age.

There are many reasons why this time becomes a very difficult period for many people. First, there is the question of death, not your own death but the death of people around you. This creates a state of loneliness. One wonders where so and so is. They have died. Then you think of somebody else and you realize they have died. Family members have moved away. Perhaps there is the death of a spouse. People become lonely and fear sets in. A person asks himself: where and how am I going to die?

If a person is secure from the worry of finances, that removes one of the problems of the fear of growing old. However, in the Bill before us today that notion of pension that was worked for by parliamentarians, by civil rights leaders and by leaders of communities all over Canada is being challenged on a principle that I think is a false principle. It is flippantly called the six and five principle. This six and five formula was passed by this House months ago as a way of handling inflation. The Bill encompassing that was passed by the Liberal Government and supported by the Conservatives. The NDP was the only Party that said the principle was wrong. Once you have a principle, you must accept the facts that follow from that principle. If you accept the six and five formula as a way to solve the financial problems of the country, you must accept the difficulties that you are putting into the lives of every person on whom you force the six and five formula. Adding this on to the problems faced by the senior citizens, those who have given their lives to build up this country, is, I believe, basically wrong.

The Party over there, the Government, has just stopped speaking to the Bill. I think their Members must hang their heads in shame because they have to go back to their constituencies and tell their senior citizens what the Government is doing. Over here, our friends the Conservatives are saying this Bill is a terrible thing, but they bought the principle. When you buy the principle you stand responsible for the results. I think the people of Canada should understand and know about that.

Let me come again to the notion of this extra slicing away at the income as the cost of living rises is such that a person with lots of money does not notice it. However, if a person does not have a great deal of money and is just making ends meet, he or she does notice it. He is struggling not to become any poorer. He is suddenly finding that while the cost of living keeps going up, his income is being cut back a little at a time.

• (2040)

I am sure Members of Parliament have spoken to senior citizens in their constituencies. Some senior citizens do not always understand what these measures mean. They do not understand the meaning of OAS, GIS or CPP. All that it means to them is that they cannot buy a bottle of milk, a pair of shoes or pay their telephone bills. They are finding themselves in a situation of fear, loneliness and growing misery.

Tonight we are debating this Bill, which will probably be passed. There is no one from the media here to write about the effects of this Bill on senior citizens. The Bill is being split up so that there will be no continuous debate; we may debate it again in another two days. In this way people will not realize what is taking place. The poor senior citizens, the founders of this country, are slowly being ripped off. Their standard of living will become worse than it is today.

A recently published book which was written by a modern theologian discusses the whole question of healing and caring for those who are hurting. In his recent book called "Clowning

in Rome", Henri Nouwen writes about the question of hurting, the pain that senior citizens know. He says:

> I often wonder if the sheer artificiality and ugliness with which many people are surrounded are not as bad or worse than their interpersonal problems. I have found this painfully true in ministry to the elderly. Many old people suffer from the ugliness of their environment. Much healing could be offered to older people by helping them to make their home and room a little more beautiful.

I have visited the homes of some senior citizens. I do not think many people would want to live in some of those homes, but that is all those senior citizens have. They have a few artifacts in their homes which remind them of their families. They may have, for example, photograph albums with pictures of their families. Some of these senior citizens have difficulty making their own meals and must rely on people to bring food to them. Because of their loneliness they sometimes have a pet, such as a kitten or a puppy, in their home as companions.

Mr. Schroder: Mr. Speaker, I rise on a point of order. Would the Hon. Member permit a question?

Mr. Ogle: Mr. Speaker, I would be happy to answer the Hon. Member's questions at the end of my speech.

The point I was trying to make before the Hon. Member rose concerns the difficulty these people have in finding a comfortable and human surrounding. At this time I would like to pay tribute to those who have built accommodations, particularly in my area of Saskatchewan, which are providing senior citizens with comfortable surroundings. Those people now have pleasant apartments to live in. However, I am concerned about those who must still try to make it on their own. They are looking for the more human surroundings which make their lives a little better than it otherwise would be.

I used the example of having a pet as a companion because I know of a senior citizen who lives alone because his wife has died and his family has moved away. Last year, at Christmas, he received a kitten from a friend. While this may not seem like an extravagant gift for people who have two cars and a summer cottage, this kitten meant that he had a companion to which he could be near when he previously had nothing else to keep him company.

As a result of the six and five program the incomes of these senior citizens will slowly be cut back so that they will not even be able to enjoy these little luxuries which make life bearable and a little more human for them. When we talk about the mechanisms of the six and five program, it seems to have a cold nothingness to it. However, when we discuss it in relation to day-to-day living of a senior citizen and the fact that their incomes will be cut back, we see how hard this program strikes at the very heart of the matter. I cannot repeat often enough the callousness that forced the Minister to introduce this legislation and put this burden on the back of our senior citizens.

Mr. Lalonde: Be honest!

Mr. Ogle: I actually believe that the Minister felt very badly about having to do this. She says that she did not feel bad about it, so that is that argument. I did feel that she felt bad about bringing in this legislation.

Mr. Lalonde: You should have at least intellectual, if not moral, honesty about it.

Mr. Ogle: She says that she did not feel bad. The Minister of Finance (Mr. Lalonde) says that I should have more honesty. I believe that those people who are listening to me believe that this is honest.

Mr. Lalonde: It is not. What you are saying is not honest.

Mr. Ogle: I am pleased that the Minister of Finance and the Minister of National Health and Welfare (Miss Bégin) are reacting to what I am saying. I believe there could have been another way to implement this program. When the Government was implementing its six and five program it could have made provisions which would not have affected these people.

Mr. Lalonde: Mr. Speaker, I rise on a point of order. Would the Hon. Member allow me to ask him a question about what he is saying? He is misrepresenting the situation so much that he is either ignorant about it or he is not honest about it. I leave him the choice. Surely he knows that all the recipients of GIS are fully covered under this Bill. They are not going to lose anything.

Mr. Deputy Speaker: Order. The Hon. Member for Saskatoon East (Mr. Ogle) has the floor.

Mr. Ogle: Mr. Speaker, I am glad that the Minister of Finance has made his point. He has challenged me on two serious points. If he has questions at the end of my speech I will be glad to answer them. However, I think the Minister has made his point.

We are seeing a basic cut-back to a pension to senior citizens. The Minister talks about other areas—I do not know what he is saying about me.

Mr. Lalonde: They are increasing. They are not cut back.

Mr. Ogle: The Minister has now said that the pensions are increasing rather than being cut back. There is a natural human pride which many senior citizens have in being able to live on their old age pension. If they cannot do that, they feel like failures because our society has dictated that we are failures, if we cannot look after ourselves completely when we get old. I do not believe that. However, that has been said to me by many senior citizens. They do not want to end their lives in failure. The fact that they are forced into living with tests, letting the world know that they are poor and have been a failure, it is inhuman. That is not the way that cultures should look after their senior citizens. Senior citizens should have a place in society where they are respected because they are old, and the wisdom which they have should be used in such a way that it will benefit all of society.

• (2050)

Some Hon. Members: Hear, hear!

Mr. Ogle: What the debate is about today, and the challenge against our senior citizens, is the fact that they are not going to be able to live within their pensions as they would want to.

I will go back to this basic notion of security because pensions were introduced, and, again, I give complete credit to those who introduced them, who fought in this House and who argued for them and found a way to bring them in.

About 20 years ago when I was visiting in Mexico with my father, we came to the first town inside the Mexican border about noon. There were old women begging on the steps of the church for food, and they were dressed in rags. I have seen millions of people like that since, but it was a shock. My father was really, really struck by that, the fact that these people were begging for food to survive. When we got back on the bus, he said that if it were not for the old age pensions in Canada it would be the same there. He was not a great sociologist or an economist but he was able to identify the fact that pensions that had been fought for and won in this country were the only possible way of keeping old people from being beggars in the last part of their lives when they no longer have an income sufficient to provide decent living conditions.

On the question of the dignity of receiving a pension, I would just like to refer to *Hansard* where our good colleague, the Hon. Member for Winnipeg North Centre (Mr. Knowles), on October 21, 1951—that was the day when you no longer needed a means test to get a pension—talked about the historic significance of that day when the old age pension law was free of the means test. When that happened dignity was restored to senior citizens. It did not require a test to see if you were so poor and such a failure in life that you had to be looked at like an experiment to see whether or not you should get enough to live on. That was an historic day, and it was a great and happy day in this country when that happened.

On October 26, 1979 the same Member, the Hon. Member for Winnipeg North Centre, said:

> Members of the older generation, the generation to which I am proud to belong, are not ashamed to be on a pension. They are glad to show their identification cards and be recognized as part of today's senior citizen group. This is largely because we went for the principle of universality, because we decided we ought not to give pensions to older people just because they were poor but because they are people, because they have played their part in building up the life of this country and deserve a pension in the years of their retirement.

That is the principle, the dignity and self-respect of each person, each senior citizen, without tests, without fear, to be respected and to receive an income when they are in their declining years that will give them frugal comfort at least, human dignity, and not with the fear that this will collapse around them and that they will be left ailing and hurting when they are old.

What I would like to do is just to conclude with a few last remarks, hoping that this Government will find a way to assist elderly people, particularly women, because the majority of our senior citizens are women. They are also the ones who, because of the situation that exists in our country, have the least means of being looked after at this time. I will not go through the details of each particular change, and what each year will mean, dollar for dollar, except that it is getting less.

Our pensioners, the ones we are talking about tonight, are the people who have led the way in our country. They are the people who were the pioneers, the ones who sacrificed, the ones who faced the thirties, lived the depression, sufferred the sicknesses, the poverty, the bad, whatever you want to say about the depression. They were the ones who sent their sons off to war and waited out four years, not knowing whether or not their boys would come back. Many of them did not. They were the ones who endured that kind of suffering. They built up this country. Now when they get to their final years, when there is a little possibility of having complete security, this Bill is attacking that. This Bill is cutting back on their pensions. The over-all result of six and five in this year, next year, and the third year is that they will have less to live on than they have today, in proportion to what it costs to live. That is not right.

We have to be sure that the universality of the pension plan is for all of the senior citizens. It has nothing to do with what they have done in life. An important point to remember is that nobody in this House or in Canada can tell how they are going to end up. They may be millionaires today but they still may need the old age pension when they get to be that age. Nobody can say that they have security. That is not the way life is.

My last thought on the subject tonight goes back to the first idea I had, the question about the importance of the human rights and dignity of every Canadian. I will be voting against this Bill because I believe that the basic rights of the founders of this country, the senior citizens of this country, are being attacked tonight, being whittled away. I just feel unhappy that that is the way it is.

Some Hon. Members: Hear, hear!

The Acting Speaker (Mr. Corbin): The Hon. Parliamentary Secretary on a point of order.

Mr. Schroder: I wonder if I have time to ask a question.

The Acting Speaker (Mr. Corbin): Will the Hon. Member accept a question?

Mr. Ogle: Gladly.

Mr. Schroder: Mr. Speaker, I have the greatest respect for my hon. friend from Saskatoon. I know he is a deeply caring man. I just wonder if he would like to leave on the record the frightening episode that he has described in his speech, when we know that the average loss of security to the old age pensioners in the first year of the six and five program will be $29 in total, and that the application of the 6 per cent will ensure that inflation will be reduced and these old age pensioners will be in the end better off and much more secure when the inflation rate is reduced.

I just wonder if the Member does not believe that a 6 per cent inflation rate would be better than a 12 per cent inflation rate, and that the old age pensioners should not be frightened

into believing that we are doing some dastardly deed to their pension when really we are making things in the end better for them.

Some Hon. Members: Speech, speech. He is making a speech.

• (2100)

Mr. Ogle: Mr. Speaker, I have great respect for the Hon. Member who has questioned me on the point. He is working on a very serious assumption that I am not working under and do not believe in. He is working on the assumption that inflation is over, but it is not. This is a myth. They say this six and five program will bring an end to inflation, but I have not seen it happening. Therefore, when I talk like that, I am speaking about facts. The Hon. Member is talking about a myth and an assumption.

An Hon. Member: Have faith.

Mr. Ogle: I have just been told by one of my Liberal friends that I must have faith. I do have faith. However, facts are harder to accept sometimes than faith. My friend seems to have faith that inflation has been wrestled to the ground. Have you heard that before, wrestled to the ground? I do not believe that. For that reason, it is wrong to make the senior citizens of this country the scapegoats for a policy that is not working.

Mr. Lalonde: Mr. Speaker, I rise on a point of order. Will the Hon. Member for Saskatoon East (Mr. Ogle) accept a question? It will be a short one that he can answer with a yes or no.

Mr. Young: On the same point of order.

The Acting Speaker (Mr. Corbin): Will the Hon. Member for Saskatoon East accept a question from the Minister?

Mr. Ogle: Yes, Mr. Speaker, I will accept a question from the Minister of Finance.

Mr. Lalonde: Mr. Speaker, this is a question which the Hon. Member will be able to answer very quickly. I heard his speech tonight. I heard many speeches from the other side tonight. I cannot help but feel that they must not have read the Bill. My question to the Hon. Member is very simple.

First, is he aware that this Bill does not change anything with regard to the universality of our Old Age Pension? Second, is he aware that all senior citizens who received the Guaranteed Income Supplement, that is all senior citizens who are in need, will be totally and completely indexed, that they will see their pension increase by the total amount of inflation next year? Third, is he aware that those who do not receive the Guaranteed Income Supplement will, because of the quaterly adjustment, see their pension go up next year not by 6 per cent, but by 10.1 per cent? Is he aware of those three facts?

Miss Bégin: Hear, hear!

Mr. Ogle: Mr. Speaker, I am aware of how the Bill works. I am aware of how it is indicated to work. The question that comes to my mind is the question of the test. All that most people have wanted was to live within their pension income because they have dignity and pride. Now they are too poor to live and will have to be tested.

I appreciate what the Finance Minister has said to us. I know what the Bill is indicating. However, it is the basic pension that I have been fighting about because it is the dignity of the person that is important.

Before I sit down in replying to the Minister of Finance (Mr. Lalonde), I would like to hear more Members opposite explain what they are doing.

Mr. Lalonde: Obviously you need it.

Mr. Keeper: Mr. Speaker, I rise on a point of order. I wonder whether it is in order for the Liberal Members to get up constantly to ask questions and make points in this debate when they refuse to put up speakers to participate in the debate?

Some Hon. Members: Hear, hear!

The Acting Speaker (Mr. Corbin): Order, please. The Hon. Member for Simcoe North.

Mr. Doug Lewis (Simcoe North): Mr. Speaker, I cannot help but agree with my hon. friend, the Hon. Member for Winnipeg-St. James (Mr. Keeper). It is indeed unusual that the Government is not prepared to put up any speakers to defend this infamous Bill. We had a tragic speech from the Minister. Aside from that we have not had any other speeches.

Mr. Lalonde: Mr. Speaker, I rise on a point of order. I would like to point out to the Hon. Member that there have been several speakers on this Bill from this side. The Hon. Member should withdraw the allegations he has made and not mislead the House in the first three words of his speech.

Mr. Lewis: I think we should take this opportunity to examine—

Mr. Taylor: Mr. Speaker, I rise on a point of order. The Minister of Finance (Mr. Lalonde) should realize that there has been only one Liberal speak on this Bill. Is that several?

The Acting Speaker (Mr. Corbin): The Chair appeals to Hon. Members. The Hon. Member for Simcoe North was recognized for the purpose of making a speech.

Mr. Lewis: Mr. Speaker, one cannot help but agree that the Minister of Finance has shown the same ability to count as he has shown with the nation's finances.

I wish to address a few remarks between questions to this Bill to amend the Old Age Security Act. By this Act the Liberal Government promises to limit the indexation of the basic Old Age Security Pension to 6 per cent in 1983 and 5 per cent for the year after. What does this mean in practical terms? It means that the Liberal Party has abandoned the

principle of equity and fairness which is inherent and basic to the indexation.

Let us talk about indexation for a minute so that we understand exactly what it is based on. It is a principle brought forward by the Progressive Conservative Party. During the early 1970s our Party could see what was happening to this country as a result of the economic policies of the Liberal Government. My colleagues of the day argued that it was not fair to the federal Government to benefit from inflation. We argue that personal income tax exemptions should be indexed upwards, adjusted annually to account for inflation. In other words, if a fair income tax exemption was $1,500 and inflation for the year was 10 per cent, the income tax exemption should be adjusted by $150.

The same principle applies to the old age pension. For example, the old age pension cheque in November 1982 is $246.92. If inflation continues to run at 10 per cent for the entire year, the cheque should be increased by the amount of inflation, in which case the people receiving the old age pension should get an additional $24.70 per month.

What has happened? The Liberal Party is forcing senior citizens to absorb the difference. That is why we do not have a great flock of Liberal backbenchers supporting this Bill. They left it to the Minister. She is "several", the Minister of Finance said. We do not see great hordes of Liberal backbenchers, who usually have speeches prepared by the Department, putting those speeches forward so they can be included in their "Householder". Who wants an infamous speech as part of a "Householder?" The backbenchers are close enough to the line as it is, and this is going to sink them.

During the course of debate there have been some comments from my colleagues to the left about our Party voting for the principle of restraint. We did that. We believe in restraint. In July we supported the Government. You might ask why. Because after two and a half years of wallowing in indecision, of increased spending, of increased deficit, after two and a half years, realizing what a mess was created, the former finance minister brought in restraint. But should we really say it was two and a half years, or should we go back to the late 1960s when this Party gave the St. Lawrence Seaway pilots 30 per cent and started the avalanche? That is what started the precedent, and Canadians have paid for it ever since with inflation. As Members of Parliament when this Party came to decide on that restraint Bill, we voted for restraint, and everyone knows what the NDP voted for. They voted to retain the salary increases which they wanted.

• (2110)

When I went home for the summer the people I met on the street asked me why the NDP voted against the restraint. Why did they vote against cutting their increases to six per cent? I would have liked to be able to explain to the people because every so often there is one or two NDP supporters out of thousands. I would have liked to be able to say something other than, I am sorry, but my NDP colleagues voted to retain their salary increase. And they know darn well that is exactly why they voted against that Bill. I do not want any of my Liberal colleagues to sit there smugly as if they had something to do with the restraint Bill. They know that restraint Bill came from Coutts, Davey and Axworthy. At least on our side of the House we had an opportunity to decide how we would vote on the Bill, whereas the sheep in the backbenches of the Liberal Party just did what they were told to do.

Let me say something about inflation because it is the very basis of what this Bill is all about. The inflation rate in March 1980 was 9.3 per cent. The Government worked it up to 13 per cent in July, 1981. Then it came up with the new idea to get it down, and this was called a recession. It worked on the recession and it has now got that recession right where it wants it. Now it has inflation down to 10 per cent. And what has happened to the prices that senior citizens are dealing with today? Pork prices have gone up 20.5 per cent. The purchasing power of the 1971-dollar is now 37 cents. Food prices have risen by 215 per cent. Housing costs have risen by 163 per cent. The 1981 average annual inflation rate of 12.5 per cent, created by the Liberal Party, was the highest in 33 years. And it was this Party, Mr. Speaker, that came into office by promising Canadians that it would not increase the price of gasoline.

I remember campaigning against my opponent in Simcoe North who promised the people, "No, sir, we will not increase the price of gasoline by 18 cents". He was right. He was telling the truth, which is unusual for a Liberal candidate. The Government did not increase the price by 18 cents. That was just a stop along the way. An interesting point, Mr. Speaker, is that we will have the Minister of Energy, Mines and Resources (Mr. Chrétien) gracing the riding of Simcoe North on December 3. He is having a soirée at $100 a ticket. He has the nerve to come to my riding, a riding that has faced an increase in the price of gasoline of 91 cents, for a $100-ticket soirée. Let me tell you, there will not be too many citizens on old age pensions who we are going to see at that soirée.

The other night the "several" speakers for the Liberal Party, otherwise known as the Minister of National Health and Welfare, (Miss Bégin) made the opening speech, and it was a sad affair. This once proud Minister, humbled by her rejection of the senior citizens of Canada, came into this House and rejected everything she ever said in defence of senior citizens. This once proud champion of the poor and the downtrodden gave up, surrendered and backed off. I quote from *Hansard* of November 18, 1982 at page 20799. Here is what she said:

> After all, we know that we cannot give any guarantees to pensioners that others will join them in the fight against inflation—

It was not the Leader of the Opposition (Mr. Clark) who was over in France fighting inflation on $172,000 of the taxpayers' money. The Minister said, and this is a good one, and I quote from *Hansard* at page 20799 and 20800:

> —and all pensioners will receive more in 1983 or in 1984 than in this current year, 1982.

That is unmitigated gall. My mother used to say, "That person has the nerve of a canal horse." and it takes nerve to

tell this House that the pensioners of Canada are going to get more money when she has turned her back on indexation.

Miss Bégin: I think what the Hon. Member says is such an inaccurate statement that I have a simple question to him. Is he saying that pensioners next year will have less money or more money? Because the answer is, more.

Mr. Lewis: Providing the Minister is still in her seat when I have finished my remarks, I will be pleased to entertain a question. It is nice to see her back in the House. I want to tell the Minister what is happening out in the real world, and I have a letter from one of my constituents, which reads as follows:

> I am writing this protest, the indexing at 6 per cent of my, and many others, retirement pensions. I have been very grateful my pension has been indexed at the cost of living index. My wife and I both receive the basic old age pension which is also being indexed at 6 per cent—

The writer goes on to say that they have always been glad to receive these pensions. The letter goes on to say:

> — but now we are wondering if it pays to try to be self-supporting. My wife also has a partial Canada Pension as she worked till the age of 65. I would be very grateful if you would express your opposition of this in your capacity as . . . (my Member of Parliament).

These people are out there. That is what this Government refuses to acknowledge. That is why you do not have these kinds of speeches from the Liberal backbenches. But I would like to take you back to a speech the Minister made on April 20, 1982, in which she said:

> We have no intention of changing the 'rules of the game'. We want to maintain indexing of the Old Age Security Pension and the Supplement every three months, and to retain the universality of the basic OAS pension.

What a difference six months makes in the approach and the rules of the game as seen by the Minister. And does the Minister wonder why the Canadian people do not believe the comments which she makes on universality? We have had a "bad-cop/good-cop" routine from the Minister of Finance and the Minister of Health and Welfare. The Minister of Finance says we are looking at universality. The Minister of Health and Welfare says we are not looking at universality. Who can believe what story? Which one is true?

Just before I left to come over here tonight, I found the final insult, the final backdown from the Minister of National Health and Welfare. The Minister is so ashamed of what she has done that she now has a new Act. She is so ashamed of what has happened to the Old Age Security Act under her authorship, she is now going to change it. It is now going to be the Senior Citizens' Benefits Act. The Minister just cannot live with what she has done to the security of old age pensioners. I suggest to you, Mr. Speaker, that this Party believes that a deal is a deal, and because the Government made a deal with the old age pensioners of this country and told them it would index their pensions to the rate of inflation, that deal must be kept. That is why we are voting against this Bill, because we believe that when you tell the people something, you must follow through with your word.

• (2120)

This legislation is penalizing 1.2 million senior citizens who receive the Old Age Security pension and who presently do not qualify for either a full or partial Guaranteed Income Supplement. Based on an inflation rate of 10 per cent, each one of those 1.2 million senior citizens will be shortchanged and cheated by the Liberal Party of Canada to the tune of $290 over the next two years. Many of those people have incomes of slightly over $8,900 a year and are ineligible for the annual Guaranteed Income Supplement. That $290 means a great deal to those people. This Liberal legislation penalizes them, and penalizes elderly married couples with incomes just over $15,000. They lose $580 over the next two years.

It is about time that the Liberal Government lived up to the deal it made to index old age pensions. It said to the elderly of Canada: we want you to keep pace with inflation. Well, this Bill breaks that deal. This Liberal Government wants to make the old age pensioners of Canada suffer, and it is about time that it got out of office so that people and Parties who believe in their word can take over and give all Canadians a fair deal, not the kind of treatment they have been getting from the Liberal Government.

Mr. Jack Shields (Athabasca): Mr. Speaker, I usually rise and join in debate with a great deal of exhilaration, and I usually enjoy them very much. However, I rise with a degree of sadness tonight because the Minister of National Health and Welfare (Miss Bégin), who is piloting this Bill through the House, is someone whom I have watched with a great deal of admiration over the past two years for the way she stood in this House and answered questions and fought for the rights of people who are downtrodden, particularly, I thought, senior citizens and old age pensioners. I now recognize, Mr. Speaker, that the Minister was speaking with a forked tongue. She was speaking like a puffball. You see a blowfish in the ocean, they puff up but there is no substance. I think she should be ashamed of herself.

What are we talking about, Mr. Speaker? We are talking about limiting old age pensions. This Bill will limit the increase in the basic old age pension to a maximum of 6 per cent in 1983, and 5 per cent in 1984. The pension had been fully indexed to the rate of inflation as measured by the consumer price index. Analysing that a little further, Mr. Speaker, the Old Age Security pension now is $246.92 a month. It should increase to $271.61 on January 1, 1984, but it will only increase to $261.74. That is a difference of $9.78 a month, or $118.50 a year. I am sure the Minister, who is a connoisseur of wines, blows that on a bottle of wine at dinner. We are talking about $118.50, and this bankrupt Government, this immoral Government, lacking in any sense of propriety, is moving in on the people of Canada receiving Old Age Security. We heard the Minister of Finance (Mr. Lalonde) earlier when he interjected and said that it will be made up in the Guaranteed Income Supplement. But I ask the Minister, what about those just above the poverty line? I would like the Minister to answer that one. They will lose, if the Minister does not admit

that, he is lying or he is misinformed. And he can take his choice.

The Acting Speaker (Mr. Corbin): The Hon. Minister of Finance (Mr. Lalonde) rises on a point of order.

Mr. Lalonde: The Hon. Member asked me a question and challenges me to answer it. Does he want me to answer it? If he does, I will be very happy to do so.

The Acting Speaker (Mr. Corbin): If I may so inform the Hon. Member, this is hardly Question Period. The Hon. Member for Athabasca (Mr. Shields) was recognized for the purpose of making a speech.

Mr. Munro (Esquimalt-Saanich): Very good ruling.

Mr. Shields: Thank you, Mr. Speaker. I am sure the Minister of Finance has oodles of opportunity to stand before—

Mr. Lalonde: You are afraid.

Mr. Shields: —great hordes of people at fancy dinners where his meal is paid for to give speeches, and I am sure he can pick a time appropriate to answer the question that I raised.

Mr. Lalonde: Chicken.

Mr. Shields: Mr. Speaker, I would like to point out another area which relates to senior citizens. The same Minister of National Health and Welfare makes a big show about going out to all the senior citizen groups in the country with a New Horizons Program grant. Being really magnanimous, she awards a small grant of $3,000 to a senior citizens group of maybe 50 people. When the cheque is delivered and the announcement is made she immediately sends out someone from her Department to extol the virtues of the Minister and her Department and what they are doing for the senior citizens of our country. That person is sure to be there at every announcement of a New Horizons grant, and I am sure that he or she spends $118 in expense account money to travel to these places. In fact, I suggest she or he spends a great deal more. I would suggest that people in her department are running around everywhere on expense accounts to oversee the high visibility programs so the Minister can get marks for that. I wonder how many will be travelling around telling the senior citizens of our country that she knew of the sacrifice she was asking the elderly people of our country to make on her behalf to help this Government to get out of the financial mess it is in.

In 1971, Mr. Speaker, the Senate Committee on Poverty said that one person earning $2,430 a year was at or below the poverty line. In 1981 that person is below the poverty line if they earn less than $7,370 a year. What are senior citizens making today, Mr. Speaker? They are making approximately $6,200 a year. These people are below the poverty line, yet we have these two ministers rising and saying it is not true, these people will not lose. I would like to remind the Ministers that not all these people live in downtown Montreal where prices might be lower. They do not live in downtown Toronto, Calgary or Winnipeg. Some of them live in isolated communities where milk is close to $2 a quart. Some of them are living in communities where bread runs $1 a loaf. Some people live in very high-cost communities. What do we say to those pensioners who cannot survive on what they have now? Do we tell them we are going to ride on their backs because the Government implemented a six and five program for the benefit of everyone and to help it get out of the economic mess it has created? It is absolutely sickening, Mr. Speaker, that in the year 1982 we would move in on the old people of this country who receive Old Age Security and tell them that we are going to take away some of their—

• (2130)

Mr. Masters: Oh, oh!

Mr. Shields: The Hon. Member says "Oh, oh". I say "shame". It is an absolute crime that the Government should introduce legislation of this nature in this day and age. It is a crock.

Will Hon. Members opposite go back to their old age pensioners and tell them that the Minister says that, if their income keeps them below the poverty line, they will not lose on this? I am talking about the people whose income brings them just above the poverty line, Mr. Speaker. They will find themselves below it very quickly if this goes through. They are the people who will lose, and the Minister knows that.

My colleague spoke about visiting senior citizens in his constituency. I enjoy visiting them as well and going to their drop-in centres for a game of crib or a cup of coffee, or to talk about old times with them. I recommend to all Hon. Members that every time they visit their constituency they go to the senior citizens' drop-in centres. They will hear about the things they had to put up with in order to develop this great country from coast to coast. They did not have unemployment insurance as a safety net when they were out of work. They could not depend on social assistance and welfare to help them when they were unemployed. They had to grub with their own two hands. It brings tears to their eyes when they tell of the poverty they experienced while raising their children and launching them into the world.

I cannot imagine any Government, no matter how strapped for cash, attacking the Old Age Security payment. I cannot fathom that in this day and age. We are attacking the people who built this country and made it what it is today, so that we can all prosper.

We have many universities today and we have become the best educated population in the world. That did not happen because the Minister of Finance or the Minister of Health and Welfare brought in their short-sighted, terribly restrictive, theft policies. It happened because our senior citizens, those who came to this country as immigrants and those born here, suffered hardship, privation, depression, a drought on the Prairies and went without so that their children could eat. They built a nation. Today we are saying to them "We want you to sacrifice some more. You have not sacrificed enough."

We all know that there are elderly people and senior citizens whose lives have been shortened because of the privation they suffered and the struggles they had when they were young. We know that they did not get the nutrition they needed, and now we are denying it to them in their twilight years.

For the first time since I came to this House as a Member of Parliament I am absolutely thrilled that I am not sitting as a Member of the Government and that I am in the Opposition.

I want to recommend to all Members that they think of the people who built this country. Sit down and talk to them once in a while and ask them to tell the stories of the past. They do not regret the sacrifices they made so that we can all ride around in cars on paved roads and live in insulated homes. They like to see their children and the next generation with electricity and modern conveniences in their homes.

But I would ask all Hon. Members to look at the hands of the single ladies and widows who depend totally on the Old Age Security or the GIS. Their hands are worn because they did their washing with a washboard, because they were constantly in water, washing clothes and dishes. It does not take much imagination to realize the hardship they suffered. And we repay them by attacking their Old Age Security, Mr. Speaker.

That has to be absolutely the sickest thing I have seen the Liberal Government do since I came here two years ago, and it has done some sick things. My colleagues and I will do everything in our power to stop this Bill. It is absolutely and totally dishonest.

Mr. Dan Heap (Spadina): Mr. Speaker, I am rising to oppose this Bill because I think it is one of the most unjust Bills that even this Government has devised so far.

I was a little shocked at the intervention made by the Parliamentary Secretary to the Minister of Health and Welfare (Mr. Schroder). In the style of Liberal Members opposite, he did not choose to make a speech as a speech, but rather to question the Hon. Member for Saskatoon East (Mr. Ogle) and say that only $29 is to be taken away from pensioners next year.

I am surprised that the Hon. Member would choose to make that point. I think he is a man of even more experience than I, so he must know that $29 is not much when you have it. It is peanuts to anyone with an income of $50,000, $60,000 or $70,000 per year. For someone earning the salary that the Hon. Member and I do, $29 is, perhaps, the price of a taxi to and from the airport. It is not much, it is hardly noticeable; neither the Hon. Member nor I would notice if $29 more were taken from our annual incomes. Surely the Hon. Member knows that the people who depend entirely upon the Old Age Security or the Old Age Security plus the GIS are in a very different situation. This $29 can mean almost one streetcar trip both ways per week through the year—one visit per week to a son or daughter, or one visit per week to a store which is more than walking distance away, one visit per week to go to some kind of free entertainment provided for senior citizens. It would be almost the price of a quart of milk per week. If the Hon. Member thinks that people on senior citizen incomes have plenty of money for streetcars and milk, then I do not know where he has been living these last few years or who he has been living among. Certainly he has not been in touch with the people who live in the Spadina riding and in downtown Toronto.

• (2140)

If he had visited the streets of Spadina, if he had visited some of the rooming houses in downtown Toronto, if he had visited some of the old houses which have been maintained for years and years—in fact some of them have been maintained for 30 and 40 years—by one couple or perhaps the survivor of one couple, he would have a different picture. He would see people who are very thrifty, people who will scrub and clean their places in order to maintain the old wood of which their homes were built 100 years ago. He would see people who do minute repairs on their houses with their own hands, people who would not dream of having the money to hire someone to do the repairs. He would see people who still repair and make their own clothes for the same reason. He would see the remnants of half a dozen different waves of immigrants who entered Canada through downtown Toronto. Some of them moved on, some of them stayed there. Some of them have lived within a few blocks all their lives. These are the people who built the City of Toronto. I do not mean this only figuratively. I am talking about construction workers who built buildings with their own hands.

I am talking about the cleaning women who clean the magnificent office towers every evening when the beautiful people have gone home. They come in and clean these expensive offices mostly for a minimum wage. They spend five hours an evening every weekday night cleaning these buildings and coming home about midnight, while their husbands, if they are lucky, have to get up at five o'clock to go to construction jobs. If they are not lucky, the husbands are out of work. These women may be the sole support of the family. I am talking about other women who have maintained the needle trade in Spadina for generations. They still maintain and manufacture much of the clothing we use in Canada. Again, many of them are the sole support of their families at this time of unemployment.

If he spent time among these people, he would understand that when they reach the age of senior citizens they have not been able to save very much. They were paying for their houses. They were raising their childen. Yes, they tried to save. Probably their first savings went to pay the mortgage. Yes, they tried to save more than that, but inflation got far ahead of them. What they were able to save, what they were able to put in insurance policies or pension plans, does not amount to a hill of beans for many of them. As I say, these are the people who built our city. In fact, they are the people who built our country. They built it with hard work. They were not allowed in our so-called free market system to do much saving. This is why they still live in western downtown Toronto. They did not make it to the mansions of Forest Hill or the richer parts of

North York or Mississauga. They are still living where they brought up their children.

Many of these people had little opportunity to learn English or French. They learned what was called construction English, at least the men did. Perhaps the women had less opportunity than even their husbands to learn it. To follow the complications of the language of legislation is impossible for them. They come to my office to ask what a government form concerning their pensions means. They ask whether it means that they will get this much or that much money; they do not understand it. These people are doubly shut out from understanding what the Government across the way is doing to them this evening.

Not only has the Government made successfully sure that very little goes into the media, it has chosen to chop the debate into little bits—one day here, one day there and one day another time. This is so that there will be no impact upon public understanding. The thousands and thousands of people about whom I am speaking in western downtown Toronto are further shut out by the language barrier imposed upon them by the conditions of their work when they came to help build this country. Therefore, they are among the weakest and most defenceless people in Canada. They are not the weakest in work, in courage, in thrift or in morality, but the weakest in ability to know what the Government is doing to them and to protest against it.

Their work has been taken from them. For the greater part, most of them were directed to put their work into somebody else's property, factory, store or construction company. They gave their working time at whatever was the price which could be negotiated. Their work has now been taken from them. They own no means of production.

Aside from their wages they were given the promise of a decent pension in their old age. They were told not to worry about it if they did not own farms as did their fathers or perhaps their grandfathers at home. They were told not to worry about it if they did not own a store or had to sell their home or business because of rising property taxes. They were told not to worry if they did not own a factory, a big daily newspaper or part of an oil company. They were told not to worry because they had a pension. Furthermore, now that inflation is galloping they are told that their pensions will be indexed so as to keep pace with prices. They are told that they will not get rich but that at least they will remain at a certain level of buying power.

We heard some yipping and chirping from across the way on the part of the Minister of National Health and Welfare (Miss Bégin) about how old people will get more dollars next year. That was a very cynical and misleading statement to put forward. The Minister knows well that getting more dollars next year is not the point. She knows well that they will buy less with the dollars they get next year than with the dollars they get this year.

• (2150)

Mr. Lalonde: How do you know?

Mr. Heap: Those who are losing part of their indexing will buy less next year than this year, and the Minister knows that.

Mr. Lalonde: How do you know?

Mr. Heap: A few months ago we had some confident-sounding predictions from the then minister of finance about how inflation was going to come down to 6 per cent probably within a year. We do not hear that bragging now, and for good reason. The prices which this federal Government administers, as well as the prices which the provincial Governments administer, are not coming anywhere near a 6 per cent increase.

The Government had the choice to intervene in the setting of the prices of fuel and gasoline. The Government had the choice to intervene in certain cases of rents. But in those and other Government administered prices, it has simply scorned, derided and utterly rejected any idea of holding prices down to 6 per cent increases. And yet the Minister has the gall to suggest that these pensioners next year will have greater spending power than they have this year. The Minister keeps on yipping, "More dollars," but she knows that more dollars will buy less because her Government has decreed that the prices it administers will go up not 6 per cent but 10 per cent, 15 per cent and 20 per cent.

The majority of the working people I know around Spadina have not had the opportunity to participate in strong company pension plans. They have not had the opportunity to pile up savings in private pension plans that were strong enough to stand against our galloping inflation. Therefore, they are going to be in trouble next year. For the most part they do not know it yet, but I know that beginning not January 1, maybe not even February 1, but soon after that they will be coming to my office and asking me what has happened to their pensions. The message will begin to sink through to them that many of them will not be getting a pension that will keep up with price increases.

The Government has chosen to cut the incomes of roughly half the pensioners. In other words, it will cut the incomes of those who are on Old Age Security only. It will cut their real buying power. The Government is not trying to hold down prices but is willing to pass a law to renege on what it promised those people. The Government is willing to pass a law to take away what it guaranteed to people over past years and for the future. For what? What is so important, crucial and overwhelming that the Government feels compelled to cut the incomes of some of our poorest people in the country?

According to the Government, it will get an average of $29 from each person. There is a little over one million of these pensioners. It means that the Government will take in the range of $30 million from the pensions. The Government will take from those pensioners $30 million, which is about one-tenth of 1 per cent of the deficit which the Government is running up. The Government has run up a deficit which we are told sometimes is $25 billion, sometimes $26 billion and we even hear it is $27 billion.

The Government would have to take one thousand times as much as it is taking from the pensioners to clear that deficit.

Of course, the Government is taking money from others as well. The Government is not seriously cutting back on its expenditures on wasteful causes. It is clear the Government does not need that $32 million so desperately. The only possible reason that I can see why the Government has chosen to undermine the incomes of half the pensioners in Canada is that this is part of the Government's long-range strategy to do away with the principle of universality. The Government has chosen some of the weakest and most inarticulate people in the country—

The Acting Speaker (Mr. Corbin): Order, please. The Parliamentary Secretary to the Minister of National Health and Welfare (Mr. Schroder) is rising on a point of order.

Mr. Schroder: Mr. Speaker, I know the Hon. Member would not want to misinform the House about the programs which this Government has embarked upon. The reason for the six and five—

The Acting Speaker (Mr. Corbin): Order, please, that is hardly a point of order. The Hon. Member for Spadina (Mr. Heap).

Mr. Heap: Mr. Speaker, since the Parliamentary Secretary is having difficulty understanding this point, I will explain it if he will allow me. What has been done is to say that pensioners are now to be divided into two groups. One group is to have this right of a guaranteed pension with indexation called into question. No longer will this group get full indexation. Indexation will be done on the basis of a means test, the means test used for the GIS. In other words, the Old Age Security pension will now be tied in with the GIS. It was not tied in before. The Old Age Security was independent and guaranteed, given to people as a right. Now it will no longer be given to them as a right. Now they must crawl and prove, as my colleague the Hon. Member for Saskatoon East (Mr. Ogle) said, that they are failures in order to be given the full indexed pension that was previously guaranteed for them. That is a direct attack on the principle of universality.

I can understand why the Minister of National Health and Welfare is so sensitive about this, if, as is very likely, she was on the losing end of a battle within Cabinet and she lost out to the man who is now the Minister of Finance. She would feel very sensitive about that. She feels doubly sensitive when she has to carry the blame for what he forced upon her. I can even understand her using some unparliamentary language during a speech before supper.

The fact is very clear that the Cabinet has decided to undermine the principle of universality. It does not have the courage to do it openly. A few speeches have been made here and there. The Minister of Finance said some things which he has qualified and he has danced around and said, "I do not really want to do that." But the way of introducing and trying to legitimize their idea is to begin with some of the weakest people in the country by taking away the right of a guaranteed Old Age Security pension on the ground that these people have not proved that they are failures. That is a direct attack upon the principle of universality. We will see more of that from this same Government as long as the people of this coutry let the Liberals stay in office. This is a shameful Bill which the Government has put forward. It is shameful that the Progressive Conservative Party voted for that in June.

Mr. McKnight: Why did your Party vote with the Liberals in 1979 then?

Mr. Heap: The Conservatives had the opportunity in June, July and August to vote against it. They did not do it then. Now they have begun to recognize what a dreadful Bill this is, and they would like to disown the responsibility for what they voted for in principle a few months ago. I can understand the Conservatives' embarrassment and how they would like to wipe out the voting on August 4. They would like to wipe it out from the minds of the old age pensioners whom they have helped to cheat. The old age pensioners will not forget. The old age pensioners will know that it was these two old Parties that decided to destroy the principle of universality.

• (2200)

PROCEEDINGS ON ADJOURNMENT MOTION

[*English*]

A motion to adjourn the House under Standing Order 40 deemed to have been moved.

NATIONAL ENERGY PROGRAM—IMPACT ON PETROCHEMICAL PROJECTS. (B) FUTURE OF MEGAPROJECTS. (C) MINISTER'S ACTIONS

Hon. Dan Mazankowski (Vegreville): Mr. Speaker, on November 17, and again on November 19, as reported at pages 20734 and 20820 respectively, of *Hansard*, I raised questions with the Minister of Industry, Trade and Commerce (Mr. Lumley) and the Minister of State for Economic Development (Mr. Johnston) pertaining to the disastrous effects of the National Energy Program upon the petrochemical industry.

I think it is summarized quite appropriately in a recent *Globe and Mail* article entitled "Feedstock Prices Crucial to Petrochemicals' Future". It states:

> Unless the federal Government soon recognizes petrochemicals as a manufacturing sector with a distinct feedstock price structure, the Petrosar and Petromont plants in eastern Canada may be partly closed, says Norman Kissick, President of Union Carbide Canada Ltd. of Toronto.

It goes on to say:

> The petrochemicals industry is in a period of severe crisis, he said in an interview. "There is no time for further debate."

The article goes on to elaborate on the situation in other parts of the country as well.

This is an industry in which Canada, with our abundance of natural gas as a feedstock, should easily have been a world leader. It is an industry which depends upon natural gas as its major feedstock and natural gas has to be competitive in order for the petrochemical industry to compete in the international marketplace.

This Government, however, through its imposition of the natural gas and gas liquids tax, the Canadian Ownership tax and the petroleum gas and revenue tax, has imposed crippling taxes upon the feedstock, namely natural gas. As a result of this, the basic feedstock price has been driven up at least 25 per cent higher than the competition from American competitors. The totality of this tax amounts to $1.05 per thousand cubic feet of natural gas. When it is worked out on the balance sheet, it amounts to 35 per cent of the netback revenue of petrochemical companies.

In 1978, this federal Government embarked upon a program of studying the various industrial sectors in this county. The 1978 task force on petrochemicals said that, as a minimum position, the Canadian Government should ensure that the cost of feedstocks and energy used in the manufacture of petrochemicals does not exceed the cost on the U.S. Gulf Coast. We know that as a result of the imposition of this very burdensome tax Canada is now in a non competitive position in so far as its feedstock is concerned.

This is what some people in the petrochemical industry are saying, and I will quote from the *OilWeek* Magazine of September 20, 1982 which says:

> Robert L. Pierce, Executive Vice-President of Nova, an Alberta Corp., told a conference earlier this year that the burden of the natural gas and gas liquids tax, plus the Canadian ownership charge, had a substantial effect on the cost of manufacturing ethylene and represented about $20 per tonne, or about 11 per cent of the plant gate price, of methanol. Clifford Mort, former Chairman of Dow Chemical Canada, said the taxes have added about 50 per cent to the variable cost of natural gas based ethane and a 'staggering 20 per cent increase' in the total cost of ethylene.

It goes on to say:

> 'It seems ludicrous' Mort said, 'that one of the few industries in Canada that had the prospect of competing effectively in world markets and whose expansion is based on large surpluses of supplies of natural gas should suddenly have a questionable future as a result of upfront taxes.'
>
> Meanwhile, price is also a worry for petrochemical manufacturers in eastern Canada which use oil based feedstocks to produce not only ethylene, but the higher olefins and aromatics which are not available from the manufacture of ethylene from ethane.

As well, Mr. Lapalme of the Union Carbide Corporation said that Canada is pricing itself out of the petrochemical business and parts of the industry are desperately looking for ways to survive. That puts the issue into context.

This industry base is dependent very largely upon exports. Eighty-five per cent of the end product is export. The selling price is set in the international marketplace so it must be competitive. It cannot pass these additional taxes on to the consumer.

• (2205)

One of the ironies of these taxes is that they are imposed on revenues and not on profits, so the Government has turned previously profitable tax-paying companies into losers. We all know that this Government supports losers. The result is that today there are at least a dozen petrochemical plants worth $4.5 to $5 billion on hold. They will not go ahead, they will not be developed unless there is some relief from these taxes.

Alberta Gas Chemicals Limited indicated in a report recently, and I quote:

> The taxes have reduced Alberta Gas Chemicals from a profitable tax-paying Canadian corporation to a projected loss in 1983. The company can survive the world-wide recession and the legislated increases in natural gas prices but not both of these plus the federal Government's taxes on natural gas.

The result of these taxes is the loss of hundreds of thousands of jobs, and the spin-off benefits that would be associated with other industries.

Alberta Gas Chemicals Limited is now in the process of engaging in a joint venture with a New Zealand interest because of the feedstock, because the better tax treatment is such that they will then be able to manufacture their product and compete in the international marketplace. I say that is shameful.

No one is denying the fact that the economy is in an over-all recession, but the petrochemical industry is burdened by the recession, by the increase in energy prices, but primarily by the prohibitive tax structure. I urge the Minister and the Government to reconsider their position and make some amendments so that this industry can develop and continue to provide the jobs and the wealth this country needs.

[*Translation*]

Mr. André Maltais (Parliamentary Secretary to Minister of Industry, Trade and Commerce and Minister of Regional Economic Expansion): Mr. Speaker, I did like the remarks of the Hon. Member for Vegreville (Mr. Mazankowski), some of which were excellent in my opinion. We too on this side can make very good comments. As you can see, there are always two sides to everything. Let us start with the situation in the petrochemical industry. Along the Gulf Coast in the United States they are faced with the same problem as we are in Canada because many plants are closing down; the same thing happens in Japan, where three plants have closed down in large petrochemical complexes. Europe is experiencing similar difficulties, which goes to prove that this is really a world-wide phenomenon, a direct result of the economic recession and above all of the oil glut which forced OPEC to bring their price down.

Now let us look at the problem in Canada, keeping in mind that I only have three minutes to answer this question. Various businesses now in operation have been created in relation to megaprojects, and despite the cancellation of some of these projects, others are still showing some positive results. The Department is currently carrying out new surveys in the petrochemical field and, in connection with the megaprojects which were under construction and those which are planned

over the next ten years, it is expected there will be 200 direct surveys related to petroleum, and the funds invested in those 200 surveys might generate investments of up to $250 billion.

Here are a few actual examples of job creating projects in the energy sector. Several of them are now being carried out and others will be completed within the next ten years, including some which are now under way and others still in the planning stage: $2 billion for the development of the Venture-Sable Island gas deposit, $3 billion for the Western-LNG project, $3 billion for coal mining in northeastern British Columbia, $1 billion for the Norman Wells oil field and pipeline, and, in the past six months, the signed exploration agreements with respect to the Scotian Slope and Shelf, near Sable Island, and, in the Beaufort Sea, the upper expanses of the Arctic, and Davis Strait, $250 billion in investments which are expected to create quite a number of new jobs. All those projects are still in the planning stage and will be carried out over the next ten years.

• (2210)

[*English*]

PORTS—REMOVAL OF GRAIN ELEVATOR FROM PORT OF MONTREAL. (B) OFFER TO PURCHASE ELEVATOR

Mr. Bill McKnight (Kindersley-Lloydminster): Mr. Speaker, my part in the debate this evening arises out of a question I directed to the Minister of Transport (Mr. Pepin) on November 9 concerning terminal No. 1 or Annex No. 1 in the old Port of Montreal. The question arose out of an answer the Minister gave to one of his colleagues on the Government side. He was asked whether this Port and this Annex would be maintained to enable producers to truck grain into a terminal rather than be denied that privilege. Although the question was asked on November 9, the discussion on Annex No. 1 or the old terminal began on March 28, 1982.

A wholly-owned Canadian company, Allstate Grain, offered to purchase grain elevator No. 1 from the National Harbours Board. The National Harbours Board reply was that this facility would be turned over to Public Works Canada and would be demolished. The Allstate Grain Company, a wholly-owned Canadian company could not quite understand why this would happen. Over the last year it had purchased a Government terminal in the City of Moose Jaw, Saskatchewan which it operates without Government subsidies. It continues to operate that for the benefit of producers of grain in that area. It wished to do this for the producers and shippers of grain in the Port of Montreal.

The rationale for the destruction of this terminal and facility does not make a lot of sense. It will cost the taxpayers of Canada millions of dollars to remove it. In reply to my question, the Minister said there is:

—an organization which is very anxious to take hold of that land, I said at the time, and I repeat now, that there are other facilities available to Quebec farmers who want to deliver their grain by truck. They can go to Sorel, to Quebec City, and also to Trois-Rivières.

I have had communication from the Minister of Transport, as have other Members of this House. We do not find it all that strange for the Minister to suggest that people who want to use this facility travel the distances that he recommends; 168 miles to Quebec City, 50-some miles to Sorel and a little under 100 miles to Trois-Rivières.

I do not find that strange when the same Minister of Transport informed the people in Arelee, Saskatchewan that there was room in an elevator at Wilkie, 165 miles away. He expected people to deliver their grain there because their line had been removed.

To carry on with the rationale for the destruction of this facility, it was not to build a new facility or improve the shipping capability in the Port of Montreal. It was to build a promenade, to beautify the City of Montreal. That is all very well, but it is to the detriment of the grain producers of Canada and the grain growers in the Quebec region. While all this took place beginning March 28, or March 31, on through May, there was an article in the Montreal *Gazette* of June 14, and I quote:

The National Harbours Board and Bunge of Canada Ltd. have agreed to invest $3.5 million each to renovate Annex No. 1 of the Port of Quebec's oldest grain elevator—

Work is expected to begin this summer on the elevator, which is operated by Bunge.

Bunge is not a Canadian company.

By the spring of 1983, unloading capacity of grain carried from western Canada by railroad is expected to increase by between 12 to 20 cars an hour.

This improvement should increase grain elevator capacity at the Port of Quebec by 500,000 tonnes a year—

A study made by Cansilo Ltd. last February recommended that Annex No. 1 serve as the receiving area and warehouse of export grain, besides continuing to be a winter warehouse for grain.

• (2215)

That winter warehouse, Mr. Speaker, is very important to the grain producers of western Canada because since 1979, under the initiative of the Hon. Member for Vegreville (Mr. Mazankowski), grain was transported from Thunder Bay by rail to the ocean ports, stored and shipped overseas, which has greatly increased the export of grain from western Canada.

But the point is, and I am sure the Parliamentary Secretary to the Minister of Transport (Mr. Flis) will be answering, on June 14 there was an announcement of an investment of $7 million by the National Harbours Board and Bunge of Canada Ltd. into renovating Annex No. 1; a study was carried out by Cansilo Ltd. last February recommending that investment, so why have the National Harbours Board and the Department of Public Works decided to destroy the elevator and remove that facility which has benefited, and could benefit, the grain producers in the Quebec area and western Canada? It seems there is more at stake and more important things than the movement of grain. It happens to be a promenade in the old Port of Montreal. I am sure the Parliamentary Secretary will be able to answer these questions, Mr. Speaker.

Mr. Jesse P. Flis (Parliamentary Secretary to Minister of Transport): I do not know why Hon. Members are whistling. I apologize for the formal attire, Mr. Speaker, but I just returned from the National Harbours Board Police dinner.

There are not too many Canadians who know that the National Harbours Board Police is the oldest police force in Canada, having its origins in the Port of Quebec in 1837. I think it is fitting that tonight I am answering a question of the Hon. Member pertaining to the Port of Montreal.

The closure of grain Elevator No. 1 at the Port of Montreal is an integral part of two major expenditure programs; the Vieux Port Project, and the efforts to bring grain operations at the Port up to the state-of-the-art technology. The phasing out of Elevator No. 1 was decided in conjunction with the desire of the City of Montreal to restore the historical Vieux Port area. The significance of this area can be measured by the fact that this is where Jacques Cartier landed almost 450 years ago, in 1535. I know many of my colleagues from the Montreal area, as well as the grain producers in Quebec, are very anxious to get on with this restoration.

The second factor in phasing out the elevator was that, having been built in the 1920s, it did not warrant the major capital expenditures required to bring it up to present standards of efficiency and cost-effectiveness. It was estimated that $8 million would be required to make the necessary improvements in safety standards alone, not to mention other improvements. Instead, it was decided to expand Elevator No. 4, built in 1963. This expansion and modernization is now well under way, and is expected to be completed early in 1983, at a total cost of $8.9 million.

The benefits from this project far outweigh the loss resulting from the closure of Elevator No. 1. Number 1 has a storage capacity of 112,020 metric tons, whereas No. 4. will have a storage capacity of 265,000 metric tons when the current work is completed, compared to the 154,020 metric tons it had previously. Number 1 has a throughput capacity of 1,500 tonnes per hour, compared with 3,600 tonnes per hour for Number 4 upon completion, considerably more than the previous combined throughput capacity of the two elevators.

The Acting Speaker (Mr. Corbin): Order, the Hon. Member for Kootenay East-Revelstoke (Mr. Parker).

CANADA LABOUR CODE—APPLICATION TO BRITISH COLUMBIA TELEPHONE COMPANY LAY-OFFS. (B) NECESSITY FOR NOTIFICATION

Mr. Sid Parker (Kootenay East-Revelstoke): I rise tonight to further my question to the Minister of Labour (Mr. Caccia) which has to do with application to the British Columbia Telephone Company regarding lay-offs. I stated, as reported at page 20740 of *Hansard* of November 17, 1982:

> Last summer the British Columbia Telephone Company announced it was laying off about 1,800 people. These people were laid off without adequate notice as required by the Canada Labour Code—

• (2220)

I was very disappointed, Mr. Speaker, with the answer the Minister of Labour gave to my questions last week concerning the Government's lay-off legislation and regulations. In response to both my questions the Minister told me that the matter was before the courts. I can only think that he was not aware of the problem, because the answer he gave was not true.

It is true that one question is before the courts. Last August a British Columbia Supreme Court judge ruled that part of Section 30 of the Canada Labour (Standards) Regulations was *ultra vires*, and that matter had been sent to the B.C. Court of Appeal. But that was not what I asked about. I asked about amendments to Section 30 of the Labour (Standards) Regulations which the Government passed after its other regulations had been struck down. These new regulations are not before the courts.

I wanted to know why the Government had passed new regulations which took away from workers and unions their protection against lay-offs. In other words, Bill C-78 had provisions that where more than 50 workers are laid off at one time they must be given 16 weeks notice. The Minister dodged that question by pretending it was before the courts.

My second question had absolutely nothing to do with the courts. Under the regulations an employer is able to lay-off up to 50 people from an industrial establishment without the protection of lay-off legislation being offered to laid off workers. In the case of Bell Canada in Quebec, that company is trying to weasel out of those provisions by doubling its number of industrial establishments from about 35 to about 70. That means it could lay-off 49 people in each of the 70 establishments without offering any protection. It has already said it is laying off about 400 people in Quebec and not offering them proper notification of lay-offs. So I ask the Minister if it was his intention to let companies like Bell use the legislation in this way, and if not, what was he going to do about it?

I want to emphasize that the matter is not before the courts, but the jobs of many workers are on the line. These workers deserve an answer. I hope the Parliamentary Secretary will not try to stick them with the same phony answer the Minister gave me last week.

Mr. Antonio Yanakis (Parliamentary Secretary to Minister of Labour): Mr. Speaker, I wish indeed to thank the Hon. Member for Kootenay East-Revelstoke (Mr. Parker) for raising this very important question. The question was why a new amendment to Section 30 was passed when a B.C. Supreme Court judge had already ruled part of that Section *ultra vires*.

The question seems to imply that a new regulation, Section 30(1)(f) of the Canada Labour (Standards) Regulation, was passed after the B.C. Supreme Court judge ruled a similar Section, Section 30(1)(d), to be *ultra vires*. Section 30(1)(f) had been under development since April 1982. It was processed through the various steps necessary for enactment and was approved by the Governor in Council on July 29, 1982, at which time it became law. It was published in *The Canada Gazette* on August 11, 1982.

• (2225)

The judicial decision on section 30(1)(d) was handed down by Mr. Justice Spencer of the B.C. Supreme Court on August 5, 1982, one week after the enactment of section 30(1)(f). In

fact, therefore, the new regulation was in force prior to the court action referred to by the Hon. Member for Kootenay East-Revelstoke (Mr. Parker). The approximate juxtaposition of the court ruling on 30(1)(d) and enactment of 30(1)(f) was entirely a coincidence. The two events were unrelated.

Because the initial decision with respect to 30(1)(d) is under appeal before the B.C. Supreme Court, Mr. Speaker, we are awaiting their decision before giving further consideration to Regulation 30. And, as the Minister pointed out the other day, when a decision is announced by the Court, we will proceed in light of that decision.

[*Translation*]

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

At 10.26, the House adjourned, without question put, pursuant to Standing Order.

HOUSE OF COMMONS

Friday, November 26, 1982

The House met at 11 a.m.

• (1105)

MOTIONS UNDER S.O. 43

[*English*]

POLITICAL PARTIES

MEMBERSHIP OF LIBERAL PARTY

Mr. Blaine A. Thacker (Lethbridge-Foothills): Madam Speaker, since Confederation, and up to 1968, respective Conservative and Liberal Governments respected the rights of individuals to own businesses, land and shares. Under this individual enterprise system, Canada rose to a position of second place in all the world. Individual Canadians were truly free. Since 1968 and the imposition of a government-owned economic system by the Liberal-Socialist Party, Canada has fallen to thirteenth place in OECD and fortieth place in all the world. Individual Canadians are very much less free. Therefore I move, seconded by the Hon. Member for Erie (Mr. Fretz):

That true Liberal Party supporters across Canada rise up and take control of the Liberal Party and throw out the present Liberal Members who make Lenin and Trotsky look like Genghis Khan.

Madam Speaker: Is there unanimous consent for this motion?

Some Hon. Members: Agreed.

Some Hon. Members: No.

* * *

PENSIONS

SUGGESTED WITHDRAWAL OF BILL C-131

Mr. Stan Darling (Parry Sound-Muskoka): Madam Speaker, both my colleague from Kingston and the Islands and I, over the past few days, have pointed out certain inequities in Bill C-131, the Government's assault on the old age pensioners of the nation. I shall not attempt to enumerate these inequities, Madam Speaker, but I want to observe that the sum to be realized in actual savings by the Government through the provisions of this Bill are so limited as to be meaningless, when viewed from the vantage of Government expenditures as a whole. Accordingly, I move, seconded by the Hon. Member for Kingston and the Islands (Miss MacDonald):

That, in view of the fact that Bill C-131 achieves little in the way of savings for the Government and inflicts disproportionate and unnecessary hardship on the senior citizens of this nation, this House urges the Government to withdraw this ill-conceived and unjustifiable legislation.

Madam Speaker: Is there unanimous consent for this motion?

Some Hon. Members: Agreed.

Some Hon. Members: No.

* * *

CROWN CORPORATIONS

CALL FOR ESTABLISHMENT OF INVESTMENT CORPORATION IN VANCOUVER

Mr. Ian Waddell (Vancouver-Kingsway): Madam Speaker, I rise to move a motion under the provisions of Standing Order 43. In British Columbia the verb "to bric" means foolishly to privatize good government corporations with disastrous consequences. Now we fear that the Canada Development Corporation and its invisible Chairman, Anthony Hampson, who pretends to operate out of Vancouver, will lay off 3,250 workers and will privatize or "bric" the Government's 49 per cent share. Further, Senator Jack Austin, the same one who was defeated in Vancouver-Kingsway, has set up the CDIC whose object will be to "bric" Teleglobe, Canadair, de Havilland and other corporations, with God knows how many layoffs. Therefore I move, seconded by the Hon. Member for Winnipeg-St. James (Mr. Keeper):

That the Government set up a real investment corporation based in Vancouver with a business, labour, and consumer board accountable to an elected Minister of Parliament and with the object of providing jobs, and furthermore, that Messrs. Austin, Bell, Strong and Hampson should be "briced" instead.

Madam Speaker: Is there unanimous consent for this motion?

Some Hon. Members: Agreed.

Some Hon. Members: No.

* * *

CANADIAN PACIFIC RAILWAY

DESTRUCTION OF WEST TORONTO RAILWAY STATION

Mrs. Ursula Appolloni (York South-Weston): Madam Speaker, I rise under the provisions of Standing Order 43 on a matter of urgent and pressing importance. In blatant and arrogant defiance of the will of the people, as clearly expressed

S.O. 43

by the Mayor of the City of Toronto, by the President of the West Toronto Junction Historical Society, and by the local Members of Parliament, Canadian Pacific yesterday stealthily destroyed the West Toronto railway station, despite the withdrawal, as recently as Tuesday last, of its application to the Canadian Transport Commission for authority to demolish. I therefore move, seconded by the Hon. Member for Beaches (Mr. Young):

That this House condemns CP's demolition of the West ed396;-1 Toronto railway station as an act of corporate vandalism.

Some Hon. Members: Hear, hear!

Madam Speaker: Is there unanimous consent for this motion?

Some Hon. Members: Agreed.

Some Hon. Members: No.

* * *

THE PRIME MINISTER

Mr. Gordon Towers (Red Deer): Madam Speaker, I rise to note that the Prime Minister's vacation plans are unfolding as they should not, with a tour of eight sunny nations in January. His time would be better spent if he stayed in Canada and visited with some of the organizations which speak for our hard-pressed farmers. I therefore move, seconded by the Hon. Member for Hastings-Frontenac (Mr. Vankoughnet):

That the Prime Minister cancel his junket and remain in Canada to consult with farm leaders, in light of the fact that farm income is expected to be down by 28 per cent and in view of the fact that the Government's punitive excise tax on farm energy is forcing farmers to the wall, driving production costs up, contributing to inflation, and resulting in higher grocery prices at the supermarket checkout counters.

Madam Speaker: Is there unanimous consent for this motion?

Some Hon. Members: Agreed.

Some Hon. Members: No.

* * *

• (1110)

NORTHERN AFFAIRS

ATTENDANCE OF MINISTER AT PRESS CONFERENCES

Mr. Girve Fretz (Erie): Madam Speaker, I rise to express my deep concern on a matter relating to the conduct of the Government. This morning there was a press conference in the Offices of the Minister of Indian Affairs and Northern Development (Mr. Munro). Of course, accustomed to the pearls of wisdom which emanate so regularly from the headquarters of this Ministry, I hurried over eagerly to hear what the Minister had to say. Imagine my surprise when the Minister was not present at the press conference. Instead, to my disappointment and chagrin, the Minister was represented by a bureaucrat from the Department.

If I may quote from the memo given to people at this auspicious meeting:

... the past decade has seen great progress toward self-determination in Canada's North, which has excited and exhilarated everyone associated with it.

Therefore, if the Minister is so excited and exhilarated about this issue, I move, seconded by the Hon. Member for Western Arctic (Mr. Nickerson):

That he be present at all future press conferences, and that important announcements be made in the House to the elected representatives of this country, before release to the news media.

Madam Speaker: Is there unanimous consent for this motion?

Some Hon. Members: Agreed.

Some Hon. Members: No.

* * *

PENSIONS

DEMAND FOR WITHDRAWAL OF AMENDING LEGISLATION

Mr. Neil Young (Beaches): Madam Speaker, I too rise under the provisions of Standing Order 43. In view of the fact that the Minister of National Health and Welfare (Miss Bégin) has been the lone Liberal to defend the Government's proposal to limit increases in old age pensions to 6 per cent and 5 per cent over the next two years, and in view of the obvious fact that the Minister's colleagues know how unpopular this piece of legislation is, and are allowing the Minister to swing in the wind and be hung out do dry by the machinations of Keith Davey and Jim Coutts, I move, seconded by the Hon. Member for Hamilton Mountain (Mr. Deans):

That this House calls on all Liberals who do not support this indecent attack on Canada's elderly to defy openly the dictates of the back-room boys of the Liberal Party and demand that this unfair, unjust and indefensible piece of legislation be withdrawn.

Madam Speaker: Is there unanimous consent for this motion?

Some Hon. Members: Agreed.

Some Hon. Members: No.

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MUNICIPAL AFFAIRS

YMCA AND YWCA BUILDINGS—SUGGESTED INCLUSION IN WORKS PROGRAM

Mr. Doug Lewis (Simcoe North): Madam Speaker, in many municipalities across Canada the local YMCA or YWCA is a prominent facility. They act as a focal point for a large and diverse number of community activities. The YMCA in Orillia, Ontario, recently suffered severe fire damage. In view

of the importance of YMCA and YWCA facilities to a community, I move, seconded by the Hon. Member for Parry Sound-Muskoka (Mr. Darling):

That the Government include the building and renovation of YMCAs and YWCAs as part of its planned municipal public works program to be announced in the spring.

Madam Speaker: Is there unanimous consent for this motion?

Some Hon. Members: Agreed.

Some Hon. Members: No.

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EDUCATION

UNIVERSITY TUITION FEE INCREASES

Mr. Howard Crosby (Halifax West): Madam Speaker, the former Secretary of State agreed in this House that the Government's six and five restraint formula should be applied to university tuition fees in light of the substantial contribution of public funds to post-secondary education. Yet university tuition fees have increased more than 16 per cent across Canada in this academic year, and 30 per cent in some Provinces. Therefore I move, seconded by the Hon. Member for Annapolis Valley-Hants (Mr. Nowlan):

That the Government take immediate action to ensure Canadian university students will be protected from financial cutbacks to universities, and that tuition fee increases will be limited to 6 per cent and 5 per cent in accordance with the Government's commitment.

Madam Speaker: Is there unanimous consent for this motion?

Some Hon. Members: Agreed.

Some Hon. Members: No.

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NEW EMPLOYMENT EXPANSION AND DEVELOPMENT PROGRAM

PROTECTION OF SASKATCHEWAN WORKERS

Mr. Les Benjamin (Regina West): Madam Speaker, I rise on a matter of urgent and pressing necessity under Standing Order 43. In view of the fact that the federal-provincial temporary job creation scheme in Saskatchewan excludes workers from existing labour contracts, and since the Program will not even keep up with the number of permanent jobs being lost, I move, seconded by the Hon. Member for Humboldt-Lake Centre (Mr. Althouse):

That this House calls upon the Government to revise its NEED Program in Saskatchewan to allow workers protection under existing collective agreements and to provide for long-term job development.

Madam Speaker: Is there unanimous consent for this motion?

Some Hon. Members: Agreed.

Some Hon. Members: No.

• (1115)

ORAL QUESTION PERIOD

[*English*]

NORTHERN AFFAIRS

GOVERNMENT POSITION ON PROVINCIAL STATUS FOR YUKON AND NORTHWEST TERRITORIES

Mr. Dave Nickerson (Western Arctic): Madam Speaker, my question is directed to the Minister of Indian Affairs and Northern Development. Today the Minister announced the Government's policy on constitutional development in the Northwest Territories and Yukon. What he did in this announcement was to reject the possibility of provincial status for either the Northwest Territories or Yukon within the foreseeable future. Why has the Government rejected the possibility of provincial status?

Mr. Nielsen: Because the Prime Minister is still alive.

Hon. John C. Munro (Minister of Indian Affairs and Northern Development): Madam Speaker, if the federal Government has rejected anything, it has rejected provincial status now. That is based on realistic factors, such as the tremendous land mass, the limited number of people, and the still relatively narrow economic base.

May I say that our position is based on the realities of the situation. As a northerner himself, I think the Hon. Member knows that there are very few northerners who realistically believe that provincehood, especially in the Territories, is appropriate at this time when they want division. I am talking about the Northwest Territories now. That is a fact. If the Hon. Member is suggesting that they want to wrestle with the question of division now, but want provincehood before that, that seems a ridiculous position and one with which most northerners would never agree.

Mr. Nickerson: Madam Speaker, as a northerner I know that people who live in that part of Canada want control of their own affairs, the same as people who live in any other part of the country.

RESOURCE REVENUE SHARING

Mr. Dave Nickerson (Western Arctic): Madam Speaker, my second question deals with the financing of the operation of government in the Territories and in Yukon. At his press conference this morning the Minister rejected the possibility of resource revenue sharing. Instead, he said that it is the policy of the Government to collect all resource revenues and then

hand back dribs and drabs to the Territories as it sees fit. Why has the Minister rejected the possibility of resource revenue sharing?

Hon. John C. Munro (Minister of Indian Affairs and Northern Development): Madam Speaker, with reference to the Hon. Member's first remarks, may I say to him that not only the native leadership in the Northwest Territories but also the Executive Committee and the entire Assembly, indicated that they wanted the federal Government to indicate, in principle, its commitment to responsible and politically accountable government in the Territories. That is precisely what we have done and that is, therefore, why I can say with considerable confidence, in terms of the northerners whom I have met in the last half hour, that they endorse the Government's policy very enthusiastically. May I indicate that they wished they could have received a similar hearing from the previous Government when they made representations of this kind.

As far as the Hon. Member's question about resource revenue sharing is concerned, may I indicate to him that we met the Territories' desire for formula financing. That will allow them to accept political accountability for the moneys spent in the North. They will make their own decisions with respect to priorities for spending that money. That, again, is the real test of responsible and politically accountable government in the North.

In addition to that, we have established the principle of a discretionary fund that will assure northerners that they will have a fund to offset the cost of development in the North. It is the cost of development that is of particular concern right now.

May I indicate that they wanted the discretionary fund to offset the cost of development because that is where the real problem resides right now. It is exploration that is taking place right now. They are going through a stage of expenditure; there are no revenues, simply mammoth expenditures that must be made in order to attain revenues for the future. That is what we are prepared to share with northerners right now.

INTRODUCTION OF LEGISLATION TO AMEND YUKON ACT

Hon. Erik Nielsen (Yukon): Madam Speaker, may I put a very simple, brief, supplementary question to the Minister. Does he intend to introduce amendments to the Yukon Act which would give Yukon control over its natural resources? Does he intend to introduce similar amendments which would remove his power of veto over elected members of the Legislature introducing measures affecting the expenditure of money?

• (1120)

Hon. John C. Munro (Minister of Indian Affairs and Northern Development): Madam Speaker, we intend to amend the Yukon Act to give legal basis to the de facto situation which is there now in terms of responsible government. That is a position which the head of the Yukon government wanted us to take for some time, and I suspect that it has the support, not only of that Government but of the Hon. Member himself. That will take place. In future, also, it will mean that the Governor in Council at the federal Government level will not have to authorize elections. It will be done by the Commission in Council and therefore by the duly elected people in Yukon. Again that is something which is very much desired in the North.

The amendments to the Yukon Act will take place as soon as the claim of the Council for Yukon Indians is settled. In fact, that was the singular condition to us getting ahead with the amendment of that Act. Dennis O'Connor, the negotiator there, a man whom, I believe, the Hon. Member has backed in terms of his tenure as negotiator, indicated with some optimism that that claim will be settled within the next few months. That being the case, I would certainly hope that we could get ahead with the amendments to the Yukon Act, as the Hon. Member has wanted for some time.

Mr. Nielsen: The question concerned the removal of federal control over resources and federal control over finances. The translation of the Minister's answers to both those questions is obviously no.

FUTURE OF YUKON MINES AND RAILROAD

Hon. Erik Nielsen (Yukon): Madam Speaker, I ask the Minister whether he could part the waves, penetrate all the smoke and mirrors of his announcement, and tell me and other Yukoners whether the federal Government has found solutions to opening the Cyprus Anvil mines, to opening United Keno Hills mines, and to putting miners and other out-of-work persons in Yukon back to work. What is the solution the federal Government is coming up with, with respect to putting the railroad back to work and all those miners who are suffering the tragedy of unemployment in company with 1.5 million other Canadians who are out of work in the country?

Hon. John C. Munro (Minister of Indian Affairs and Northern Development): Madam Speaker, I just do not believe that Yukoners will appreciate the Hon. Member misinterpreting their representation to this Government for two years. It has been that they wanted formula financing, a type of financing which allowed them to accept their own political responsibility for decisions made on financing, somewhat analogous to the concept of what we do with the Provinces. We have endorsed that.

Mr. Nielsen: What about jobs?

Mr. Munro (Hamilton East): We have given them a stake to this degree—a discretionary fund which the leader of that Government, the Conservative Government there, wanted in terms of a heritage fund. That can be provided under discretionary funding.

Mr. Nielsen: What about work?

Mr. Munro (Hamilton East): Those are two things which we have acknowledged and done. For the Hon. Member to say that that is not what the people there wanted is a distortion.

Mr. Nielsen: Jobs, jobs.

Mr. Munro (Hamilton East): As far as the Cyprus Anvil situation is concerned, may I say that we have been in intensive negotiations, not only with the Japanese but others, in trying to resolve that. The Hon. Member is fully aware that it requires a labour settlement first, which we still have not attained but are endeavouring to get. May I also indicate that I will be talking about the Cyprus Anvil situation when I am in Yukon in the next day or two. In all the time I have been in Whitehorse, Yukon, discussing Cyprus Anvil and trying to get that situation back to work, the Hon. Member for Yukon has not even been there.

* * *

MACDONALD ROYAL COMMISSION

INQUIRY RESPECTING MANDATE

Mr. Ian Deans (Hamilton Mountain): Madam Speaker, my question is directed to the Prime Minister. When he announced the formation of the Macdonald Commission it was quite unclear exactly what Mr. Macdonald was going to investigate. In the intervening two or three weeks the whole question has become even more muddled, and yesterday Mr. Macdonald added to the confusion with a press conference. At the press conference he said that he will not give up his corporate directorships—and I assume that applies equally to the other Commissioners—that he will investigate House and Senate reform, that he will take a look at constitutional reform, that he does not know what the Commission will cost, and that in fact he will look into everything with the exception of morality and the state of professional sport in Toronto.

• (1125)

Given that we have a serious economic problem in the country that has to be faced now, could the Prime Minister please tell the House what, in Heaven's name, is this Commission supposed to be doing?

Right Hon. P. E. Trudeau (Prime Minister): Madam Speaker, I think the clearest answer that I could give the Hon. Member would be to advise him to read the terms of reference which were part of the Order in Council setting up the Commission. If he reads that, he will not only understand what the Commission is intending to do but the Hon. Member will also understand what Mr. Macdonald was saying.

Mr. Deans: Madam Speaker, I think I do understand what this is all about, but I am not sure that public funding for Mr. Macdonald's leadership aspirations is a good thing.

Some Hon. Members: Oh, oh!

JUSTIFICATION FOR FUNDING COMMISSION

Mr. Ian Deans (Hamilton Mountain): Madam Speaker, surely the Prime Minister knows that we are already funding—we, the people of Canada—the Science Council and the Economic Council, to look at the future and to determine what kind of economic direction we should be taking. We are funding the "blue ribbon committee" to advise the Government on immediate and long-range plans for the economy. Now we are going to spend another $5 million on fees and on advice for this Commission to look into all manner of things, not one single one of which relates directly to current economic conditions and how to solve them.

How can the Prime Minister justify spending $5 million right now on this Commission, given that the Commission hasn't the faintest idea what it is doing, and given that it is duplicating work already being done by other groups funded by the Government?

Right Hon. P. E. Trudeau (Prime Minister): Madam Speaker, the two "givens" quoted by the Hon. Member are precisely not two "givens". The other work which is done within Government is not work which will be duplicated by this Commission. I repeat it is not a "given" that the Commission does not know what it is going to do. The terms of reference are quite clear. It tells them what they are going to do. The Hon. Member is basing his conclusions and his indignation on two wrong premises. I would urge the Hon. Member to read the terms of reference, and to think with a clear mind of the importance of having Canadians, not part of the Government, looking at the long-term prospects for Canada in economic terms and also in institutional terms.

This is hardly an invention. I had occasion previously when I was questioned to refer to the Rowell-Sirois Commission and to the Gordon Commission, for instance. These were very useful works for the elaboration of thought on the future of Canada, ten, 20, and 30 years down the road. This is what we want to have done outside the partisan atmosphere of this House, outside the more short-term preoccupations of departmental duties.

We want a group of distinguished Canadians, hopefully assisted by large numbers of Canadians in financial, academic and labour circles, who will be able to assist the Commission in arriving at a certain number of principles useful for the guidance of this or any government in orienting Canada toward a progressive path in the future. I repeat this has been done before. It is time that it be done again now, and I would urge the Hon. Member to try to depart a bit from his partisan approach to this and to think of the benefit that can come to Canada from it.

Mr. Deans: Madam Speaker, it is not a partisan consideration. It was the Prime Minister who appointed Donald Macdonald, not I.

Mr. Crosbie: And Romanow.

Mr. Deans: It was Donald Macdonald who said he wanted to be free to leave and run for the Liberal Party's leadership, not I. If there is any partisanship injected into this, it was the Prime Minister and Donald Macdonald who injected it, not we.

Some Hon. Members: Hear, hear!

Oral Questions

NECESSITY FOR JOB CREATION PROGRAMS

Mr. Ian Deans (Hamilton Mountain): Madam Speaker, we have two million people who are unemployed in Canada. There are any number of job opportunities that could be undertaken if the Government had the will to pursue them.

Mr. Clark: The Prime Minister will appoint them all to Royal Commissions.

Mr. Deans: To send this group of high-priced individuals at $700 plus a day across the country, to walk around chatting to people about where the future might lead us, is a waste of public funds at this time.

• (1130)

Why does the Prime Minister not catalogue the various and many jobs that could be created in this country now, the projects that could be undertaken now, and try to get work for Canadians who are unemployed now, rather than create high-priced jobs for Canadians who are already employed?

Right Hon. P. E. Trudeau (Prime Minister): Madam Speaker, the Hon. Member seems to indicate that his mind can only operate at one level. That is not the case with nor is it the duty of the Government which tries to discharge its functions.

A few weeks ago the Minister of Finance made statements in the House which were concerned with jobs now. The Minister of Employment and Immigration made several announcements concerning jobs now. We think that it is the duty of the Government, and we should have thought also the duty of Parliamentarians in general, to be concerned about the longer term future of Canada and that we should not be so narrow in our approach to reality and our duties as politicians that we are only concerned with today, tomorrow, and next week. We should be concerned with the orientation that the country should take in the future in a very rapidly changing world. This is the job of the Commission.

* * *

NATIONAL REVENUE

MOVEMENT OF TAX RECORDS FROM HAMILTON TO SUDBURY

Mr. Bill Kempling (Burlington): Madam Speaker, my question is directed to the Minister of National Revenue. Some months ago his Department moved the records of the Hamilton taxation office to Sudbury. My office and the offices of other Members are being swamped with calls from irate business people, tax accountants and taxpayers, who are told that it will take six weeks to get their files from Sudbury. When they call Sudbury they get a recorded message. The taxation staff in Hamilton are being unfairly blamed for the resultant confusion and they refer the irate taxpayers to the local Member of Parliament.

I resent my staff being abused because of a stupid decision made in the Minister's Department. How long will he allow this to continue?

[*Translation*]

Hon. Pierre Bussières (Minister of National Revenue): Madam Speaker, first of all, I must say that entirely I disagree with the Hon. Member's conclusion that the decision to decentralize the district office was a stupid one. I would say that before—

Mr. Clark: Madam Speaker—

Mr. Bussières: Madam Speaker, the Leader of the Opposition also has a habit of jumping to conclusions before hearing the answer, and his conclusions have often been wrong. I would invite him to let me finish my answer.

After this less than courteous interruption by his leader, I can inform the Hon. Member that all objectives have not yet been met to make decentralization complete, and I am sure he will understand that it takes time for the mechanisms involved in office decentralization to become operational, and once that is the case, taxpayers will be able to obtain a better service from their office. However, there is the time factor, and I am sure the Hon. Member will want to ask his constituents to help us by being patient until these services become operational.

[*English*]

COMPLAINT CONCERNING RECORDED MESSAGES

Mr. Bill Kempling (Burlington): Madam Speaker, I have a constituent who called the Sudbury office 14 times and received a recorded message 14 times. At the same time he has a demand for payment of taxes placed on him with the threat of garnishee of his wages. All that he gets from "Big Brother" is a recorded message. How does the Minister attempt to justify having the administrative staff in one location and the records on which they rely in another location? Is he going to give the person who made that recommendation to him a medal for stupidity, because that is what it is?

[*Translation*]

Hon. Pierre Bussières (Minister of National Revenue): Madam Speaker, regarding the particular case to which the Hon. Member is referring, and any other cases that may exist, I would urge the Hon. Member, whenever he is unable to get proper service from our district taxation office—which would surprise me, except perhaps in certain circumstances—to call the minister's office, where we have people who will be glad to answer questions by Hon. Members.

I may also point out that just because files are located in one office and the officer who has to answer queries is located elsewhere, in another office, it does not mean that proper service cannot be provided. The Hon. Member is aware that tremendous progress has been made in electronics, and he should know that with computerized systems, we can bring

information located in a file some 400 or 500 miles away, on to a small television screen. Thus, adequate service is possible even if the information is not available in the same office and in the same geographical area. I can assure the Hon. Member that we are maximizing the use of modern technology with a view to provide a better service to the taxpayer.

* * *

[*English*]

ENERGY

COST COMPENSATION REQUESTED FOR HOME OWNERS IN NOVA SCOTIA

Mr. Howard Crosby (Halifax West): Madam Speaker, my question is directed to the Minister of Energy, Mines and Resources. It could be answered by the Prime Minister because it was the Prime Minister who promised to extend the gas pipeline to the east coast.

If natural gas were available in the Maritimes in 1983, as promised, Nova Scotians would be protected from the dramatic increases in the cost of fuel oil and electricity for home heating. Since the gas pipeline is delayed to 1986 and beyond, I would ask the Minister of Energy or the Prime Minister if the Government is willing to compensate Nova Scotians for this broken promise, by giving financial assistance to those who must continue to use oil or electricity to heat their homes this winter and for several winters in the future. Does the Minister think it is right that any person in one part of Canada, such as Nova Scotia, should pay more than the national average for energy costs?

Hon. Jean Chrétien (Minister of Energy, Mines and Resources): Madam Speaker, I wish to tell the Hon. Member that the plans we are working on at this time are much better because we are paying 80 per cent of all the drilling costs off the coast of Nova Scotia. We hope that there will soon be natural gas off the coast of Nova Scotia, so that gas will not have to come from Alberta to Nova Scotia.

Of the $2 billion worth of work in drilling that will take place there in the next two years, the federal Government will pay a large portion of it for the Canadians who drill there, through the PIP Program. We are paying 80 per cent of it.

I hope the Hon. Member will be glad to see that we are doing our utmost to ensure that the resources off the coast of Nova Scotia will be on the shore very soon to serve the people of Nova Scotia.

Of course, in terms of paying the energy costs across Canada, we do not have a national rate. There are different rates across the country because power systems across the country are controlled by the provincial Governments. In terms of natural gas, we have moved the pipeline as far as Quebec. It might not need to go from Quebec to Nova Scotia any more because it is most likely that the drilling program will very soon produce natural gas off the coast of Nova Scotia which will serve Nova Scotians first.

Mr. Crosby: That is just the kind of nonsensical answer that annoys people in Nova Scotia and in other parts of Canada. I am talking about the cost which must be borne by individual consumers in Nova Scotia, and the Minister's answers concern Government policy and transfers between provincial Governments and the federal Government. It is the people who are paying for this broken pipeline promise.

EQUALIZATION OF ENERGY COSTS

Mr. Howard Crosby (Halifax West): Madam Speaker, my supplementary question is directed to the Prime Minister. When he hears his Minister talk about all these arrangements, does he really give any weight to the provision in the Constitution Act which the House approved, Section 36, which provides for equalization of economic opportunity in Canada? Does he not apply that to a situation such as energy costs? How can we have equal opportunities in the Atlantic area unless we have equalization for energy costs? Will he not apply this provision of the Constitution Act to this situation and guarantee that people in all parts of Canada will pay no more than the national average for their energy?

Right Hon. P. E. Trudeau (Prime Minister): Madam Speaker, it would seem to me that the Hon. Member might reflect on what was done in, and before, the National Energy Policy, when we had precisely the intent of equalizing the cost of petroleum and gas across the country. That was done. That is why there are these huge subsidies to the importers of petroleum in the Atlantic Provinces in particular. This is an aspect which the Hon. Member and his Party have not supported. I am glad that they are coming around to the realization that the National Energy Policy was based on this concept of equalization. Naturally, we cannot equalize every last detail, and the cost must be borne—the cost of transport in particular—within Canada. Even there, we have attempted to equalize as best we can.

* * *

CUSTOMS AND EXCISE

IMPORTATION OF VIDEO GAMES DEGRADING TO WOMEN

Mr. John Evans (Ottawa Centre): Madam Speaker, my question is for the Minister of National Revenue. As some Members have been aware, there is a video game in the United States called "Custer's Last Revenge", which is extremely degrading to the native people, and especially degrading to native women, since it involves rape and other acts of this kind. Can the Minister of National Revenue assure the House that he will use every power of his Ministry to ensure that such perverted trash is not allowed into the Canadian marketplace?

• (1140)

Some Hon. Members: Hear, hear!

[*Translation*]

Hon. Pierre Bussières (Minister of National Revenue): I can assure the Member for Ottawa Centre that I am concerned about the importation of this particular video game, and I may add that I have received representations from other colleagues, especially from my Cabinet colleague the Minister of State (Mines) who is also responsible for the Status of Women. This morning, I met the deputy minister of Customs and Excise, and I asked him, in the light of the guidelines governing the administration of Customs Tariff regulations and also in the light of our past experience in this area, to make a thorough study of the initial decision made with respect to the importation of this video game.

* * *

[*English*]

FINANCE

INCIDENCE OF DEFAULT IN REPAYMENT OF STUDENT LOANS

Mr. Mark Rose (Mission-Port Moody): Madam Speaker, I would like to direct a question to the Minister of Finance, if I may, and it concerns the increasing number of student loans which have been defaulted because of unemployment. With the rate of youth unemployment up to 21 per cent across Canada, because of the policies of the Government, it is an increasingly serious problem and, more and more, the Government is turning these loans over to collection agencies. Potentially, there were about 10,000 loans in 1980-81 which defaulted. Is the Minister aware of the extent of the problem and, if so, what is he prepared to do about it?

Hon. Marc Lalonde (Minister of Finance): Madam Speaker, the Hon. Member knows the economic situation the western world is facing, as well as the rest of the world. Therefore, when he blames the present situation on the federal Government, in the first part of his question—

Mr. Nielsen: How about Bill C-133?

Mr. Lalonde: —I would invite him to broaden his sights and see what has happened in the world in the last two years. The Government has taken steps to try to accommodate the difficult time we are going through. We have taken steps to remedy it in so far as we could in co-operation with all economic agents in society. We will continue to do so.

As far as the specific problem to which the Hon. Member referred is concerned, I will investigate the matter and report to him. I will see whether, indeed, there are situations where people are not able to repay debts. I will be pleased to inform the Hon. Member.

Mr. Rose: I will be pleased not to criticize the Government when unemployment is going up, if the Government, in turn, does not try to take credit for unemployment when it is going down.

REQUEST FOR MORATORIUM ON LOAN REPAYMENTS

Mr. Mark Rose (Mission-Port Moody): I would like to ask the Minister if he is aware that most of these young Canadians want to pay back their loans. Some of them are trying to do it. I know of one case where a person paid back $738 just in interest last year, without reducing the principal at all, and that situation must be duplicated all over the country. Would the Minister consider either a mortgage type of loan subsidy to these students or, better still, a moratorium for those who are unemployed until the economic situation rights itself because of world conditions, not because of the Government's policy?

An Hon. Member: A moratorium on the interest charges.

Hon. Marc Lalonde (Minister of Finance): I will look into the suggestions brought forward by the Hon. Member. I will examine them very seriously. Indeed, the Government is quite concerned and feels that we should not ask people, who are unable to pay, to make payments on debts that they owe to the Government but which they simply cannot meet at the present time, and that we should show concern and be willing to accommodate them if at all possible. The Hon. Member has made some suggestions and I will consider the matter to see whether they can be acted upon, or whether there are other, better ways of dealing with the problem he has raised. I will be very happy to report to the Hon. Member at the earliest opportunity.

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AGRICULTURE

STATEMENT BY CNR CHAIRMAN ON CROWSNEST PASS RATES

Hon. Don Mazankowski (Vegreville): Madam Speaker, I should like to direct a question to the Minister of Agriculture, who is supposed to be looking after the interests of the farmers of Canada. The Chairman of the CNR has been reported in the *Western Producer* as stating:

> —farmers should assume they will have to pay all freight cost increases above the annual Crow benefit payment guaranteed by the Government through legislation to be introduced into Parliament this winter.

May I ask the Minister if that is the position of the Government? Does he support the statement of the Chairman of CN? If this is not Government policy, what is the Government's policy and where does the Minister of Agriculture stand on it?

Hon. E. F. Whelan (Minister of Agriculture): Madam Speaker, I would like to know where the Hon. Member stands on the issue of what farmers should pay, because he never made it very clear, either.

Some Hon. Members: Oh, oh!

Mr. Whelan: As he knows, the Government has not made a decision on the Gilson Report, but it will in due time. I am not aware of what the Chairman of CNR said.

MINISTER'S STATEMENT

Hon. Don Mazankowski (Vegreville): The Minister, in his speech to the Ontario Federation of Agriculture, said that in fact the Chairman of CN had made a very legitimate point that there should a capping of the subsidy paid under the Crowsnest Pass freight rate structure. How does the Minister square his statement here in the House today with the statement that he made to the Ontario Federation of Agriculture?

Hon. E. F. Whelan (Minister of Agriculture): The Hon. Member is referring to a copy which states on the top of it, "Notes for a Speech".

Some Hon. Members: Oh, oh!

Mr. Whelan: Your Member over there has all the copies of my speeches for the last few years.

Mr. McKnight: It is lucky I have a fireplace at home, Gene!

Some Hon. Members: Oh, oh!

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CANADIAN DAIRY COMMISSION

RESPONSIBILITY FOR MANAGEMENT

Mr. Blaine A. Thacker (Lethbridge-Foothills): Madam Speaker, once the House settles down and the Minister of Agriculture turns his hearing aid up, I also would like to direct a question to him.

Some Hon. Members: Oh, oh!

Mr. Thacker: That is an inside joke, for the other people who do not know it.

My question relates to the administration of Crown corporations. The Minister knows that the Canadian Dairy Commission went through a very detailed examination by the Public Accounts Committee which reported in 1978 and pointed out that the administration of the CDC, plus parts of its export policy, were very badly handled. Reference was also made to it in the Gibson Report concerning problems in those same areas, as well as the Kotes inquiry. We have just completed studying the Public Accounts Committee report which pointed out quite a few errors in the administration of the Canadian Dairy Commission. Throughout that entire period, the Commissioners and the top management, who were appointed by the Minister, have remained in office, whereas in any other business, if they had made those same types of business mistakes, they would surely have been retired. What is the Government policy for making the top management of Crown corporations, of which there are over 600, responsible?

Hon. E. F. Whelan (Minister of Agriculture): Madam Speaker, I would like the Hon. Member to be as patient as I will be in waiting for the Public Accounts Report. I know that it went through a very thorough study in the last few days of the operations, of Canadian Dairy Commission. I want the Dairy Commission to be run as well as any corporation, private or Crown corporation, can be run. I am satisfied at the present time, when making comparisons between the operations of the Canadian Dairy Commission and any other corporation, whether private or other, whether in comparison with Massey-Ferguson, Chrysler or some of the other companies that we have helped, such as Dome, that it is run pretty well and is subject to public scrutiny.

I asked for the inquiries, but I am still of the opinion that one does not assassinate or fire anyone by innuendo. One waits until one has the facts. I have known the men and the Commission, as the Hon. Member said. I am responsible for their appointments. I am responsible for the Dairy Commission. I would put the operations of the Dairy Commission up against any other dairy operation in the whole world. This Dairy Commission has the support of the total dairy industry in Cananda, as does its Minister. Probably no other Minister can say that of his Ministry. He has total support, which the record indicates. When they all say how good it is, am I supposed to condemn it?

Some Hon. Members: Oh, oh!

Some Hon. Members: Hear, hear!

Mr. Thacker: Madam Speaker, the issue is not how good the policy is, it is how the Corporation is being administered and, when there have been four investigations showing mistakes, someone should go.

Some Hon. Members: Hear, hear!

RCMP INQUIRY

Mr. Blaine A. Thacker (Lethbridge-Foothills): My supplementary question is directed to the same Minister. Since he wants to get into this issue, he also asked for an RCMP inquiry, and that has been delayed and delayed. I want to know when the Minister of Agriculture will bring that RCMP inquiry to a conclusion so that we can really get at the true facts.

Hon. E. F. Whelan (Minister of Agriculture): Madam Speaker, does the Hon. Member want me to put pressure on the RCMP and interfere with its investigation? Is that what he is suggesting? That is not my prerogative. It is not within my power to do that. I asked for an inquiry. They are making their inquiry. They will not make their report to the Minister of Agriculture, but to the Minister in charge of the RCMP. They make it through the appropriate Minister. That report then comes to me. I wrote to the Minister in charge of the RCMP to have that inquiry conducted.

• (1150)

When one checks the facts, one will not find that they say to the Minister of Agriculture, "There is that kind of inefficiency in there and you should take that action and fire that person or those persons," because it was not that firm. If the Hon.

Member can bring those accusations where there was that kind of wrongdoing in the Canadian Dairy Commission, he should put them on the record. I have had everybody study them. There may have been inquiries. There were certain things said without anything to back them up. I asked for the facts. That is why I asked for the internal audit of the Auditor General. I asked for that because I wanted the facts before I beheaded anybody or did anything like that to anyone. I said if anybody brings out the facts to the Public Accounts Committee—

Madam Speaker: Order.

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NATIONAL PARKS

BANFF LAND EXCHANGE—ISSUANCE OF BUILDING PERMIT

Right Hon. Joe Clark (Leader of the Opposition): Madam Speaker, I wonder if the Minister of the Environment could tell us who is the official who ordered the Judd Buchanan building permit to be issued. On whose specific authority was that ordered? If the Minister does not know the answer to that question, which has been before the House for four days, will he give us an undertaking that he will answer that specific question next week?

Hon. John Roberts (Minister of the Environment): Madam Speaker, the building permit was issued by Mr. Racine, as I think is well known. If I understand the substance of the question of the Leader of the Opposition, he knows that. He wants to know if there was some ordering of him to do that. To the best of my knowledge, if that was the case, it would have been as a result of a discussion with his superior, who would be the townsite manager. I do not know the substance of what discussions took place between them before the permit was issued by Mr. Racine.

I have given him the knowledge that I have presently, and I will follow his suggestion. If I can supplement that information, I will forward a communication to him.

Mr. Clark: Madam Speaker, Mr. Racine, and Mr. Ross the Acting Superintendent, and the Director of Canada Parks West in Calgary have all said they were ordered to do it. I want to know by whom they were ordered to do it. That is what they said, Mr. Prime Minister. If you want to check what is going on in your Government, carry out an inquiry. We would be delighted to do it on the floor of the House of Commons.

CHANGES MADE TO ORIGINAL PROPOSAL

Right Hon. Joe Clark (Leader of the Opposition): Let me come to the letter of December 23 from the Deputy Minister of Environment Canada to the Member of Parliament for Bow River in which the Deputy Minister indicated that the Buchanan proposal had been rejected. I quote, "The proposed land exchange was not approved". The Minister said yesterday that the Government negotiated a very different proposal and then approved it quietly, secretly. Will the Minister tell the House of Commons what changes made an unacceptable proposal acceptable?

Hon. John Roberts (Minister of the Environment): Madam Speaker, I will reply to the hon. gentleman's question. I do want, however, to point out to him and the House that he has not accurately reported what I said. I at no time said there were secret negotiations which took place after the letter to which he referred. Indeed, the fact is that discussions took place which were certainly not at all secret. On several occasions after that date—on January 4, February 1, June 7, July 5 and again August 30—the minutes of the Banff Advisory Council clearly indicate that there were indications of discussion on the project at that place. I think most Members know that discussions which take place at that Council are communicated to members of the town quite readily, so his allegation which is one made as well by Members on that side earlier this week, that after the letter to which he has referred that somehow there were continuing and secret and unknown negotiations, is simply not the case, and the facts bear that out.

In reference to the earlier part of his question, the other part of his question, there is indeed the letter which he described. Parks Canada, not being entirely sure that the original proposal was one which they would wish to accept, did have a memorandum prepared for Treasury Board which was considered. Treasury Board decided that that proposal was not one which they would accept. As a result of that, Parks Canada did go back and negotiated a different arrangement with the developers which led to the addition of another parcel of land on the part of the developers to that which was the other three, which were being and exchanged with Parks Canada. This narrowed very, very considerably what had been the previous disparity in value, so that was a very significant and substantial change. As a result of that change, Parks Canada officials were confident that the exchange was one which was of benefit to Parks Canada and to the townsite. They felt no need for a further second opinion and they therefore proceeded with the negotiations.

REQUEST THAT MINISTER TABLE DOCUMENTS

Right Hon. Joe Clark (Leader of the Opposition): Madam Speaker, if the Minister is so confident that this matter is in the public interest, will he agree to table in the House of Commons the first proposal which was rejected, the second proposal which was accepted, and any representations and any records of conversations that went on between the rejection of a proposal by Mr. Buchanan in the first instance and the acceptance of a proposal by Mr. Buchanan in the second instance?

Hon. John Roberts (Minister of the Environment): Madam Speaker, the hon. gentleman has referred to any representations, which is an extraordinarily wide net. "Representations" is the word I think he used. It is not the practice to reveal discussions or negotiations between private citizens pursuing business affairs and governments. As far as I know, it has

never been the practice to reveal the kind of commercial information which might be of use or benefit to competitors in the marketplace. That is not something that we have ever done.

* * *

PUBLIC SERVICE

RIGHT TO NEGOTIATE WITHIN WAGE RESTRAINTS

Mr. Sid Parker (Kootenay East-Revelstoke): Madam Speaker, my question is directed to the President of the Treasury Board. When the Bill cutting the wage increases of Public Servants was before the House last summer, the Government amended it to permit unions to bargain changes within the six and five guidelines. It now turns out that the Government is not permitting this. The Professional Institute of Public Servants is trying to provide increased maternity benefits for some of its members within the six and five guidelines. Treasury Board negotiators told the Professional Institute earlier this month that they were not in a position to respond to the request for increased maternity benefits and that they did not even know when they would be able to respond. Is the Government trying to weasel out of even its minimum commitment to bargaining and, if not, can the Minister give us a firm answer on when his negotiators will be in a position to bargain?

Hon. Herb Gray (President of Treasury Board): Madam Speaker, the Bill in question was amended by Parliament to give the authority to the Governor in Council to exempt from the Bill collective bargaining in the context of accepting the six and five principle. I have been working with colleagues in Cabinet to develop a set of guidelines which would be made available to the Public Service unions so that they would know the basis on which the Governor in Council would be likely to exercise that discretion. I have discussed this matter with the heads of the major Public Service unions. I told them that I am working actively to get these guidelines developed, and I will show them the guidelines for their input before the matter is finalized. I hope to do so as quickly as possible.

DELAY IN STARTING NEGOTIATIONS

Mr. Sid Parker (Kootenay East-Revelstoke): Madam Speaker, I am sure the President of the Treasury Board must realize that time is important on this very specific question. Public Servants have already had their increases cut below the cost of living and they do not want their increases delayed by this type of Government stalling. Why has the Government refused to bargain even within the six and five guidelines, when it has had all summer to prepare itself for this very important issue?

Hon. Herb Gray (President of Treasury Board): Madam Speaker, as far as I am aware the increases of six and five which are permitted by Bill C-124 are not being held up by the matter to which my Hon. friend is referring. The Hon. Member is asking whether it would be possible for agreements to be negotiated of a kind that would not be covered by Bill C-124 because the Governor in Council would exercise its discretion to exempt them. In order to do this, I think it is fair to the public servants in question that they know the basis on which this discretion would be used, so there would not be negotiations on an agreement which later would not be found to be subject to exemption. I am trying to operate in a fair and efficient manner, and I want to get these guidelines worked out as quickly as possible.

* * *

• (1200)

CANADIAN PACIFIC RAILWAY

DESTRUCTION OF WEST TORONTO RAILWAY STATION

Mrs. Ursula Appolloni (York South-Weston): Madam Speaker, in the absence of the Minister of Transport I address my question to his Parliamentary Secretary. The Parliamentary Secretary is aware that yesterday, in the wake of the demolition of a building in my riding, the CTC sent a telegram to Canadian Pacific, requesting an explanation for their actions, by ten o'clock this morning.

Has Canadian Pacific respected the deadline set by the Canadian Transport Commission to justify the wanton destruction of the West Toronto railway station? If so, what was the reply to the CTC telegram and, most important, can the Parliamentary Secretary assure the people of Toronto that conditions laid down by the CTC were satisfied before demolition took place?

Mr. Jesse P. Flis (Parliamentary Secretary to Minister of Transport): Madam Speaker, the news of the demolition of the West Toronto railway station came as a complete surprise to the Hon. Member for York South-Weston, to the Minister of Labour, and to me—

Mr. Baker (Nepean-Carleton): And to the Minister of Transport.

Mr. Flis: —because the three of us worked very closely with the West Toronto Junction Historical Society to preserve this 71-year old building as an historical site.

When the owner of a railway station wants a station removed or demolished, he must apply to the CTC under Section 120 of the Railway Act. Canadian Pacific did this. The puzzling factor in this case is that, a few days before the demolition, CP withdrew this application, and did not apply for a demolition permit from the City of Toronto, claiming that this building is on federal land and does not require such a demolition permit.

CTC acted very quickly by sending a telex to CP yesterday demanding a reply by 10 a.m. this morning. I am pleased to inform the House that such a reply did come in this morning.

The Railway Transport Committee is meeting at this very moment to study this reply—

Mr. Nielsen: Put it back.

Mr. Flis: —and determine whether CP acted properly or irresponsibly.

* * *

VIA RAIL

ABANDONMENT OF SERVICE—ROLE OF CTC RAILWAY TRANSPORT COMMITTEE

Right Hon. Joe Clark (Leader of the Opposition): Will the Parliamentary Secretary tell us whether the Railway Transport Committee of the CTC will act as vigorously to see if the 20 per cent of VIA Rail service was abandoned in accordance with the law?

Mr. Jesse P. Flis (Parliamentary Secretary to Minister of Transport): Madam Speaker, I do not see the relevancy of the Right Hon. Member's question to the question posed by the Hon. Member for York South-Weston. I would hope that the Leader of the Official Opposition would learn to ask more responsible questions in this House.

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GREY CUP GAME, 1982

CONGRATULATIONS TO PARTICIPATING TEAMS

Hon. Steven E. Paproski (Edmonton North): Madam Speaker, I rise on a point of order. I think that it would be appropriate at this time to congratulate two great gridiron teams who, this weekend, are going to be performing in Toronto and have done such a great job for Canadian unity. I think this House should congratulate the Edmonton Eskimos—

Some Hon. Members: Hear, hear!

Mr. Paproski: —and the Toronto Argonauts—

Some Hon. Members: Hear, hear!

Mr. Paproski: —and no matter who wins I know they are going to do a great job this Sunday for the people of Canada.

Madam Speaker: I do not think I will venture to rule on that point of order! The only thing I know is that when the subject of football comes into the House, the House throws all of the rules out of the window and with good spirit, and that is great.

ROUTINE PROCEEDINGS

[*English*]

EXCISE TAX ACT EXCISE ACT

MEASURE TO AMEND

Hon. Paul J. Cosgrove (Minister of State (Finance)) moved for leave to introduce Bill C-138, an Act to amend an Act to amend the Excise Tax Act and the Excise Act, and to provide for a revenue tax in respect of petroleum and gas.

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

* * *

QUESTIONS ON THE ORDER PAPER

(Questions answered orally are indicated by an asterisk.)

Mr. David Smith (Parliamentary Secretary to President of the Privy Council): Madam Speaker, the following questions will be answered today: Nos. 4,410, 4,423 and 4,507.

[*Text*]

TRAVEL EXPENDITURES OF PUBLIC SERVANTS

Question No. 4,410—**Mr. Fulton:**

During the fiscal year 1981-82, how many trips were taken, at public expense, by employees of each Department and, in each case (a) to which locations (b) for what purpose (c) at what cost (d) was vacation leave involved?

Mr. Peter Lang (Parliamentary Secretary to President of the Treasury Board): The information sought is not readily available from departmental records; only total expenditures are rolled up by Department. Such information would only be available on individual travel claims and would necessitate compilation by hand, the cost of which would far outweigh any informational benefit that might accrue. Departmental emphasis is placed on internal control mechanisms, which require all government business travel to be justified and pre-authorized. Expenditures must be submitted on a travel form, which is compared with the pre-authorization by departmental administration to ensure that proper approval for the trip has been given and that the claimed expenditures comply with those permitted by the travel policy.

A recent survey of travel patterns in a representative sample of seven Departments showed a total of 380,950 trips during 1981-82. In the majority of cases, these are routine trips made by employees involved in direct service to the public, such as weights and measures inspectors, agricultural inspectors and advisers, and health inspectors. The employees generally use their own car or a government car to travel between workplaces during normal working hours. Travel for other reasons, such as travel for business purposes that is not directly related to a regular part of duties, attending conferences or taking training courses, has recently been the subject of more stringent controls by Treasury Board. More specifically, the Board

has directed that Departments and agencies reduce business travel that is not directly related to a regular part of duties by 15 per cent from 1981-82 level; foreign travel (which represents 1.6 per cent of all travel) must be approved by the minister responsible, except for trips to continental U.S.A.; and the Minister responsible must also approve conference attendance in excess of two delegates from the Department, as well as all departmental sponsorship of conferences.

INTERNATIONAL FLIGHTS TAKEN BY GOVERNMENT OFFICIALS

Question No. 4,423—**Mr. Fulton:**

Were 1,569 international flights taken by government officials between May 3 and June 10, 1982 and, if so (a) who took the flights (b) what was the (i) destination (ii) cost (iii) purpose of each trip (c) was any vacation time involved (d) were any persons not employed by the Public Service on any of the trips?

Mr. Peter Lang (Parliamentary Secretary to President of the Treasury Board): The figure quoted was supplied by the Central Travel Service of the Department of Supply and Services and would relate to bookings rather than actual flights.

The specific information sought is not readily available from departmental records; only total expenditures are rolled up by Department. Such information would only be available on individual travel claims and would necessitate compilation by hand, the cost of which would far outweigh any informational benefit that might accrue. Departmental emphasis is placed on internal control mechanisms, which require all government business travel to be justified and pre-authorized.

To accent the government's program of fiscal restraint a number of administrative mechanisms aimed at augmenting existing controls on government business travel, were introduced on August 6, 1982 including the requirement for all foreign travel other than to the continental U.S.A. to be approved by the Minister responsible.

ADVISORY COMMITTEE ON INFLATION AND TAXATION OF PERSONAL INVESTMENT INCOME

Question No. 4,507—**Mr. Mitges:**

What was the total cost to the taxpayer for the blue ribbon committee headed by Mr. Pierre Lortie of the Montreal Stock Exchange which was set up to study a mortgage rate reduction plan and certain tax proposals as outlined in the June 28 Budget?

Hon. Paul J. Cosgrove (Minister of State (Finance)): Total cost for the Ministerial Advisory Committee on Inflation and the Taxation of Personal Investment Income:

(a)	Travel	$ 44,600
(b)	Freight and express	500
(c)	Telephone	75
(d)	Rentals	5,000
(e)	Consulting and research	309,225
(f)	Other professional and special services	41,600
Total		$401,000

[*English*]

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

[*Translation*]

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

Some Hon. Members: Agreed.

GOVERNMENT ORDERS

[*English*]

CANADA AGRICULTURAL PRODUCTS STANDARDS ACT

MEASURE TO AMEND

Hon. E. F. Whelan (Minister of Agriculture) moved that Bill C-98, an Act to amend the Canada Agricultural Products Standards Act, be read the second time and referred to the Standing Committee on Agriculture.

He said: Madam Speaker, the Canadian horticultural industry is a $3 billion a year business, employing something like 200,000 people. It is a huge and varied industry, stretching from coast to coast. Indeed, it is an international industry. Thanks to the advances that have been made in storage and transportation, our consumers have access to an incredible array of fresh produce from across the country and around the world.

As a matter of fact, Canadians last year imported $1.1 billion worth of fruits and nuts and about $600 million worth of vegetables.

Mr. Deputy Speaker: The Hon. Member for Carleton-Charlotte (Mr. McCain) rises on a point of order.

Mr. McCain: Mr. Speaker, is it presumed in this debate that the Minister is now closing the debate, or is he introducing it? Technically, he could be closing it and I wish an opportunity to speak.

Mr. Deputy Speaker: My understanding is that the Minister is proposing a motion to the House, the motion being the Bill. Correct?

Mr. Whelan: Correct. The great distances that fruit and vegetables travel en route to the consumer, coupled with the fact that they are highly perishable products, creates in many instances unique marketing problems. For example, a carload of British Columbia cherries may pull into the Ontario Food Terminal and the buyer is not pleased with the quality. This could be a rare occasion, because most of the time, 99 per cent of the time, the produce from British Columbia is of high quality. But if someone decided to say it was not of that

quality, and if we did not have a mechanism for arbitrating this kind of problem, the load of cherries would sit there for a long time before some kind of agreement was reached between the buyer and the seller. By then we would have an unholy mess on our hands.

Fortunately, we do have an arbitration mechanism. Unfortunately, that mechanism has not had the legal teeth to do its job effectively since a court challenge to its powers in 1974.

The Arbitration Board has continued to function since then, but without the authority to enforce its rulings. There have, in fact, been cases where a party to a dispute simply refused to pay the amount of compensation which the Board deemed appropriate.

The amendment to the CAPS Act, which is before the House, would clearly establish the Board's legal authority, and would improve some aspects of its operation. I must stress that such action is needed because of the fact that we are dealing with highly perishable goods that are being shipped great distances.

• (1210)

Perhaps I should take a moment to run through the full arbitration procedure, and how the reconstituted board will fit in. First off, everybody who is engaged in the interprovincial and international buying and selling of fruits and vegetables must be licensed by Agriculture Canada. The licensee agrees to obey a code of practice which incorporates normal trading procedures. Here is how the arbitration procedure works. When a buyer feels that the shipment he or she has received is not of the grade requested, or that it has deteriorated in transit, he or she has 24 hours to take exception. Then an official inspection is done by an Agriculture Canada primary products inspector. Next, the buyer contacts the seller to see if they can reach an agreement on the settlement that should be made. If buyer and seller cannot reach an agreement, the seller files a complaint and the matter goes before the Arbitration Board. Meanwhile the buyer is required to dispose of the product to best advantage.

The Arbitration Board has been composed of three experts. The Chairman is appointed by the federal Government and the other two members are representatives from buyers and shippers. When the Board meets, the federal Government pays their per diems. In the reconstituted Board there would be three to five members, appointed by the Minister of Agriculture. Aside from the one or two Government representatives, the industry members would be nominated by the trade associations. As with the old system, the Board's decisions can be referred to a Board of Review. The old Board included the original members of the Arbitration Board, plus the Department's legal adviser and the director of our dairy, fruit and vegetable division. The new Board of Review will not include members who sat on the Arbitration Board.

Under the proposed system, the Board of Review will only be able to review how the Arbitration Board made its ruling; whether it considered all the information. From there, if the buyer or seller is still dissatisfied, and refuses to pay the amount recommended by the Board, the Board's decision is passed on to the Federal Court, and in effect becomes a decision of the court.

The Minister of Agriculture also has some scope to help ensure the smooth operation of the Board. The Minister has the authority to revoke the licence of a party that refuses to abide by the rulings of the Board, or who is the subject of repeated complaints. It is important to note that the procedure I have just outlined is followed by most of our fruit and vegetable trading partners, most notably the United States. It is only reasonable that we should be able to provide a reciprocal service to settle international disputes.

Finally, Mr. Speaker, I want to say that the long-overdue amendments I am proposing will help in the orderly marketing of agricultural products. As you and the Members of this House know, agriculture is prone to such an incredible range of production and marketing hazards, it is only reasonable that we should try to reduce some of the element of risk through the provision of a good arbitration service so as to make it fair and operate in a very smooth fashion.

Mr. Fred McCain (Carleton-Charlotte): Mr. Speaker, some eight years ago there was a ruling of the court which said that the establishment and rulings of the Arbitration Board for purposes outlined by the Minister were ultra vires and not binding. I think it would have been very important for the Minister to tell us in what way he has now closed the gate so that producers, dealers and receivers will now be able to get a reasonable, binding decision with respect to a dispute. Looking at this Bill and its predecessor, I wonder why the first one was thrown out and why this one will not be thrown out under the circumstances.

The absence, Mr. Speaker, of binding authority has been a very serious situation, and the Canadian Fruit Wholesalers Association and the Canadian Horticultural Council, the two groups which in the main represent the shipper and receiver of fresh fruits and vegetables, have been pressing very hard to have this system re-established. One of the real difficulties which arose was the fact that people who shipped into Canada really had no means of obtaining a settlement of a problem which might arise. One may ship a product in top-flight condition but in some cases it may arrive in less favourable condition. As a result there is often a dispute which arises between the shipper and receiver, and we need this Board of Arbitration to sit down around the table with the parties concerned and arrive at a binding decision. However, such a vehicle has not been available.

In the U.S., if such a situation arose, there is a vehicle of comparable nature which would arbitrate the dispute. Once the ruling is made, the licence of the person against whom the decision is made is in jeopardy if the claim is not in fact paid. American shippers of these goods into our markets have found themselves unable to obtain a reasonable, binding solution upon a customer in Canada who may wish to abuse the foreign shipper. The result has been that the American association has decreed that any Canadian involved in a dispute must post a

bond equal to twice the amount of the claim lodged. This has caused some very serious difficulties for Canadians who ship their produce into the American market.

It has worked both ways, Mr. Speaker. The shippers from outside this country are uncertain as to their legal status with respect to the produce they ship into Canada, and people shipping out of Canada into the United States find themselves in a very difficult position when they attempt to make a claim concerning an unsatisfactory deal in the United States. So it is high time that a procedure to settle these problems is in fact in place. Trade between our two countries has suffered and American publications such as The Packer, which some people call the bible of the wholesale fruit and vegetable industry in the U.S., have been levying charges at Canada which are not very complimentary. So the earlier this Bill is in place, the earlier we can re-establish our historic relationship with the American receivers of our goods as well as the American shippers of our needs, the more healthy will be the trade between the two countries.

I might say, Mr. Speaker, that this present situation has affected all sorts of agricultural trade between Canada and the U.S. It is being used as a weapon. For example, in the potato disagreement between Canada and the U.S., particularly the State of Maine, the Americans are saying that Canada does not deal in good faith any more. They do not want to deal with us. The situation is giving us a reputation which we can ill afford. It is therefore imperative that this Bill should pass, be given Royal Assent and proclaimed at a reasonably early date.

• (1220)

Fortunately, during that period in which a legal and binding Board could not be established by the Department of Agriculture, an Acting Board has been the arbiter of disputes between shippers and receivers of fresh fruit and vegetable products. Its decisions were not binding but in roughly 75 per cent of cases they were accepted. However, even though a shipper may have been found at fault by the existing Arbitration Board, his licence is not in jeopardy. The decisions of the Acting Board do not have the weight that the Bill would give the appointed Board.

I suppose the Minister could suspend a licence if he chose to do so, but so far he has not. The proposed legislation gives the Minister the authority to issue or cancel a licence. I think the circumstances under which a licence could be suspended should be defined. The Bill is not clear on this point although it may be set out in the regulations which will follow.

Having just attended a seminar on fisheries, I feel it is imperative that the House, the Committee and the trade should know the terms and conditions under which licences are to be granted. It has been suggested that any dealer in the fresh fruit and vegetable trade should submit a bond with his application for a licence. This would put pretty serious constraints upon free access to business. I would say that probably the three largest dealers in fruit and vegetables today started with a roadside stand. They have managed their businesses in such a way as to gain the confidence of the trade and so have become very large indeed.

If we are going to insist on a bond, it should be available at a reasonable cost. There may, of course, be cases where someone with a bad reputation in the trade applies for a licence but cannot provide an adequate bond. In the main, however, the amount of the bond should not be so high as to act as a constraint.

The same remarks apply to licencing. If the cost of the licence is prohibitive, it is a constraint upon entry into this kind of business. I know that representations have been made for a large licence fee which would act as a constraint to entry into the business, but I think this should be considered very seriously. Until it is proven that irresponsible people are entering the business, excessive constraints should not be imposed.

There is a technical matter that concerns me, Mr. Speaker, and I hope the Minister will address it. As I understand it, no constraint is imposed upon one farmer who ships products to another farmer. On the other hand, if a difficulty about the shipment should arise, there would not be access to the Board of Arbitration. Should we not consider imposing a nominal licence fee for producers and purchasers? I think both should be licensed prior to the product being inspected at point of origin or at destination. Some people in this category do quite a little bit of business on their own and I think they should have an element of protection.

The seed potato industry is an example of this. There is really no way that a farmer in one province can know the financial reliability or integrity of someone who receives his product. An element of protection should be afforded such people.

There are some other aspects of the legislation that I should like to discuss, Mr. Speaker. It provides for a Board of "not less than three and not more than five members", but does not set out any guidelines for the qualifications of members. Perhaps that will be provided for in the regulations. The Minister touched on that matter this morning but not as fully as I should have liked. The explanatory note provides that the Bill would:

(b) empower the Governor in Council to make regulations, including regulations prescribing the products for which a licence is required and standards for those products—

This would mean an overlapping of regulations, because there already is a standard for grades of fruit and vegetables shipped within this country. Now we are proposing to regulate in respect of grade, standards, packages and other items. I should like the Minister to explain this overlapping of regulations when the Bill goes to Committee.

It occurs to me that licensed dealers in Canada should have the Arbitration Board available to them at the federal level for sales within a province. They would be licensed to ship products dealer to dealer under federal standards. In some Provinces there is a mechanism for dealing with problems that may arise, but in others there is no such provision. I do not think it would be an infringement upon provincial jurisdiction if there were an opportunity for licensed dealers to approach this

Arbitration Board to settle disputes which might arise from shipments made within a Province.

I am quite concerned about the qualifications of people appointed to the Board and about its status, Mr. Speaker. Clause 1, amending Section 6 of the Act, reads as follows:

6.2 (3). The Board is a court of record and shall have an official seal, which shall be judicially noticed.

That does not mean a great deal to the man on the street, Mr. Speaker, and it does not mean as much to me as it would to a lawyer, but I can see that it gives the Board a high status.

Clause 1, amending Section 6.6 of the Act, provides that the Board will have full jurisdiction. Appeal from its decisions may be made under Section 28 of the Federal Court Act. I do not know what is contained in that Section but I am advised that the Arbitration Board and the Appeal Board, known as the Tribunal, can rule on the fate of an individual without that individual having access to the courts of appeal. Apparently if someone were to appeal as provided in this Clause, he would find that the court has very little scope for action and would be virtually unable to reverse the Board's decision unless there was a great error in judgment or some aspect of the law. I do not know whether this really affects the human rights of individuals in Canada under the Charter of Rights and Freedoms, but I think the constraints of appeal to the courts of Canada are too excessive.

• (1230)

I reflect again upon the qualifications of the individuals who will constitute these Boards. As I understand it, they will not be legal minds. Nor do I think in the initial adjudication of a problem should they be legal minds. I think they should be minds which are knowledgeable of situations that can occur in the trade and that their decisions should be based upon them. When one fails to extend the full right of the courts of Canada to traders, I submit that that is precluding the opportunity for legal interpretation. Whether it may go for or against the appellant is really not the factor which should be considered. It is the fact that he cannot effectively get to the court to try to appeal a decision which he feels is unjust.

There is no clear indication in the Act as to what it may cost the individual to take his case to the Arbitration Board. I wish that could be defined. I think it is imperative for the sake of the trade that one in fact knows what will be the cost. I presume the cost will be spelled out by regulation, and I ask the Minister to give his attention to this item as well.

Referring to Section 6.7(2)(c) dealing with people who handle agricultural products on commission, I should like to ask whether they will be licensed as dealers or brokers. This is a question which must be addressed. At the present time I believe that the broker, the intermediary between buyer and seller, is not subject to the Arbitration Board except on very, very rare occasions. Since we are looking at the word "commission" as used in the Section to which I have referred, I raise the question as to whether or not brokers will in fact be subject to decisions of and responsible for the decisions of an arbitration case which happened to be put before the Board.

I do not have any intention of suggesting that this Bill is not needed. I do not have any intention of suggesting that this Party will block it. If the regulations are reasonable, if the Minister's answers are explanatory and address the questions I have raised today, I think we could expect that in the haste required this Bill could be put through.

I do ask the Minister to make a change in practice in the House, one which is very rarely observed. I think the Standing Committee on Agriculture should have an opportunity to study the regulations section by section, because his regulatory power is so broad. I think the Canadian Horticultural Council, the Canadian Fruit Wholesalers Association and any other group or organization within the trade itself should have an opportunity to express themselves in respect of the regulations, and I think the committee should have the benefit of that. I do not believe that the regulations and regulatory power extended to the Minister under the Act should be exercised without advance warning and without consideration by the committee. Some of the committee Members, including the Hon. Member for Chicoutimi (Mr. Dionne), are familiar with the practice of the trade and how the regulations will or will not work. I want them to look at the regulations, particularly because I do not want overlapping. I do not want consumer legislation and agricultural legislation in the regulatory structure interfering one with the other. We have troubles enough now without that. If we are to get into packaging as mentioned in the Act, then let us know that other Act will regulate packaging, labelling, etc.

I have nothing further to say. I look forward to discussing the Bill in committee. I hope it can be done quickly because the Act is needed for the benefit of the trade; it is needed very badly and post haste.

Mr. Vic Althouse (Humboldt-Lake Centre): Mr. Speaker, the Bill before us today is one which the horticultural industry and the fruit and vegetables industry have been awaiting for some time. Since 1974 they have been operating under a procedure which does not have any form of legality; it is strictly a voluntary type of operation. This has created some problems for fruit and vegetable producers in international markets.

The Bill is designed to reimplement an arbitration procedure which was in place and well understood prior to 1974. It will apply to shippers and wholesalers or producers of fruit and vegetables both in interprovincial and international trade. It is well known in the House but perhaps less known to the general public that agricultural trade in any product within a province is within the jurisdiction of the Province, and that the rules and regulations for the conduct of trade are handled within each Province. Each of the ten Provinces have their own ways and means of ensuring that buyers and sellers are adequately treated. Basically, the Bill is to apply to interprovincial trade and to trade between Canada and the United States and Canada and other countries.

I suppose pressure for the change has been present for some time. A court case challenging the voluntary arbitrary procedure occurred in 1974. It was a case involving a Montreal

wholesaler and retailer. Since that time the arbitration procedure has been open to challenge. This is the first time the Government has seen fit to formalize the procedure which existed then.

Basically, the Bill proposes to set up a Board of five members to do two things. First, it will licence people engaged in importation, exportation or interprovincial trade in any agricultural product which is defined for the purposes of the Act as fruit or vegetables. Second, any question of grade or quality of goods delivered or received will be handled in the following manner: the local Government grader will be called in to determine whether the grades described on the manifest or in the agreement between the two parties were indeed the actual grades and whether the products were the quality they were alleged to be. If there is still a dispute, there is an attempt to arbitrate it by the officials; if that fails, it goes to a Board.

This five-member Board of Arbitration will be set up with its head office in the National Capital Region, according to Bill C-98. The Board members will be appointed for a term not to exceed five years, but at the pleasure of the Minister he can drop the Board members at any time, which is fairly standard in these types of operations. As well, Board members are eligible for reappointment if they have done a good job.

• (1240)

Mr. Rose: Or continue to vote the right way.

Mr. Althouse: As my colleague has just said, or continue to vote the right way.

There are standard procedures on how to handle this situation if all the members are not there. The Bill states that a quorum shall consist of a minimum three members. It provides that members of the Board may hear cases in any part of Canada. It does not, however, set out who the members of the Board shall be, from what industry, or from what regions they should come. I assume that decision will be left either to ministerial discretion or be spelled out by regulation. I think the trade would prefer it be spelled out a little more clearly, but we can get into that matter during the hearings of the Standing Committee on Agriculture.

Unlike some of the Bills we have dealt with, there is no requirement for a notice of meeting. It says only that three members of the Board constitute a quorum. There is nothing about how much time members of the Board shall have of notice of a meeting. This may be an important point, given the nature of the country. Canada is a far-flung country consisting of five different time zones. Some members of the Board may, in fact, need a day or more than a day's notice in order to fly to the National Capital Region, or to wherever the meeting is called. That is a point that should be considered. Perhaps during our committee hearings we might decide whether giving notice of a meeting should be set out in the Bill itself or whether it is something that could be dealt with adequately by regulation.

The procedures for laying down complaints are outlined in the Bill. They are not terribly direct; they provide some variation. The Bill simply states that where the goods delivered or received do not meet the standards, within nine months after the Board has been made aware that one or other of the parties is dissatisfied with the goods, the Board shall have dealt with the case or have been provided with a written complaint. Some complaints with which the Board will be dealing will be fairly ancient by the time they reach the Board. But the complainants must file a written complaint. That is suitable. This procedure will not cost either of the complainants a great deal of money and, according to my reading of the Bill, people will have nine months to file such complaint. That seems to me to be a good long time for the process to get off the ground.

As previous speakers have mentioned, the Board has a fair amount of power. It is considered to be a court or record and its decisions will be judicially noted. The Board, as a court of record, is empowered to call witnesses if necessary and to swear them in. This Board is, in fact, vested with all the powers, rights and privileges that are vested in a superior court of record. It can issue summonses requiring people to appear before it and requiring either producers or receivers of goods to provide any and all records that apply to the subject matter at hand.

The powers of this Board are fairly substantial. It can also receive such evidence as the Board itself considers to be relevant, trustworthy and credible to the case.

The decisions of this Board will be treated as final, the same as any court of record. The Board must list its reasons for arriving at a decision. The aggrieved parties may then appeal to a Board of Review. Probably there will be very little action in court that can be taken outside of these two forums that will be available to producers and receivers of goods. The review tribunal will consist of five members, three of whom must be available to hear any case brought before it. It appears that this will be a sort of supreme court in Canada for agricultural products and standards applied thereto.

This review tribunal's office is to be located in the National Capital Region. The duties of its members are very similar to those of the Board, with the exception that it is to be a higher court providing appeal privileges. This particular group can hear any appeal. The grievance must be filed within 30 days after the Board has reached its decision. The tribunal basically has three choices. It can affirm the finding of the Board; it can vary or cancel the decision; or it can make another decision. The procedures are outlined fairly clearly. However, I have a bit of trouble with the procedure laid down, not with what is stated in the Bill but with what is left out.

As I read the Bill, the only power the Board or the tribunal has to implement findings would be the possibility of lifting the licence which the parties involved have received from the Ministry of Agriculture. That is the only punitive action that can be taken against someone who is found to have delivered faulty products. There is no bonding provision. There is no way of protecting the aggrieved party. I think this is a reasonably

serious short coming in the Bill which will have to be dealth with by amending the Bill. I hope Government Members will be presenting such an amendment; this omission has been brought to their attention. If they do not present an amendment, I hope Government Members will see fit to support an amendment from the Opposition side of the House. I am prepared to move an amendment dealing with the bonding provision, which I think should be included since the aggrieved party has no financial protection the way the Bill is framed at present.

• (1250)

I think it is quite necessary it should do so because one of the problems that has been outlined to us by producers and handlers of fruits and vegetables, particularly on an international basis, is the difficulties they have going into American markets. American buyers have become rather leery of dealing with Canadian products because our laws do not provide any means for settling disputes.

This Bill will change that situation. Until now, United States buyers have been demanding a bond in value equal to twice the value of every shipment that enters the United States. This bonding requirement is punitive to Canadian exporters. We in this Party believe that the bonding provision could be an integral part of the Bill and would lower the cost of bonding to those involved in the fruit and vegetables industry to make them equally competitive with U.S. producers.

We believe that this legislation is important to the entire industry, especially since the fruit and vegetables sector has great room for expansion. Canada still imports a vast amount of fruits and vegetables which our climate is capable of growing. For example, in 1981 we imported $2.8 million worth of frozen broccoli which we are capable of growing and freezing in this country. We imported $875,00 worth of frozen peas which can even be grown in the Yukon. We imported approximately $2.9 million of frozen carrots and $1.4 million in frozen spinach. Other assorted frozen vegetables were imported in the amount of $4.7 million. A great many of these products could be produced in this country and frozen here in our freezing industry. The only possible reason we are not producing these products ourselves is that the industry has not been given the support which could make it viable.

The amount of fresh produce which is imported causes greater concern. While we obviously need to import bananas and other tropical fruits, we import other fruits which we could easily grow in this country. For instance, $92.4 million worth of tomatoes are imported annually. We have a greenhouse industry in Canada which is attempting to meet some of that domestic demand, but this is being hampered to some extent by the Government's taxation policy on natural gas. Greenhouses use mainly natural gas as a source of heat during the winter months. There are, however, other heating options which have not been totally utilized. For example, on the Prairies, where I come from, the climate is much colder than in southern Ontario where most of the greenhouse industry is located, but there are greenhouses on the Prairies which function year round. They are built next to power stations which simply release their excess heat into the atmosphere. Experiments have been conducted by building greenhouses beside these stations to allow the warm air to flow in between two layers of plastic and glass to heat the air inside the greenhouse. The tomatoes and cucumbers which are being grown in these greenhouses are selling locally at a very great premium compared to what is being imported during the winter from southern California and Mexico. People find these products delicious and are willing to pay 50 per cent to 100 per cent more for them. These products are so popular that people check with the produce department in anticipation of a new shipment. These products are gone from the shelves soon after they have been offered. The only problem is that not enough is being produced now.

Another example of a product which is imported but can be grown here is potatoes. We import almost $44 million worth per year. As well, we import $36 million worth of onions. We import over $30 million worth of cabbage, broccoli and asparagus. Approximately $40 million worth of green beans, carrots and cauliflower is imported and over $30 million worth of celery. Another big import item is lettuce , of which almost $68 million worth was imported. Again, this is a product which can be grown in greenhouses. Green peppers are another potential greenhouse product. There was $17 million worth of cucumbers imported into Canada.

There are certain areas of our country where the agricultural potential could be expanded. For example, $75 million worth of apples and pears are imported annually when the Maritimes could expand the production of tree fruits. There are certain parts of New Brunswick where grain production has been declining because of the wet climate. However, those areas are suitable for growing pears and apples. These areas which have that potential should be encouraged to increase the production of soft fruits in order to provide more jobs and increase the self-sufficiency of the entire country.

We hope that this Bill will provide increased inspection services at urban markets. Many of the expanding urban centres in our country do not have the proper market facilities where this inspection service can take place. It is time for terminal markets to be established with the assistance of the provincial and federal Governments. This would make the service available to producers, wholesalers and retailers.

We are prepared to have this Bill go to committee. I suggest it is important that the Government bring in the amendments I have suggested with respect to bonding in the committee. As well, we would be interested to hear some of the Government's proposals with respect to regulations. We hope that these will be discussed in the committee and that the Minister or his Parliamentary Secretary will provide us with a full description of the type of regulations which they envisage being included in the Bill so we may better understand their position.

May I call it one o'clock?

Mr. Pinard: I am sorry, Mr. Speaker, I thought that there was an understanding that we vote now. I apologize.

[*Translation*]

Mr. Deputy Speaker: Another Hon. Member wished to be recognized by the Chair.

It being one o'clock, I do now leave the Chair until two o'clock this afternoon.

At 12.59 p.m., the House took recess.

AFTER RECESS

The House resumed at 2 p.m.

Mr. Althouse: Mr. Speaker, I have a couple of closing remarks to make in addition to those I made before the lunch break. I think I had described the Bill in some detail and pointed out the necessity of attempting to achieve fruit and vegetable self-sufficiency in this country, suggested some of the kinds of programs we need to assist us and how I can see that this particular Bill will assist in providing a market mechanism whereby buyers and sellers will feel some certainty that the delivered product meets the required standards, and the Bill does provide, attempts to provide or alleges to provide some sort of financial security for that process to take place. However, as I pointed out at the beginning of my speech, it seems to me that the only teeth in the Bill would be if it were to remove the licence from someone not complying with the requirements pertaining either to delivery or receiving of goods; and the legislation cries out for a bonding procedure.

I would like to spend the last two or three minutes available to me discussing the type of bond which would be suitable here. We must be reasonably flexible concerning the written regulations, as was pointed out by the Hon. Member for Carleton-Charlotte (Mr. McCain). It seems to me that there is a wide variety of sizes of businesses operating in this realm. Some do several hundred thousands of dollars worth of business in a year while others do business amounting to millions of dollars. Shipments that some businesses handle in a week amount to one or two truckloads while other companies handle several truckloads. The size of the bond in each case would have to be consistent with the size of the business which is operating. This could be worked out in discussions between the two parties, the Horticultural Council and the wholesalers group.

I would hope that the Department of Agriculture and the Board which will be set up by this legislation would have discussions to arrive at a consensus among these groups so that it will be possible for several levels of bonds to exist and for a small firm to grow. The bonding provision should not be seen as a detriment to business. As well, those kinds of discussions should occur prior to the final regulations setting the amount of licence fees, because we do not want to see the licence proving to be a detriment to anyone going into the fruit and vegetable trades.

I therefore close with a final plea that the Government provide an adequate bonding regulation in the amendments during the committee process. We are prepared to support that aspect in principle, as well as the Bill; but we will be raising the kinds of questions and concerns I have described in my remarks this afternoon.

Mr. Jack Murta (Lisgar): Mr. Speaker, I rise to bring to a conclusion the debate on Bill C-98, which is entitled an Act to amend the Canada Agricultural Products Standards Act. As has been previously mentioned, all Parties in the House of Commons are generally in agreement with the Bill.

• (1410)

This is basically a housekeeping Bill. It sets down the guidelines under which a Minister of Agriculture can operate and under which the new Canada Agricultural Products Standards Act will, in effect, operate. We all look forward to this Bill being brought before the committee. The committee will have an opportunity to review the licensing, bonding and cancellation of licences. We will be able to review them in relation to the existing horticultural industry.

The legislation has been requested for some eight years. Finally, we are getting these amendments. However, we are getting them without the regulations that are normally attached to a Bill such as this. The regulations is one area we will want to look at in committee.

The Bill defines "dealer" as any person engaged in the business of purchasing or selling agricultural products. That is a rather wide scope. We hope some dealers will come to Ottawa to appear before our committee. The Bill requires dealers who engage in the importation or exportation of fruits and vegetables, or interprovincial trade in those products, which is trade between the Provinces in this country, to hold a licence to be issued for the purpose as described in the Bill. That licence will be issued by the Minister of Agriculture. This is one requirement in the legislation.

The second part of the legislation would empower the Governor in Council to make regulations, including regulations describing the products for which a licence is required. The Bill describes agricultural products as any fresh fruit or vegetable. That again is a wide range. The Bill would empower the Government to make regulations for the fruit and vegetables industry. This industry has been calling for such a move for some time.

The Bill would establish a Board of Arbitration to hear complaints against licensed dealers from, I assume, affected parties. The Board would hear complaints regarding the failure to comply with the prescribed standards that we hope to discuss at some length in the Agriculture Committee. This is

done in other countries such as the United States, our largest customer. It is a step in the right direction.

The last amendment to the Canada Agricultural Products Standards Act would be to establish a review tribunal to which application may be made for a review of a decision of the Board. That is a stop-gap or safety valve measure. In other words, if a party is not satisfied with the Board of Arbitration ruling, it can move to a review tribunal.

One area we will want to look at in dealing with this legislation is the regulations. While this is a move in the right direction, we do not want to get into a situation where the industry is over-regulated. I do not believe that will be a problem with the five-man group to be set up to look into the matters I have outlined. Nevertheless, that is always a concern for the agricultural industry. While the industry wants help from the Government from time to time, it does not want to be over-regulated, something that seems to be inherent in much of what the Government does.

We look forward to dealing with the legislation in committee from the point of view of making the amendments more workable and to bring this Act up to date. Hopefully our work will attract some attention in the press. When dealing with the legislation, we will want to look at the horticultural industry which makes a tremendous contribution to this country in terms of food, processing and employment.

A number of people in Ontario, Quebec and the Maritimes, and to a lesser extent, although increasingly, in western Canada, are employed in the horticultural industry. As far as employment is concerned, it is probably one of the largest components in the agricultural industry. From time to time the industry has felt that it has been left out with regard to how it feels the Government should operate. Over the years, it does not feel it has had protection against dumping from other countries. One such example is apples.

At the time when the marketing of apples is almost over in the United States, the picking and selling of apples in British Columbia is just starting. If the Americans have a large crop, they may get rid of the tail end of that crop by shipping it out of the country at a fire sale price. This has happened not only with apples but with other commodities. It has happened in almost every region of this country. The horticulture industry has cried foul, and rightly so. I urge the Government to do something in terms of temporary tariff protection.

I want to make a few comments about tariff protection. There is an ugly scenario developing at this time in connection with the whole question of tariffs in international trade which could have a direct impact on agriculture, specifically in the horticulture industry. I am afraid we are moving dangerously close to an all-out trade war in 1983. This is happening for a number of reasons. The main reason is that the economy in countries around the world is in poor shape. When that occurs, countries have a tendency to retrench and throw up barriers to protect their producers from products of other countries. The General Agreement on Tariffs and Trade meeting at the present time is attempting to deal with that question. We made some gains in terms of freer trade at the Tokyo Round in 1978. Nevertheless, this menace to world trade and our standard of living is a real possibility.

• (1420)

The horticultural industry could get hurt very badly if this is allowed to happen. I hope that is going to be one of the areas we are going to be able to discuss with the horticultural industry in the Agriculture Committee because it is probably their biggest single uncertainty at the present time.

In conclusion, we are looking forward to dealing with this legislation from the point of view of seeing if we can make it more responsive to the industry's needs, if in fact they want it changed—and there is some understanding there will be some changes made; but more importantly to have a good discussion and to have the Canadian public and the Members of the Agriculture Committee get a better understanding, a better feel and a better direction for one of the most important industries in this country, the horticultural industry.

Mr. Mark Rose (Mission-Port Moody): Mr. Speaker, I do not intend to take a great deal of time in this debate because I expect that my friend who represents a lot of agriculturists in Vancouver-Kingsway would like to speak, so I will not unduly delay the House with my remarks on this agricultural topic.

I represent a riding that is partially urban and partially rural. Agriculture is a very important industry in my riding. We have many farms on which people work full-time, if they can, but most of the time they are unable to do so as they are required by the nature of their income to take other part-time jobs. So while we have a substantial number of full-time farmers, we have an even larger number of part-time agriculturists.

The main crops in my riding are such things as broccoli, cabbage, strawberries and various other kinds of small fruits. The horticultural products that could be grown there are not grown, for a variety of reasons that have been touched on by previous speakers.

That has not always been the case. When I was growing up my family depended for its income upon a cannery. It was called Canadian Canners; later on it was bought out by American interests, as so much of our canning industry has been in Canada. The Hon. Member from southern Ontario knows that the food processing industry and the preserving industry in Canada is now largely American-owned. I think the only major one that is left in Canada is Canada Packers. We know what happened to Aylmer; it was bought out I believe by Del Monte. We have Stokely-Van Camp and jolly Green Giant and a number of other American firms who are

operating in business as part of the multinational food industry or agri-business industry in this country.

My hon. friend from Saskatoon reads to us these horror stories about the amounts of imports that are available in Canada, chiefly from the United States: frozen broccoli, nearly $3 million worth; frozen peas, which we can grow in abundance in many parts of Canada, almost $1 million worth; frozen carrots, nearly $3 million worth; frozen spinach, $1.4 million worth; and all kinds of frozen vegetables as well as the fresh produce which has come to us from our good friends from California, other Southern states and Mexico, are imported.

We had hoped that if there were any beneficial results from the higher energy costs, it would be the fact that importing food would be a good deal more expensive because of the transportation costs and more Canadian produce would be acceptable in our markets because of its competitive price.

When one looks at these figures dealing with cabbage, potatoes, broccoli and tomatoes, I know whole areas of the country that used to produce these commodities but no longer do so. I wonder what is the matter with us, as Canadians? We have allowed not only our preserving industry to be sold out, but, along with that, because we have sold out our canneries—there used to be about ten of them in the Province of British Columbia—it follows that the producers of those commodities have gone out of business to because there was no market for their product. As a consequence, all Canadians have suffered. We have become much more dependent on imported products, and if we import products it certainly does not produce a great deal in terms of jobs.

Some people will counter by saying that the consumer got a break by importing these products. I am not sure that that is the case. If we become so dependent on imported products that we no longer have any agricultural industry in our country, including in my own riding, I think what will happen is that we could get an ultimatum to the effect that we will have to export our water to satisfy U.S. needs in the irrigation areas that produce all these fruits and vegetables, or we will be deprived of those imports when we need them.

What we need to do is to look at ways, in an agricultural strategy, to enhance these industries, rather than let them dwindle and erode to the point where there is nothing left.

I could go on and list all the products that we used to grow. Was there a part of this that the Hon. Member missed that he would like me to repeat? I would like to name just one. Once upon a time the area that I represent, and those areas contiguous to it, produced all kinds of fresh strawberries and we had the capacity to freeze them. I understand that last year we imported something like $31 million worth of fresh strawberries. That is absolutely ludicrous. Since we have an area that can produce small fruits or soft fruits, to import $8 million or $9 million worth of frozen strawberries, I think is shameful. At the same time we have nearly two million people unemployed. Some people are quick to say yes, but they won't pick strawberries. The point is that they will and they do.

One of the things that I would like to congratulate the Government for is the changes in the unemployment insurance regulations, Section 16, which allow for the first time agricultural workers who work only a very few days at any one farm to add them up in order to qualify for the 28 days. Previous to that change by the Minister of Employment and Immigration (Mr. Axworthy), many of these people who worked on these farms in the Lower Mainland, and also in parts of my riding, have been forced into the arms of labour contractors in order to qualify for unemployment insurance. That was, I think, a very, very positive move. Many of us who are very quick to criticize the Government should be equally alert to opportunities to state publicly when a good job has been done in a particular area, in response to representations, to let people know that we appreciate that.

Getting back to strawberries, one of the reasons we are in difficulty in Canada in terms of fresh produce imports—and this was touched on by the Hon. Member for Lisgar (Mr. Murta)—is the fact that because we are a northern country we are seasonally disadvantaged. When there is a surplus at the end of the season, in some places to the south of us, such as the United States, their price goes down and offers are made to the large supermarkets in this country through brokers at a price which is much lower than the price for our production, which is just coming into its peak. While it is not technically dumping, and therefore the Minister of Agriculture (Mr. Whelan) has no right to intervene, it does of necessity destroy the value of our crops that are coming into peak production. Even the offer for sale of a particular commodity which competes with the domestic product is enough to drive our prices down. I can give the examples of strawberries, apricots and peaches, things that we produce extremely well in our country. That is one of the problems we have, which applies not only to the preservation or canning industry we once had, but also to the fresh produce industry.

• (1430)

Anyway, while I think the Bill can be supported, I would also like to express a long-standing concern over the fact that, as in so many other industries in this country, we have allowed our capacity to be eroded; and if there was ever a time when we needed to look to a change in direction to reverse this trend, which goes back almost a generation, I would think the time is now.

I do not think we should try to hold up this measure too long. I think there are improvements that might be made, but I would like to give it my general support and send it on to committee while at the same time expressing gratitude for having the opportunity to speak on a topic which is a rare one for me, inasmuch as a number of the agricultural matters we

deal with relate primarily to Prairie agriculture rather than the sort of general agriculture which is part and parcel of my own riding.

Mr. Ian Waddell (Vancouver-Kingsway): Mr. Speaker, I am pleased to speak on this agricultural Bill, and especially pleased to follow as I do the Hon. Member for Mission-Port Moody (Mr. Rose). I do not know if many Members in this House know, Mr. Speaker, as I am sure you do, that the Hon. Member for Mission-Port Moody is a very good trumpet player. You hear him around this House and around Parliament blowing his own horn constantly. I was surprised that he did not talk about his trumpet in his speech today because he talked about everything else. Seriously though, while we will have to wait until Christmas to hear further trumpeting from the Hon. Member, perhaps I can trumpet a little myself about some things which concern me about this particular Bill.

The Hon. Member, although he said very little in his speech, did say something about the fact that we used to have canneries in British Columbia. He mentioned five of them. He called it Canadian Canneries, or the can-can as opposed to what we have now, the Can-Am, the American Canneries. I do not think he was talking about music there; I think he was talking about the fact we have lost this particular business—a lot of it, if not all of it—in British Columbia.

I can remember travelling to Castlegar in the West Kootenays last summer, Mr. Speaker, and visiting the Doukhobor Museum there. It is something that I recommend that you and other Members of this House, indeed, the public, go and see. When you see it, you have to commend the spirit and hard work of the Doukhobor people who came here from Russia and who have been maligned in books by my predecessor for Vancouver-Kingsway, Simma Holt. They actually had a great deal of courage and—

Mr. Deputy Speaker: With respect to the Hon. Member, there is a rule of relevance in the House and it is very difficult for the Chair to relate the Hon. Member's current remarks to the Bill before the House.

Mr. Waddell: Well, Mr. Speaker, if you would listen to my remarks you would see that I am dealing right now with the canneries that were in British Columbia, which the Hon. Member for Mission-Port Moody pointed out we have lost and which has a direct bearing on this Bill dealing with agricultural products and standards. I am hoping in committee to discuss ways to bring back this particular industry to British Columbia and other parts of Canada, because as the Hon. Member for Mission-Port Moody, the Hon. Member for Lisgar (Mr. Murta) and the Hon. Member for Humboldt-Lake Centre (Mr. Althouse) have said, we are dependent on many imported agricultural products. Later on in my speech I want to talk about how we could in fact use our energy here in Canada to grow some of those products now imported.

The Hon. Member for Lisgar spoke about GATT, Mr. Speaker, and expressed concern about the negotiations going on and the possibility of a future trade war. The fact is, Mr. Speaker, that he is right to be concerned. I just returned from a United Nations Parliamentarians for World Order Conference in New York where we were told that Third World nations are now going into negative growth.

Mr. Nickerson: So is Canada.

Mr. Waddell: Not quite yet, but soon. There are these great pressures in other countries to restrict imports and restrict trade, but I think there are other ways to deal with these problems. For example, we could take a look at producing some more of our own fruit and vegetables. The Hon. Member for Humboldt-Lake Centre spoke eloquently about potatoes, as only he can.

Mr. Rose: It was "a peeling".

Mr. Waddell: It was an appealing speech, Mr. Speaker, I agree. He made the point that we could do a lot more. Perhaps I should not say this to my colleagues, I know they do not believe it, but the Hon. Member for Mission-Port Moody made reference to me as representing a riding where there are no farms, and that is true.

Mr. Rose: No, I did not. I said there were a lot of farms.

Mr. Waddell: He said there are a lot of farms. There are no farms; it is a city riding, 100 per cent consumers; it is landlocked between other ridings and you can jog around it.

Mr. Deputy Speaker: I am sure the House is interested in the details of the Hon. Member's riding, but there is a Bill before the House.

Mr. Waddell: You are right, Mr. Speaker, I apologize. I was just going to tell my colleagues about my farm experience, but they will not believe it.

This Bill is designed to implement arbitration procedures between producers, shippers and wholesalers in interprovincial and international trade. At present, and since 1974, no such arbitration exists, I am told, because of a court case in 1974 which resulted in the old legislation being declared ultra vires. The Horticultural Council and the Canadian Food Wholesalers Association have been trying ever since to have it reinstated. This Bill deals with that issue, and so far as it does our party supports it, and we will deal with it in committee.

Secondly, Mr. Speaker, there is strong industry support for this particular Bill from both producers and consumers. I understand there is pressure from growers in the U.S. to have this Act passed because there is no method of dealing with disputes.

Thirdly, I think it is causing problems for shippers to the United States because we do not have an Act which allows

recourse for buyers in the United States. As a result, U.S. buyers are demanding, in the case of disputes, a bonding of 200 per cent of the value of the shipment. That, of course, makes it difficult for our industry and we should take steps to change that situation. The Bill will require that the buyer and seller both be bonded in order to obtain a licence. A refusal to submit to bonding will result in the licence being lifted. This will put teeth into the Act and ensure that all parties are protected and are required to deal in good faith.

• (1440)

Fourthly, a buyer will have 24 hours in which to register a complaint. The first course of action will be to get an inspector to look at the load. That inspector will then try to get an agreement between the parties. If no agreement is reached, the buyer will have nine months within which to file a request for arbitration. That is reasonable, although the arbitration procedure should be examined by the committee.

Fifthly, one concern that we have about the Bill is the continuing reduction in the level of inspection services. Arbitration requires a standard and that standard, largely, is grade. There has been a reduction in the inspection service for fruits and vegetables.

The irony is that this area was asked to participate in the cost-recovery scheme last winter and now pays higher inspection fees. As a result of negotiations carried on this year, it now pays 6 per cent more than previously. Then it was faced with cutbacks in services. Mr. Speaker, this is the wrong place to cut back and the committee should look into that.

I am told that there is tremendous potential in Canada for expansion in the number and the amounts of horticultural crops grown and processed here. The federal Government must be prepared to offer more support to the horticultural industry than is provided in the Bill, however. At the GATT round taking place in Geneva at the moment, greater protection must be sought against imports. Under the agri-food strategy the Government must use grants, must provide assistance to growers and must do consumer education to expand production, processing, retailing and consumption of Canadian produce. Under the Farm Products Marketing Act, specific groups of producers, such as potato growers, should be encouraged to form national supply management boards that will have the power to control imports and exports and be able to establish prices to provide a reasonable return on labour and investment.

British Columbia has a long tradition of natural products marketing. In fact, the system was invented there and grew up during the twenties and thirties when there was a struggle for compulsory marketing. It seems to me that the suggestions I have just made could expand the use of the Farm Products Marketing Act and its Board. When I was a small beef farmer for a short period in the Fraser Valley, I certainly had an interest in that particular Act.

We are still importing a tremendous amount of fresh and frozen produce, Mr. Speaker. In 1981 we imported $2,790,000 worth of frozen broccoli. Members can think of that every time they have broccoli in the Parliamentary Restaurant. We imported $2,880,000 worth of frozen carrots, $1,412,000 worth of frozen spinach, $875,000 worth of frozen peas and $4,696,000 worth of other frozen vegetables.

Mr. Deputy Speaker: Order, please. With all due respect to the Hon. Member, one of his colleagues read the same list into *Hansard* before lunch.

Mr. Waddell: Mr. Speaker, this is my speech and I want to make some points with these figures. We are dealing with the Bill in principle and these figures seem to me to be very relevant to the Bill. I hope to develop my speech along that line, if I am permitted. If not, I will sit down.

I will not quote the figures relevant to fresh produce, Mr. Speaker, as I think my colleague has already put them on the record. They refer to tomatoes, potatoes, onions, cabbage, broccoli, asparagus, green beans, carrots, cauliflower, celery, lettuce, cucumbers, peppers, apples, pears, strawberries and apple juice concentrate. We imported $55,907,000 worth of apples, yet, as the Hon. Member for Kamloops-Shuswap (Mr. Riis) pointed out the other day, Canada has a tremendous potential for an apple industry in the Okanagan Valley, an area with which I am very familiar. We should be paying attention to the amount of apples we imported in comparison with the crops produced in this country. As the Hon. Member for Mission-Port Moody who, as well as playing the trumpet, is an expert on strawberries, will be pleased to know—

Mr. Deputy Speaker: The Hon. Member for Northumberland-Miramichi (Mr. Dionne) on a point of order.

Mr. Dionne (Northumberland-Miramichi): Mr. Speaker, may I suggest to the Hon. Member that he speak of that valley with which he is so familiar, because he is obviously not familiar with the Bill.

Mr. Waddell: Mr. Speaker, the Hon. Member will get his chance to rebut my remarks when he speaks on the Bill. I would remind him that I have just presented four detailed criticisms of the Bill. If he listens—and I know Liberals do not listen—he will find that I am referring to the possibilities of Canada producing more fruit and vegetables. This is something that will have to be considered in committee.

In order to increase production we could use some of the energy sources that we have in such great abundance. That suggestion is not as far-fetched as it might seem. We must look into the possibility of using solar greenhouses. We already have the solar technology. Just this summer I attended the Energex Conference in Regina. Representatives came from all over the world and over 100 papers were presented. I would draw the attention of the Hon. Member who rose on a point of

order to the studies published as a result of that Conference. He will see that a number dealt with the use of solar energy.

Mr. Deputy Speaker: Order, please. I would draw the Hon. Member's attention to the rule of relevance. If it is the desire of Members of the House that the rule of relevance should never be enforced or considered, that has to be the wish of the House. But the rule stands, and Hon. Members are requested to observe it. I would bring that to the Hon. Member's attention.

Mr. Waddell: Mr. Speaker, Clause 1 of the Bill deals with the licence required for international and inter-provincial trade. That is going to raise the question of imports. I am trying to make the point that we may not have to import as much produce as we do at the moment, and I have listed crops that can be produced in Canada. I was about to introduce what I think are imaginative ways of doing this that have been proposed by Canadian scientists, and I think we could use them. If I am not permitted to do that, then it seems to me that my privileges as a Member of the House are being trespassed upon. I want to go ahead and deal with that and with the possibility of diverting energy.

I will tell you why I want to do that, Mr. Speaker. Greenhouse operators have said that the federal tax on natural gas should be refundable in order to help them compete. I think that is a good idea. It would give them a chance to expand greenhouse potential in Canada. There is a great deal of interest, even in parts of my own urban riding, in using solar greenhouses to grow crops.

• (1450)

I should like to refer to a quotation of Richard Kadulski, Chairman of the Solar Energy Society of Canada, who said:

> Rather than bemoan that present economic structures are leading us towards ruin—

This is what the Government is always saying about us in the Opposition; perhaps it should listen. He continued:

> —we should seize opportunities to reverse the trend and make ourselves more self-sufficient—at an individual or community level.

This is what the committee should take into consideration when it is discussing the horticultural industry.

Some people say that the Bill before the House is not important, that it is just a matter dealing with Canadian agricultural products and that we should let the farmer representatives in the House speak on it. I do not agree. This is why I am speaking today. I think people from urban ridings should heed the message of Richard Kadulski and his words of wisdom.

We need more federal inspectors to mediate any disputes under the Act and to ensure top quality products for consumers. Also farm markets should be encouraged and growers assisted to meet demand as it grows. One of the good things the Government has done over the past few years was to encourage the expansion of a fantastic farmer's market on Granville Island in Vancouver. It has just caught on. Local produce, as much as is possible, is coming to that market. When the committee discusses agricultural standards and deals with Clause 1 of the Bill with reference to licensing, the inspection provisions of the Bill, the Boards and the marketing, the people appointed to the Boards, the appeals of particular decisions and so on, it should consider the new urban markets. I say this because "agricultural product" under the Bill means any fresh fruit or vegetable and the word "dealer" is defined later in the Bill.

There are some people in my riding who actually operate in the farmers' market on Granville Island. I congratulate the people who had something to do with getting it going. I make the point that terminal markets should be encouraged in more urban centres in Canada.

I was serious when I referred to the use of energy sources. I remember being in Regina and being shown by two university professors how they had grown tomatoes around a pipeline. They showed us these tomatoes. They were not the rubbery ones which one purchases in Safeway or other supermarkets. They were really good tomatoes. This is an example of what could be developed as a spin-off from such a Canadian industry. Anyone who has lived in Yellowknife, as I did for a couple of years, has gone to the supermarket there and seen the tremendous cost of food, especially fresh vegetables and fruit, and often frozen foods. I think the north could use some of the spin-offs from our energy power for such greenhouses in which to grow produce.

Finally, I should like to refer to a friend of mine who immigrated from Korea to the Fraser Valley in the Richmond Delta area. He had invented a movable greenhouse. He was able to plant his crop, and because the crops are quite early there, he was able to plant a couple of them. When a crop was finished, he would move the greenhouse in order to plant another crop and so on. It is a little invention, but it indicates the imagination of many Canadians in various walks of life, whether it is in the greenhouse industry, in tomatoes, in the Energex Conference or urban markets. We can do anything we want in Canada even though we are a cold country. I think we can cut down on the imports of such produce as broccoli, tomatoes and so on.

Mr. Les Benjamin (Regina West): Mr. Speaker, I intervene in this debate particularly because of Subsections 6.2 and 6.7, among other things. There was a famous exchange in the British Parliament when Winston Churchill extended the rationing of coal and fish in Great Britain during the War. Nye Bevan rose in response and said, "Mr. Speaker, England is an island of coal surrounded by a sea of fish, and only the organizational genius of the Right Honourable gentleman could see to it that we had a shortage of both".

Similarly, Canada is a country full of grain, with many bakers and bakery workers. Only the organizational genius of the Government could see to it that we are using American grain to make buns in the United States, to be brought up to Canada for sale through an outfit called McDonald's. This is an example of what has happened for a long time in the Canadian food chain, from the producer to the consumer. Consequently, it is an example of how the ability of Canadian producers to provide Canadians with more production has been reduced. Mainly it has gone into the hands of producers of fruit, vegetables, grain and grain products in the United States.

If, as and when we have to import fresh fruit and vegetables, surely Canada should be concentrating on importing from countries which definitely need the benefit of the export trade—and I am thinking of countries such as Mexico, and those in the Caribbean and Central America—rather than relying on the producers of fruit, vegetables, grain and grain products in the United States, mostly owned and controlled by oligopolies or whatever in the food production, processing, transportation, wholesaling and retailing business.

• (1500)

If I could illustrate, an agriculture product is a grain product, or vice versa. Let me illustrate what is happening to trade in British Columbia. In 1967-1968 British Columbia imported $1 million worth of bread and bakery products from the United States and exported $2.3 million worth of those products. By last year, 1980-1981, British Columbia was exporting $300,000 worth of bread and bakery products while importing from the United States $11.8 million worth. That is what has happened in that brief period of time from 1967 to 1981, a span of 15 years. Not only has there been a reversal in trade, but it has been a reversal in the order of ten times in dollar figures.

The same thing applies to production, processing—particularly processing—and the wholesaling of fruit and vegetable products. Much of the goods produced in Canada are canned and processed south of the forty-ninth parallel. Again, only the organizational genius of this Government could see to it that we had a shortage of processing capability in Canada for the food products that we produce ourselves.

It is not just some narrow nationalism or protectionism that I am talking about, I am talking about our failure to meet much more of Canada's needs by Canadian producers and processors.

Canadian producers are being victimized by fire sale grain prices in the United States. As a result, Canadian flour costs 45 per cent more in Vancouver than it does in Seattle.

Now look at what has happened. McDonald's wants to import buns. McDonald's restaurants cancelled their contracts with McGavin's bakery. Forty-four jobs were lost in British Columbia, 19 in Manitoba and 11 in Saskatchewan. What did McDonald's do? American grain is now used to make American buns to send to the Prairie Provinces where we have the best and the most grain in the world. I have eaten buns made in the United States, Mr. Speaker. They look like they taste, like compressed kleenex. If McDonald's does not like the buns that we make in Regina, Winnipeg or Vancouver, they can damn well go somewhere else to sell their buns. The bun fight is between two corporate empires. What does that accomplish? It picks the pockets of both the farmers and the consumers.

As I said, Canadian flour mills do charge, thanks to the Canadian Wheat Board ensuring a reasonable price to our grain producers—more for flour, in fact, 45 per cent more for flour than the Americans do. A farmer gets only 12 per cent or 13 per cent of the retail price of bread, the rest goes to the middleman.

It is interesting to note that McGavin's is controlled by flour milling companies, 60 per cent owned by Ogilvie Flour Mills—and I want to do a little more research on this but it seems to me that it, in turn, is owned by somebody down south of the forty-ninth parallel—and 40 per cent owned by Maple Leaf Flour Mills, which is in turn, owned by—you guessed it—the CPR.

If the McDonald's clan want to have a feud with the McGavin's clan, they should not be allowed to use bakery workers as cannon fodder.

Mr. Dionne (Northumberland-Miramichi): What has that got to do with horticulture?

Mr. Benjamin: I can tell the hon. gentleman that this is nothing but an additional example of what has been happening. How many fruit and vegetable processing plants since the early 1960s have been shut down in Canada while the processing of that product takes place south of the 49th parallel?

This kind of legislation is as much in the best interests of those who send fruit and vegetable products into Canada as it is in the interests of Canadians, whether they be producers or consumers. It used to be that the farmers, no matter what product they produced, used to deal directly with consumers, or nearly directly, but they have been driven farther apart by separate corporate intervention in the food chain, and the number of hands the food has to pass through between the producers and the consumers keeps increasing. Everybody else takes their bite off the top on the way.

This trans-border ownership of food processing has and will disintegrate the Canadian food system into little branches of regional economies of the United States. From a corporate point of view it makes sense. It makes sense for corporations to consolidate production and trade north and south across the U.S.-Canadian border rather than trade east and west across Canada. Canadian consumers and farmers lose because our traditional ways of dealing with each other are lost in the larger U.S. market.

The CPR is acquiring running rights over the Rock Island Railway to Kansas City, and through other arrangements can acquire transportation rights all the way to the Gulf of Mexico. The CPR wants higher rates on agricultural products then the CPR can move those goods to the Gulf of Mexico, rather than by way of Vancouver and the St. Lawrence Seaway. Trans-border ownership of food processing causes boom and bust cycles in the regions as the relative cost of production changes. Today it is a flour mill in Toronto—why they are milling wheat in Toronto, I do not know, because they do not grow a bushel of wheat in Toronto—and tomorrow it is in Mississippi. Today it is a packing plant in Calgary; tomorrow it is in California to increase economies of scale for some multinational. This harms our primary producers, processors and the workers in those processing plants here in Canada.

I am not particularly worried about whether some U.S. exporter of fruit and vegetables, or any other agricultural product into Canada, thinks he is getting a good price or not. I am not particularly interested in that. I would be more concerned about seeing to it that agricultural producers in countries that desperately need the business, like Mexico, there in the Caribbean, or those in Central American, get a good price for their product than I would be concerned for the multinational, owned and operated in the United States. If our country allows our farmers to go bankrupt, we will have to pay more for food in the future. It is in our interest to build east-west links rather than wait with supine acquiescence for greater entry of the United States into our markets, while their markets are becoming less penetrable. The U.S. has closed its borders to beef imports from Canada for the rest of this year. So much for that great friendly neighbour and the free trade proponents south of the 49th parallel. The minute Canada becomes more than self sufficient, not only in beef but in any other agricultural product, you will find the forty-ninth parallel closed to Canadian primary producers and processors. Yet we spend time trying to be extra nice to people who send fruit, vegetables and other processed agricultural products into Canada by seeing that they get a fair price. If they are not satisfied with the price, the Government will help them get a preferable one. It has been nothing but a series of governments of both the Liberal and Tory political stripe that have caused the loss of some 400,000 family farms in Canada in the last 25 years. I am not suggesting that all of these farms could have stayed in business, but the policies which have been pursued on prices, production, processing, importing and exporting by successive governments have decreased our family farm population to an all-time low. This has increased our dependency on imported fruits and vegetables and other agricultural products while decreasing our capacity to gain self-sufficiency in Canada.

• (1510)

My colleagues from British Columbia have talked about our failure to become involved in massive greenhouse operations in order to increase our self-sufficiency, particularly in the production of vegetables. If we will not take advantage of that opportunity, I believe our country should give priority to countries like Mexico and those in Central America for those fruits and vegetables that we import so that we do not have to rely on a multinational corporation which may own supermarkets and wholesale companies in Canada. These multinational companies import their products here and distribute them through their retail outlets at higher costs to the consumers. Sometimes fruits and vegetables which are grown in Canada are processed in the United States and shipped back here. Surely that does not make us worthy of our independence. It is only more of that supine acquiesence that successive old line Party governments have carried on for decades.

The entire costs of those primary producers of fruit, vegetables and grain are being squeezed not only by foreign-owned multinational corporations but by our own corporations as well. Again, Canadian Pacific is squeezing farmers on both their input costs and output costs. Canadian Pacific manufacturers and supplies fertilizers and feeds to farmers. It has a monopoly on the transport of many agricultural products. It is involved in flour milling and retailing. It is involved in meat packing. It is extracting the last possible drop of blood from farmers by giving them the lowest possible prices. All along that production chain, and even at its end, CP charges all that the traffic can bear.

It seems to me that an act to amend the Agricultural Products Standards Act is irrelevant if the farming community is being given to corporations beyond our borders or being handed to agricultural monopolies by default. Government regulations will not require the powerful economic empires to provide high standards of agricultural production because many of those empires, both in Canada and beyond, have more influence on the Government than the regulations. Those companies certainly have more influence than the primary producers do.

In the years that I have been here I have seen producers in the horticultural industry, like the members of the B.C. Fruit Growers and the members of the Niagara Fruit and Vegetable Growers, come here many times to appeal for help, but they lose each time. Nothing has really changed in terms of the health, welfare, good order and growth of the fruit and vegetable industry. Unless and until the Government sets its priorities for an increase of Canadian production and processing in Canada and the expansion of that industry, the situation will not improve.

With respect to those products which we must import during the winter, the Government must give priority to those nations most in need and buy their fruits and vegetables and other agricultural products. Surely that would be more helpful than providing the continuous aid, comfort and protection for corporations outside of our borders which are not interested in the welfare of Canadian producers. They could not care less

about what happens to Canadian producers. They can get their products somewhere else.

I return to the matter of the bakery products as an example of what has been happening. The Government, the Minister of Transport (Mr. Pepin), who is responsible for the Canadian Wheat Board in the House, as well as the Minister of Agriculture (Mr. Whelan), who is the great defender and protector of Canadian farmers, sat by while a licence was issued for a corporation like McDonald's to import buns made out of American grain into Canada. That is another symptom of the disease that we have seen in our agricultural industry. That is the most recent example. The Minister even pats McDonald's on the back and says that he believes that McDonald's is showing itself to be a responsible corporate citizen in making this decision. I wish he would go to work for McDonald's, preferably south of the 49th parallel.

It is my hope that when this legislation is dealt with in committee Members from all Parties will seriously consider the suggestions made by all those who spoke. Hopefully, a unanimous report will be submitted that recommends the Government introduce other measures to deal with the production and processing of all agricultural products in Canada, by Canadians and for Canadians. I also hope that this report will emphasize carrying on trade with those countries which desparately need exports of those products which we need.

I might remind the House that the same McDonald's Corporation produced a film in tribute to our Prime Minister (Mr. Trudeau). Well, I will be darned. What is their slogan?

Mr. Rose: "We do it all for you."

Mr. Benjamin: "We do it all for you." This great Canadian corporate citizen produced a film in tribute to the Prime Minister. What happens? It gets a permit from the Canadian Wheat Board to import buns into Canada made out of United States wheat. I am trying to be most generous and I am not concluding for one moment that this is why it go the permit. Perish the thought! The Prime Minister would not stand for that, and neither would the Minister in charge of the Wheat Board, the Minister of Transport, or the Minister of Agriculture. It is pure coincidence that McDonald's produce buns and get a permit from the Canadian Board.

• (1520)

The Acting Speaker (Mr. Blaker): Order, please. The Hon. Member for Northumberland-Miramichi rises on a point of order.

Mr. Dionne (Northumberland-Miramichi): Mr. Speaker, I have been trying to follow this debate, although it is somewhat difficult. I would like Your Honour, the Hon. Member or someone in the House, to explain to me what the importation of buns by McDonald's has to do with horticulture. We have discussed this now for some minutes and it seems to me that we are involved in a filibuster, and if we are, let us say that it is a filibuster, but let us not pretend that we are discussing horticulture when we are discussing buns. Someone could burn his buns.

Mr. Benjamin: Mr. Speaker, the Hon. Member is quite welcome to go back to his office and examine his buns—

The Acting Speaker (Mr. Blaker): No, no. I must indicate to the Hon. Member for Regina West (Mr. Benjamin) that my predecessor in the Chair had privately expressed some concern to me as to whether or not relevancy was still being taken into consideration. Therefore, I can only add a suggestion that perhaps the Hon. Member for Regina West would like to make some particular effort to addressing himself to the Bill in question.

An Hon. Member: No bun intended.

The Acting Speaker (Mr. Blaker): And no bun intended.

Mr. Benjamin: Mr. Speaker, I meant no bun, either. I am simply applying the most recent example of what has happened in international trade concerning buns, and it applies to what has happened before in international trade with Canada in fruit, vegetables and floral products. By the way, I have completed my remarks about buns except for one point. The president of McDonald's, Mr. Cohen, is also one of the top Liberal fund raisers in downtown Toronto. It is passing strange that these things happen. Well, maybe it is not so strange that these kinds of things can happen in the realms of the old line Parties.

I want to conclude by saying that the attention of the House to the items in the Bill has also been evident concerning many other aspects of fruits, vegetables and other agricultural products. They must be dealt with to make legislation such as this less necessary, if necessary at all. I hope that the Agriculture Committee will apply itself to a second report when it reports the Bill back, one which deals with these other aspects which are germane to the legislation.

Mr. Dave Nickerson (Western Arctic): Mr. Speaker, like the Hon. Member for Vancouver-Kingsway (Mr. Waddell) who is not from an agricultural area, I, too, intend to speak briefly on this matter. It is a subject which, although of primary importance to those people who represent agricultural areas, is also interesting to all Members of Parliament. We all have a vested interest in agriculture because we all eat. Unlike the Hon. Member for Vancouver-Kingsway, it is my intention to obey the rules of relevancy and discuss Bill C-98 which is before us and what that Bill intends to do. It intends to modify or amend Section 6 of the Canada Agricultural Products Standards Act. If passed into law, the new Section will read:

No dealer shall engage in the importation into or the exportation from Canada of, or in interprovincial trade in, any agricultural product—

That is the intention of the Bill. One will not be able to ship blueberries from the Province of Quebec to the Province of Ontario. One will not be able to grow cherries in the Okanagan and ship them into Alberta without having a licence and the authority of the Minister so to do. There might be some reason why one would want to create some impediment to international trade, but having to get the permission of the Government to ship agricultural products from one Province to another in Canada is, in my opinion, detrimental to the interests of the consumers in all Provinces. What we are doing with legislation like this and legislation such as that of the various marketing boards in different Provinces, is to make Canadian agriculture and horticulture inefficient and unable to compete internationally, increasing the final price paid by the Canadian consumer.

This legislation is typical Liberal legislation, when one gets down to reading the fine print. It is very bureaucratic, very arbitrary, and ensures jobs for the boys. In order to regulate interprovincial trade in agricultural products, they will establish a board. This is a favourite trick. They will establish a board under Clause 6.1(1). It will contain not less than three and not more than five members, appointed by the Minister, another five people he can appoint to another one of these boards, and each one of these people will be eligible to serve a term not exceeding five years and will be eligible for reappointment. Anyway, each of these people will serve at the Minister's pleasure.

In how many pieces of legislation have we seen a similar set-up where there is a board to be established having judicial powers, to be appointed by the Minister at the Minister's pleasure? I am scared of legislation like this. There might be times when it is reasonable to have it, but everything brought before us seems to contain similar provisions. It is dangerous. We are balkanizing commerce and agricultural products in Canada in establishing these boards, which are creatures of patronage, or can be. The danger is already there. Instead of having competition between producers of horticultural and agricultural products, instead of having proper competition between people engaged in the marketing of those products, we are encouraging these people to compete by hiring lawyers and appearing before the boards to argue their cases, to see who has the lawyer who can present the fanciest argument in legal terms, and they are not competing in a way which would reduce costs and increase efficiency.

Each member of this board is to be paid a significant amount of money authorized by the Treasury Board. That is a standard provision. Because these board members are generalists, very often they are appointed because they happen to be of the same political persuasion and Party as the government in office. That has been known to happen. However, because they are generalists and do not profess to be experts in cherries, cucumbers or some other particular product or method of marketing, the next thing they must do is to form a technical advisory committee. How many times have we seen that happen? Then, very often, besides having a technical committee, they say that they want input from the consumer and the marketing board, so they set up yet another advisory board to advise the board, which actually possesses quasi-judicial powers. The matter just escalates and gets bigger. More and more people become involved, the matter becomes more and more bureaucratic, and there is more and more difficulty in getting a decision from the board.

Under any reasonable method of operating one of these boards, the decision of the board should be pretty well final in most circumstances. If someone, after having received a decision of the board, thinks that it is not the right decision, or not a point of law, he should be able to appeal it to a court of competent jurisdiction. Under this Act, that will not be the case. Under 6.3(1) we have a new gimmick, a new board called the Review Tribunal, which will be established in a very similar manner. It will consist of people who owe their allegiance to the Minister, having been appointed by him and serving at his pleasure. It is another board to oversee the one established in the Act. It is a gimmick of gimmicks.

• (1530)

I do not think we need a review tribunal. It is superfluous and will only exist to serve the purposes of the Minister, allowing him to appoint a few more of his friends.

When any Act is introduced into this House by the Liberal Government, the first thing I do is to turn to that section which allows the Government to make regulations. I can guarantee that there is always a section which gives wide-sweeping regulation-making powers. In fact, very often Bills are presented that might as well contain only two clauses, the title and the regulation-making authority.

In the regulatory powers assigned to the Governor in Council under 6.7(1), there is power to prescribe any agricultural product for which a dealer requires a licence. Licences must be renewed annually under 6.7(1). A person must make application for the licence. He should be able to keep that licence unless he has disobeyed the law or there is other good reason to take it away. Of course, that would not employ enough people in the Department of Agriculture or require enough people to sit on these boards. Therefore, each year these people must fill in another group of forms in order to renew their licence.

In paragraph (c) of the regulations, we find something rather frightening. It is left to the Governor in Council to decide the circumstances under which the Minister may suspend or cancel a licence. That is absolute. The Minister will have the power of life and death over somebody whose business it is to deal interprovincially or internationally in agricultural products. There is no use having a board or tribunal supposedly offering some degree of protection to these people because the Minister can have the arbitrary power to take away a

licence from someone whose livelihood depends on it. Is there any recourse?

This is typical of the Liberal Government which wants to vest in itself and its democratic right life-and-death power over citizens who should be able to engage in any business they want. There is another favourite. It also prescribes all the records that the licencees have to keep. You can be sure there will be a lot of records and papers to be kept.

At the end we come to the hooker. It is always there. It is the power that gives the Government regulation-making authority over virtually anything. If there is anything not listed here and not covered, they have the regulation-making power under Section 6. They have the power to regulate anything they want.

I do not like this kind of legislation. It strangles commerce, in this case commerce in agricultural-horticultural products. If there is need for standards in agricultural products and a need for these standards to be kept, we can rely on the good graces of the dealers and the inter-relationship between the agricultural product dealers. There is no need for the Government to come in except to establish certain standards.

If a dealer orders Grade A plums and a shipment arrives which is substandard, there is no need for the Minister or any board to become involved. If the dealer receives a substandard product, he will not deal with that supplier for very long. The problem will resolve itself. Alternatively, the dealer can sue in a court of competent jurisdiction. We do not need boards of the type envisaged by this Act.

The Secretary of State for External Affairs (Mr. MacEachen) is attending the GATT meeting in Europe. He is stating that the nations of the world should try to avoid those things that happened in the thirties when protectionism took over and destroyed trade and commerce throughout the world. Our Secretary of State for External Affairs is saying one thing at the meeting in Europe, and the Minister of Agriculture (Mr. Whelan) is in this House introducing legislation which will have entirely the opposite effect.

Instead of concentrating on more and more protection, we should be concentrating on ways of becoming more competitive internationally. That would expand rather than contract trade. It would give consumers of agricultural products, which we all are, cheaper and better quality food and would not threaten the livelihood of people in the agricultural industry, as is being done with legislation of this kind.

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

Some Hon. Members: Question.

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

Some Hon. Members: Agreed.

Some Hon. Members: On division.

The Acting Speaker (Mr. Blaker): Carried on division.

Motion agreed to, bill read the second time and referred to the Standing Committee on Agriculture.

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BANKRUPTCY ACT, 1980

MEASURE RESPECTING BANKRUPTCY AND INSOLVENCY

The House resumed, from Wednesday, May 20, 1981, consideration of the motion of Mr. Ouellet that Bill C-12, respecting bankruptcy and insolvency, be read the second time and referred to the Standing Committee on Finance, Trade and Economic Affairs.

Mr. Gordon Towers (Red Deer): Mr. Speaker, in rising to speak to this Bill, I recognize that it is very complex, running a little over 300 pages. Certainly it is going to take a considerable degree of time to get through Committee. There is no doubt that Canadians want a Bill of this nature, but there are certain things that should be taken into consideration in the passage of this Bill. I believe the old bankruptcy Act is about 35 years old, nevertheless if it is going to be 35 years before we get another change to this Bill, so we had better make sure that it is going to do the job for which it was intended.

• (1540)

There are a greater number of bankruptcies now in Canada than ever before. In the depression of the thirties, there were not the number of bankruptcies with which we are now having to cope, simply because in those days credit was not so readily available. Things tightened up, but people were not forced into bankruptcy because they were not carrying the amount of debt that people are carrying today. We have allowed ourselves to get involved in a debt-ridden society, which perhaps started about 20 years ago when money started to free up and more and more of it became available. We got into revolving accounts that revolved over a period of three years, which meant that people were buying things and paying for them over an extended period of three years, things that otherwise they would have saved for and bought at the end of three years. Chargex was introduced, and that further extended the credit. We have witnessed a phenomenon that has never been seen before in Canadian history to the extent that it is today, which is the amount of credit that has been extended to Canadian people, either individually or in businesses.

At the present time there are in Canada about 40 per cent more bankruptcies than there were one year ago. I recognize that during the last quarter of this year this trend has slowed down somewhat, but nevertheless when you consider a 40 per cent increase, I think it is the responsibility of those of us who

are elected as representatives of the people to make sure that there is legislation in place that is going to protect people.

In the January to October period of 1982, in the farming community, we find that there has been a 50 per cent increase in bankruptcies over last year. Last year there were 230 from January to October, and this year there are 344. One of the unfortunate things is the fact that the Province of Quebec has been hardest hit by this. This point was brought out in the Standing Committee on Agriculture yesterday evening when the Farm Credit people noted that there is an increasing debt load which somebody will have to carry. Possibly it is going to be all of the farmers in the country who are going to have to pick up this extra debt load. West of Ontario there were 53 bankruptcies last year; this year there are 68. That is a 20 per cent increase. Ontario had 123 this year and 126 last year, which means that their bankruptcies are going down this year. Quebec had 145 bankruptcies this year and they had 45 last year, and that is well over a 200 per cent increase. This is in the farming community. Unfortunately these figures do not include all those cases where farmers have just gone out of business, closed their doors, sold their assets and just shut down. There is no way of actually knowing just what that figure might be.

In view of this, I think it tells us, as elected Members of Parliament, that we had better give special attention to the farming community. We have tried to impress upon the Minister of Finance (Mr. Lalonde) that while he was minister of Energy he did untold damage to the agricultural industry by bringing in the National Energy Program in the form that he did, and then putting on the excise tax on energy that is used in the production of food and the operation of the farm. Farmers are big users of energy, and when you consider that somewhere between 28 per cent and 33 per cent of their fuel costs is excise tax going to the federal Government, I think possibly the federal Government had better take notice of that, act accordingly and do something about it.

The Government has to realize that we are living north of the 49th parallel, it is cold, it takes more to heat our businesses and it takes more to heat our homes. It is something that really we cannot do anything about. We are not living in a southern clime where we do not have to worry about that. We recognize that we are in the northern part of the hemisphere, and it is costly to heat our homes. All this adds to our cost of living. When you consider that the same percentages of excise tax apply to the cost of heating our homes as apply to the energy for operation of our farms, that should be looked at.

The Minister of Finance says that he would like to cut down the inflationary aspect. There is nothing more inflationary, Mr. Speaker, than adding absolute costs to our cost of living, such as heating our homes and our businesses. All this adds to the problem that people have in trying to keep their businesses operating. With these extra costs added on, some of them start sinking gradually into the red, and there is no way that they are going to get out. Therefore you have to realize that people are caught in this dilemma and the Government can do something about it. People are looking for the Government to do something about it in order that this rate of bankruptcies may be lessened. Unfortunately, many people have been misled.

A particular incident I would like to bring to the attention of Hon. Members of the House of Commons that related to our community in Red Deer has to do with a gentleman from Montreal who sold his business and decided that he was going to invest his money somewhere where he thought it was safe. There was an advertisement in the paper from a group of people in Willowdale, Ontario who were making an investment in Alberta, in fact, in my City of Red Deer. He had been told that the place to put his money was in Alberta. These people were investing in a real estate project out there, so he invested his life earnings in that project. Unfortunately either through lack of experience or inflationary costs or for some other reason, the construction of the building was not budgeted properly. Therefore the money that they had borrowed from the lending institution, in this case an insurance company, was not sufficient to complete the facility so it could be put into operation. They could not get funds to complete the project and, as a result of this, the lending institution decided that they were going to move in and foreclose, although the construction was only half completed. The people who initiated the construction could not raise any more money so they lost all they had put into it. Along with that, this gentleman from Montreal, who wanted to put his life savings where it would be protected and he would have a return from it for the rest of his life, lost it all.

• (1550)

It is very sad, Mr. Speaker, that we have this kind of situation. When we deal with a Bill such as C-12, we have to recognize that there should be some kind of protection put into place, if we possibly can, for cases of bankruptcy such as this. There were a lot of subcontractors who lost hundreds of thousands of dollars on this project, too. They had wanted to take over the project from the lending institution to see if they could not put it together, finish it up and thereby get their money out of it. But no, it went down the tubes because the lending institution put it up for tender, somebody thought it was a good thing and grabbed it and paid off the lending institution. They got their money back, but the subcontractors and the fellow from Montreal lost everything. It is a sad situation and we have to recognize this is happening.

Another case in my community is that of farmers who had delivered rapeseed to a processing plant. The plant was expanding and, well, it is a long story but a lot of people recognize the problems of trying to process rapeseed in western Canada in competition with processors in Japan as well as those in eastern Canada. These producers had delivered rapeseed to the plant for processing, and the agreement was

that they could sell the rapeseed any time they wanted, at whatever the price was that day. This was their option. They thought it was a good deal, but all of a sudden we find out that the Canada Grain Commission moved in on the processing plant to pick up what they call their letter of credit, or what some people refer to as a bond. In this case, it amounted to $600,000. When we went through the Bank Act, Mr. Speaker, we thought we had protection for those people. When they phoned me about the problem I said, well, we will protect you up to, I think it was $100,000. My good friend, the Hon. Member for Ottawa Centre (Mr. Evans) knows what I am talking about. We had quite a battle over that in committee, and we thought we had protection for the farmers. However, we found out in order for the farmers to be protected under that section of the Bank Act—my colleague is nodding his head, he agrees with me—the business had to go into bankruptcy. However, in this case the lending institution did not allow that business to go into bankruptcy because they had control of the shares, thereby having total control of the plants' assets. Then we find out that the business itself had apparently been over-valued. It had been assessed at $8 million, but it turns out to be worth probably about $4 million or $5 million. So when you have a bank which has lent $5 million or $6 million and the farmers are owed about $1.25 million, you can understand that there is just not enough to go around.

In any event, the farmers felt that they were protected under this bond worth $600,000. It would at least give them somewhere between 43 cents and 45 cents on the dollar. But what do we find? The bank is now seeking a court order in an attempt to get its hands on the $600,000 as well.

I am not condemning the banks for doing that because they are good business people, they are out to protect their own interests, and you cannot condemn them for that. But somewhere along the line we have to try to provide some protection for producers in our bankruptcy legislation. That is why I think this Act deserves a great deal of scrutiny in committee, so that we will come out with the best possible Act that we can, giving as much protection as we can to our producers. There is a feeling in the business community that Bill C-12 is inadequate in so far as receivership is concerned.

There is another area of concern which perhaps relates right back to the earlier example I gave you, Mr. Speaker, where wage earners or subcontractors are not protected. The problems for employees or farmers increased tremendously under receivership as opposed to bankruptcy. When they go into bankruptcy, the are protected. But nevertheless, there always seems to be a way of getting around the problems which seem to surface when these situations develop. I guess possibly it is because the lawyers never cease to do their work and they devise ways and means of advising people how to get around these problems in order to protect their clients. But I do believe, Mr. Speaker, that somewhere along the line the suppliers of merchandise and products of any kind, or the working man's wages, should be protected in one form or another.

Another thing I think we have to consider is the sharing of all assets in a bankruptcy so that everyone involved is treated equally. There is another aspect of this Bankruptcy Act which I would like to deal with in relation to the Bank Act. However, I would not like to start today as I think I have only about a minute left. So with that, Mr. Speaker, I wonder if I could call it four o'clock?

PRIVATE MEMBERS' MOTIONS

[*English*]

TAXATION

SUGGESTED REINTRODUCTION OF MEASURES RESPECTING CAPITAL GAINS TAXATION

Mr. Jack Shields (Athabasca) moved:

That, in the opinion of this House, the government should consider the advisability of reintroducing in this Session, the three measures affecting taxation on capital gains, namely, the common stock investment plan changes in the treatment of capital gains, Registered Retirement Savings Plans and the provision for transfer of capital gains on farming assets to RRSPs.

He said: Mr. Speaker, it gives me a great deal of pleasure today to introduce this motion with regard to capital gains. At this time in Canada particularly we are finding in the business sector across the country a drying up of capital funds available to the private sector for investment purposes. That is the kind of investment that is needed to get the economy going, particularly in the high-job creation, small business sector.

• (1600)

I should like to focus my remarks now on the plight of the farmer in Canada, Mr. Speaker. Normally, farmers do not contribute to a Registered Retirement Savings Plan. Generally speaking, they put all the money realized from their operation back into the purchase of equipment and making improvements. At least, that was the idea prior to the Government deciding to apply the capital gains tax to farmers. Usually, when a farmer reached the age of retirement he would sell his farm on the open market and use the proceeds as retirement income. In the Prairie communities today, you will find people who have lived all their lives on a farm and built it up to a viable operation, then sold it and moved to town when it came time to retire. As a rule they do not move to Phoenix or California or Hawaii but into places like Biggar, Saskatchewan, Two Hills, Vegreville, Athabasca, Slave Lake or High Prairie, where they live out their days among their friends. The Government has virtually made that an impossible dream.

At present, if a farmer sells his property to his son or daughter, he is charged capital gains tax on the proceeds. I received a letter from a farmer who sold his operation and found that the total capital gains tax payable exceeded the down payment he received. He had built up the farm and

poured all he could into it, intending to retire and sell it, using the proceeds to buy a house in town for himself and his wife.

The Crosbie budget introduced a measure to provide that $200,000 of the proceeds of the sale of a farm could be rolled into a Registered Retirement Savings Plan, tax free. I submit that is not too much for a farmer to expect, and I think it is imperative that the House reconsider that suggestion. We all know the sad tale of the Crosbie budget; the Liberals and the NDP combined to defeat the budget and, as a result, farmers were left out in the cold.

When my NDP colleagues go out seeking the farm vote in the next election, I think they should remind farmers that they are now subject to the capital gains tax because of that Party's action.

In 1980, the Liberals were re-elected on what would appear to be empty promises. They had promised to examine the capital gains tax legislation but all that appeared in the October budget was a promise of a discussion paper on the subject. That paper has not yet appeared, Mr. Speaker, and farmers have not been approached to contribute to it. In November, 1981 there was another budget which further penalized the farmer on the sale of land. Even with all there retreats and flip-flops that appeared in that budget, this measure was not retracted. There is still no relief for farmers.

A search of the records shows that as far back as 1974 the Liberal Government promised relief for farmers by amending the capital gains tax legislation. This has not happened, despite the promises of the Minister of Agriculture (Mr. Whelan) and the various ministers of finance. Of course, the Minister of Agriculture says that campaign promises do not count! I find that statement unacceptable, Mr. Speaker. I think we must live up to our obligations to the farmers.

It is imperative that we move to bring in legislation that will allow relief from taxes when farmers sell their operations. In some cases, it happens that if a fifth or sixth generation farmer decides to sell to an outsider, he has to pay the accumulated taxes of six generations. That certainly is not right, and I implore Members of the House to adopt the motion which reads as follows:

> That, in the opinion of this House, the government should consider the advisability of reintroducing in this Session, the three measures affecting taxation on capital gains, namely, the common stock investment plan changes in the treatment of capital gains, Registered Retirement Savings Plans and the provision for transfer of capital gains on farming assets to RRSPs.

Mr. John Evans (Ottawa Centre): Mr. Speaker, I am very interested in the motion put forward by my friend, the Hon. Member for Athabasca (Mr. Shields). He has put his finger on a very important problem. In fact, however, the Government has taken steps to move on this matter. The Lortie Committee called for the establishment of a registered share investment program which would allow capital gains to be paid only on the real gain, as opposed to the total gain which includes the inflationary component; in other words, indexing the value of common shares to make it more attractive for investors to invest in equities.

The Hon. Member put his finger on another important problem, the issue of capital gains realized within a RRSP, which are taxed as normal income when they are withdrawn. It seems to me only fair that if we have a capital gains tax which is half the normal tax rate, that the same tax rate be applied to income, be it from a RRSP or from capital gains in the normal sense.

• (1610)

I think the Hon. Member has a very good point. I assure him that those issues have been raised with the Government and with the Minister of Finance (Mr. Lalonde). I know that on the Registered Share Investment Plan the Lortie Commission recommended that we move ahead with it and that the Minister of Finance indicated that he intended to do so. On the Registered Retirement Savings Plan and the dealing with capital gains there, I am sure it is very logical and I am sure the Minister of Finance will look favourably on it as well. That is my personal opinion, given that we will be introducing RSIPs, which effectively means that only the real gain will be taxed. Basically the same principles are involved as in taxing capital gains out of RRSPs.

There is some relief for farmers if they sell their farms or they are passed from one generation to the next. For example, they have the benefit of what is known as a capital gains reserve for five years, over which time the capital gains can be spread for tax purposes.

During the hearings we had some time ago on income tax matters, the question of capital gains was raised as it relates to family farms and the intergenerational transfer of family farms. In that case farmers who sell or pass land on to one of their children can spread the capital gains tax over a period of up to ten years.

The Hon. Member touched upon some very interesting and some very important points, but we are probably tinkering around the edges of the problem. If we are to talk about capital gains, capital gains tax and how to modify it, it is more important to understand why we have capital gains tax in the first place and, with the present tax structure, why it is essential to have that tax. I think we have to talk about modifications to the tax system, as the Hon. Minister of Finance indicated in the two speeches which he made in the last few days. He dealt with the matter of the complexity of the tax system, which is terribly important, indicated that we need to do something to reduce the complexity. In the Finance Committee yesterday the Minister also indicated that this was especially a problem in the area of small business taxation.

Hon. Members opposite, the Parliamentary Secretary and myself heard about that problem during the month of September when there were hearings into the Income Tax Act and the proposed changes which were put forward in ways and means motions from the November and June budgets. We heard time and again from representatives of the small business community, the tax profession, and the accounting profession that the small business tax system was in total disarray. We heard that small-businessmen could not understand the tax system, and

that it was costing them substantial amounts of money. This was also brought to the attention of the Minister. In a speech to the Canadian Tax Foundation the other day he asked its representatives to come forward with recommendations on how the tax system, as it applies to small business, can be greatly simplified to improve the environment for small business people.

Let me say a few things about the tax system, how it got where it is today and how the drive came for capital gains tax. If Hon. Members remember, it came forward during the time of the tax reform in the early 1970s. It was designed to resolve certain types of problems which existed then. With the elimination of capital gains tax today, we would be right back into the situation of having the same problems and of having to find some way to resolve them. Capital gains tax was designed to resolve those problems, and it has resolved them to a great extent. If we are talking about removing capital gains tax and about improving the environment for equity investment, there are other things which must be done as precursors before we can remove or significantly modify capital gains tax.

Let me return to the basic principles of taxation, but especially the income tax system, in the commodity tax, sales tax and income tax systems. On the basis of the income tax system itself, the basic theory behind it underpins our entire structure which is the same as that in the United States, Britain, France, Germany and Japan. That basic theory is that income is generated in the creation of wealth and in the production of goods and services, and that the income generated from the production of goods and services should be taxed somewhere between the time it is created and the time it goes into the consumption stream, or when someone uses it to buy goods and services for consumption purposes. Basically the theory is that it should be taxed somewhere in the line between creation and consumption; that is the basic principle behind taxation.

Mr. Shields: Madam Speaker, I rise on a point of order. I draw the attention of the House to the improvement in the Chair, in the person of the Hon. Member for Leeds-Grenville (Mrs. Cossitt).

Mr. Evans: The principle about which we are talking is income being taxed once, not twice. This is the whole basis behind deductions and exemptions in the system. Any moneys expended to earn income, whether it be wages and salaries paid, monies spent for good and services, or raw materials to go into products, are deductible and become taxable income in someone else's hand. The flow of income through the system created by the production of goods or services will be taxed somewhere, in somebody's hands, as it goes from creation to consumption. The whole thing will be subject to tax at some point.

Another fundamental feature of the tax system is the timing of taxation. There has been a great deal of ongoing discussion, and much of the argument about capital gains tax, capital gains reserves, income averaging annuities, Registered Retirement Savings Plans and so on, has revolved around the issue of timing—when do we tax it between the point of creation and the point of consumption? There is much dispute as to whether it should be a purely income-based tax system, indicating that as soon as the money is earned it should be taxed. This gives rise to such things as the taxation of accrued income, a very valid and legitimate way of taxing, assuming we want an income-based tax system.

As a general rule in that system we tend to be favouring consumption as opposed to savings and investment. At the other end of the extreme we could have a consumption-based tax system where the income would only be taxed if it were taken out of savings or investments and used for consumption purposes. This specific tax system would be similar to a Registered Retirement Savings Plan—earned money is put into an RRSP and is deductible for tax purposes, but the income from it is not taxed until the money is removed from the plan, presumably for consumption purposes.

They are two extremes. The consumption-based tax system is basically said to favour savings and investment. Thus, tax policy people have a choice. If we want to encourage consumption, we would tend to want an income-based tax system; if we want to encourage savings and investment, we introduce RRSPs, RHOSPs and various kinds of deferral mechanisms to defer taxation, which would move us toward a consumption-based system.

The third basic area about which we must be concerned in taxation is the equity question. There are two kinds of equity with which we have been dealing in our tax system for generations—basically horizontal equity and vertical equity. Horizontal equity is a simple concept—people who make the same amount of money should basically pay the same amount of tax, people who are in the same kinds of circumstances should basically pay the same amount of tax. On the other hand, vertical equity is that as one's disposable income rises one should pay a greater proportion of it in tax. This is the principle which underlies a progressive tax system as opposed to a flat tax system. Progressivity basically came about as a driving force in the tax system in the 1940s just before, during and after the Second World War. That was basically the time when tax systems became steeply progressive under the notion of ability to pay. In other words, those who have the greatest ability to pay should pay more or, under the notion of the marginal utility of income, a dollar to a poor man is worth more in terms of what the economists call utility than is a dollar to a rich person. If you tax a rich person and give the money to the poor person, the over-all utility of the system is more equitable. Those are the basic precepts underlying the notion of progressive taxation, the notion of income tax having a greater reliance on vertical as opposed to horizontal equity.

• (1620)

The other important feature in the tax system is the source of income. Here is where we get into the difficulty which gave rise to the capital gains tax in the first place. The source of income, whether from employment or investment is important. Under an ideal tax system, it would not make any difference

where that income came from. You would treat investment income and employment income exactly the same.

The other hang-up that comes into this area of income source, whether it is employment or investment income, is on the investment side, and that is whether the income is earned by an individual or a corporation. Ideally, you would not tax corporations. Ideally, the income that is earned by a corporation would be attributed to the shareholders and included in their taxable income, subjected to their marginal tax rate. They would pay tax. Corporations would not pay tax.

A great many people say today that corporations really do not pay tax. Corporations either pass the tax along to their shareholders, or to consumers in the form of higher prices. But corporations do not pay tax. Either the owners or the consumers of the products pay tax. People pay taxes. Corporations are legal entities and they do not pay tax. Somebody pays the tax, either the shareholder or the consumer. If you tax the shareholder by putting the income in that person's hand, that is probably the most equitable way to do it.

Over the years, in the United States, here, in Britain, in France, everywhere, we have tended to differentiate between corporations and individuals. If you are an individual, a sole proprietor or a small-business person, and you earn income in your business, it becomes personal income and you are taxed. All of a sudden, a corporation comes along and, for some reason, we think we have to treat that income differently. You could have a three or a four-person corporation. For tax purposes a partnership of four people is treated totally differently than a corporation of four people, although the principles are the same. I own a company, I own it through shares or through a partnership. The income which that company earns is partially mine, represented by the amount of my partnership or represented by the shares I own. There should not be a differentiation, but there is. Then we get into a problem. The biggest problem that has arisen for tax policy is that the corporate tax rate is different from the personal tax rate. Not only that, but we have introduced a small-business tax rate. There is a big-business tax rate and a small-business tax rate. What about an individual, for example, earning income through a corporation, one who is in the 50 per cent tax bracket? If under our present system it were possible for an individual to pass income through a small business corporation and bring it out the other end, the small business corporation, lo and behold, is only taxed at 25 per cent. It may be taxed at only 21 per cent if it were a manufacturing-processing small business. Therefore, an individual, could funnel his income through a corporation and come out the other end paying only 21 per cent or 25 per cent instead of paying 50 per cent. Obviously, tax avoidance could take place, legally, but tax avoidance nonetheless.

Dividends from a corporation to the shareholder have always been taxable. What gave rise to the capital gains tax and the Carter Commission—there would not have been a Carter Commission but for this very problem—is what is called dividend stripping or surplus stripping. In the 1960s it became such a major problem of tax avoidance because individuals funnelled money through a corporation, and instead of taking dividends on which they would be taxed, they let the dividends and the earnings build up in the corporation, ending up selling the corporation. They took the money as capital gains and the capital gains, of course, were tax free. Therefore, income was being created in the system. Income was going through the system. It was being taken out of the system for consumption and it was not being subjected to tax. That was a fundamental flaw in the tax system.

The principle of plugging that loophole was a capital gains tax. If you take the money out of a corporation as dividends, you pay tax. If you take it out as capital gains, you pay tax, and presumably, through the dividend tax credit mechanism and others, you should get an offset. The corporation now has paid the tax, or you have paid the tax on your income from the corporation, and on your personal income tax form you get a tax credit to offset the fact that you have already paid tax as a part of being an owner of the corporation.

Theoretically, that is the ideal world. The problem is that you have two different corporate tax rates. The dividend tax credit basically offsets only to the level of the small business. If you are a big business paying 50 per cent tax, then you are being taxed twice. At the small-business level you are only being taxed once, theoretically. There are all kinds of problems. But the basic problem we had to face back in the 1960s was this problem of surplus stripping. If you were to eliminate the capital gains tax now or in any major way nullify it, you would wind up with a major tax avoidance problem that could not be tolerated.

There are ways of getting around this problem. However, they involve some fundamental changes to the tax system. For example, we hear people talk about a flat tax. They are talking about a flat tax for a very good reason. Once you take the progressivity out of the tax system, then everybody pays the same rate, and a buck is a buck is a buck and it can be handled that way. If you also apply the flat tax to corporations, then you do not have tax dividends or capital gains. After all, capital gains are simply the present value of future dividends. If I get the money as a person, I pay 30 per cent on it. If the corporation earns the income, the corporation would pay taxes at 30 per cent, let us say, and then the corporation would pass the money to me tax free. But it is not tax free because I own the corporation. The income is flowing to the corporation. It pays the tax and I own the corporation because I am the shareholder, then the money is given to me tax free, or if I earn it some other way, I pay 30 per cent. The same thing applies. It is a nice, clean system. Where the trouble arises, and this is where we are now, is that we have a progressive tax system where individuals have different tax rates than corporations. You can play tax avoidance games by going through corporations to get your income. With a flat tax it does not apply. No matter how I get the income at the corporate level, personally, 30 per cent, or 40 per cent, or whatever the flat tax is, it is paid once. There is no double taxation and the system works very nicely.

If we are going to deal with the capital gains tax, it seems to me that we have to deal with capital gains tax in a more fundamental way. We can eliminate the capital gains tax, but it implies some fundamental structural changes to the nature of our income tax system. It means effectively coming to a system where we integrate the personal and the corporate tax system. Right now the small business tax and the personal tax system are, for all intents and purposes, integrated. Tax paid at the corporate level is effectively offset against tax paid personally, so you only pay tax once. For the big corporation, it is not fully integrated, it is under-integrated. The corporation pays tax and the individual pays tax so, to some extent, there is double taxation involved. This has all kinds of implications for equity markets. It has all kinds of implications for equity investment.

As I think the Hon. Member for Athabasca said, one of the reasons why we have so much debt in our capital structure now is probably because of the fact that equity is not relatively attractive for getting money through the debt stream.

Those are the kinds of considerations that we are going to have to take into account if we want to deal with the capital gains tax system. We cannot simply eliminate it because, in the current structure, it would lead to insurmountable problems of tax avoidance which could not be accepted economically or sociably, and I guarantee that it would not be accepted politically.

• (1630)

If we are to deal with the capital gains problem we must deal with the fundamental problems which gave rise to capital gains tax in the first place. I believe that we can do that. There are proposals which can be considered by the House, by the Finance Committee or other committees. I certainly think that we must look at this area very carefully in the future development of the tax system.

Mr. Vic Althouse (Humboldt-Lake Centre): Mr. Speaker, I rise to make a brief presentation during this debate concerning three measures affecting taxation on capital gains which has been introduced by the Hon. Member for Athabasca (Mr. Shields). The three measures concern the common stock investment plan changes in the treatment of capital gains; the registered retirement savings plan; and the provision of transfer of capital gains on farming assets to RRSPs.

I think the Hon. Member for Athabasca is trying to resurface the Crosbie budget which was defeated on December 11, 1979. I feel obligated to speak in this debate because I think that particular budget is being oversold to a great extent. I do not think it was even really understood by some of the Members in the Conservative Party.

Let me return to some of the original documents from that budget and use some of the Conservative Government's words to describe what it had in mind. One can see that it is not quite how it was portrayed by the Hon. Member for Athabasca, or by Conservative Members from the Prairies.

I will quote the first aspect of it as it appears in the Budget brief. It says:

> Individuals will be encouraged to invest in common stock of Canadian corporations by deferral of capital gains tax on shares purchased through a new Common Stock Investment Plan.

Capital gains was not being eliminated as is often portrayed. It was simply a deferral. As a matter of fact, the plan will probably be discussed before Parliament again because Mr. Lortie, President of the Montreal Stock Exchange, who was involved with one of the groups set up by the former minister of finance, recommended that this particular plan or its variant be discussed. Therefore we will probably see this plan brought back to the House and discussed in the full context of the tax law and philosophy as outlined by the Hon. Member for Ottawa Centre (Mr. Evans).

The second point made in the budget note says:

> One-half of income earned on common stock investments by Registered Retirement Savings Plans will be exempt from tax when received by individuals on the maturing of their plans.

Apparently, there would have been a reduction in tax for retirement savings plans that are made up of common stocks, under the Crosbie budget.

Since the Hon. Member for Athabasca talked about farms, I will use farms as an example. If the farm which was being disposed of was incorporated, the shareholders would have an avenue to avoid capital gains tax. If it was a normal farm, like the majority, which was privately owned and not incorporated, the third method would have applied. This is the area where I think we are often led down the garden path in rural Canada by some Conservative representatives. What the budget notes actually say and what the budget intendet is:

> Farmers will be enabled to get deferral of tax—

I stress deferral of tax. Tax was not eliminated, simply deferred.

> —once in a lifetime, on up to $100,000 in taxable capital gains (representing $200,000 of total capital gains) from the sale of their farm by transferring the gains to an RRSP.

Therefore, they were not proposing to do away with part of the capital gains, they were simply proposing to put it into an RRSP and defer the payment of those taxes. The RRSPs that were set up were not made up of common stocks or shares for most farmers but simply transfers of money. The tax was only deferred, not eliminated. This is according to the budget papers that were presented on December 11, 1979.

I believe this is very significant, because that action tells a lot about the Progressive Conservative attitude to farmers with respect to capital gains, much more than do their words.

Mr. Thacker: What would you do?

Mr. Althouse: Since the Hon. Member asks what we would do, I will point out what some of the NDP provincial Governments have done. I think this is significant, because the collection of capital gains tax is under the authority of both the federal and provincial Governments under the Income Tax

Act. I would draw the Members' attention to the Province of Saskatchewan, which, under an NDP Government, exempted the first $100,000 on capital gains tax on farms. It exempted that tax, it did not defer it. It is one of the few provinces that has done so in spite of all of the provincial Governments being Conservative at one time or another. Provincial Conservative Governments have not addressed the capital gains problem in any real or significant way and not at all in the manner which the Hon. Member for Athabasca would have the House believe. I think we have seen an action which speaks far louder than words.

We believe that this exemption should continue on a federal basis as well. We are prepared to give some reasons for that exemption. We note that the Income Tax Act now exempts home owners and workers in the cities and towns from the capital gain on their principal residence. We say that the reason for the $100,000 exemption on farmland is for similar reasons. It is a form of a retirement investment plan by a farmer or small businessman, similar to the way a large home is for someone who is to retire.

Therefore, we think it is justifiable to provide for an exemption of $100,000 on the first capital gains as it applies to farmers and small businessmen. This would be a much more direct way to attack the problem now. I certainly would agree that revamping the tax system to make it more fair and equitable is desirable and important. It probably should be revamped again due to the changes in the ways taxes are levied in this country.

For your information, Mr. Speaker, I note that in 1952, 53 per cent of the taxes that were collected in this country came from the corporate sector and 46.3 per cent came from individuals. By 1980 that ratio had changed so that 30.5 per cent of the taxes collected in this country came from the corporate sector and almost 70 per cent came from individuals.

We hear much said in the House, particularly from the Official Opposition, about the fact that the country can get back on its feet by removing the Government's involvement in business. I suggest that this has been happening since 1952 in the sense that business has certainly not been paying its share of the capital through taxation in Canada. I understand from some of the remarks of the Hon. Member for Ottawa Centre that even the Government side recognizes that the tax load does not fall on corporations to the same extent as it falls on individuals. It is inequitable, and is becoming even worse. He did not seem to be giving any indication that that situation will change soon. Until it does change, I think people should expect to gain a few of the perks given to large corporations in the form of tax deferrals.

• (1640)

There is a basic difference between tax deferrals for individuals and for corporations. The main outlet for deferring taxes of individuals is through RRSPs, but individuals eventually need that money. They put it back into income and pay taxes on it. That is not the case with corporate deferrals.

In June of 1980, deferred corporate taxes in this country amounted to something like $20.8 billion. We do not have figures as to how much of those deferred taxes are ultimately paid. We do know that very few of those taxes are actually shown as income and are taxed. We know from studies conducted in the United States concerning deferral of corporate taxes that only about 1.5 per cent of those deferred taxes are actually ever paid. I think the reason is that corporations have an unlimited lifespan. As long as they remain fairly healthy, they can continue to defer their taxes forever, and they never have to declare any of those funds as income and pay taxes on them.

Therefore, I think that the analogy, the rules and the equity, if you like, between individuals and corporations are not fair, and the provisions contained in the Progressive Conservative budget of 1979 were totally unfair for those very reasons. They provided a form of equity to holders of shares or common stocks, but individuals, proprietorships, small businesses or small farms did not get any form of tax write-off, but, rather, only deferrals. I think that was an unfair situation in which to place farmers. It would have been much fairer to simply provide an exemption applicable to the first $100,000 of taxable income, as was done in Saskatchewan. That should have been spread to the federal level and it would have righted a wrong without greatly changing the current tax system.

Mr. Blaine A. Thacker (Lethbridge-Foothills): Mr. Speaker, I am glad to join in this debate, particularly following the speech of the Hon. Member for Humboldt-Lake Centre (Mr. Althouse), because there is no doubt that he must be very worried about that Progressive Conservative budget of 1979.

Mr. Althouse: There was no problem in 1979 and 1980, I'll tell you.

Mr. Thacker: Hon. Members will notice that even though it was some three years ago, he is still worried about it, because the people of Saskatchewan, for the first time, had a Conservative Government here in Ottawa and after a mere nine months in power, only three months after the House had been called, there was a provision in the very first budget to give capital gains relief to farmers. That was a major task because, as we know, the power behind the Ministers, namely, the bureaucracy, did not want to make any changes. It was an enormous battle, but the party, the P.C. caucus, the backbenchers, stood up and Mr. Crosbie put it in his budget. This was followed by the defeat. The NDP, with many Hon. Members from the West supporting it in 1980, suddenly realized, after the election, what had happened. They had been duped.

Mr. Althouse: Capital gains reserve, what about it?

Mr. Thacker: Had the Conservative Government stayed in, there would have been on the books today substantial additional relief from the capital gains tax on bona fide agricultural land. That got away from them because of the NDP members in the West, and the people will not forget it—

Mr. Althouse: It is really no different than what is in now.

Mr. Thacker: —as the Saskatchewan provincial election brought to mind. The Hon. Member pointed out that Saskatchewan, under the NDP provincial Government, was such a great place. I would remind him that the Saskatchewan population today is exactly the same as it was during the thirties. What that means is that once a socialist government was elected in Saskatchewan, for all of those years, through the forties, fifties, sixties and seventies, all those who were part of natural increase had to leave the Province to get jobs. Why did they have to leave the Province? It was because the NDP government like any socialist Government anywhere in the world, started to grind down. The only unfortunate thing for the Saskatchewan NDP government was that it could not put a bloody fence up to keep people in, like in East Germany. It could not put boundaries around the Province to force the people to stay. Consider the western Provinces, B.C., Alberta and Saskatchewan, which basically have the same type of resource assets. B.C., under a Social Credit Government, believes in individual enterprise. It has a population of 2.7 million. Alberta is almost exactly the same, with 2.2 million people. Where is Saskatchewan? With all the enormous resources which should be helping the people of the world, even the poor people of the world, it has a population of barely one million. That is because of a socialist government. Thank goodness in Canada we have an economic union and a Constitution which prevents socialist governments from putting up fences, because that is what would happen otherwise.

Mr. Tobin: What happened to the $225 million deficit? Can you address that, please?

Mr. Thacker: That $225 million deficit is a drop in the bucket.

Mr. Althouse: You ain't seen nothing yet!

Mr. Thacker: Contrast that deficit with what my friend opposite, the Hon. Member from Newfoundland in the national Liberal Government, has done in contributing to a deficit of some $25 billion this year and an accumulated deficit of $140 billion. What does that do to society? To simply service the debt, $17 billion plus is needed. Money is concentrated in the hands of people who already have wealth. The socialist policies of my friend, the Hon. Member opposite, are leading to an incredibly rich upper class.

Mr. Tobin: I am not a socialist!

Mr. Thacker: It is destroying our middle class. We will have a class system like that in India, like the system in all the other socialist countries. We will have an incredibly rich class of people in Canada and no middle class. We will all be poor, and that is what leads to revolutions, and quite properly so.

Mr. Althouse: What about the other deficit?

Mr. Thacker: I would like to refer to capital gains tax. The Hon. Member for Ottawa Centre (Mr. Evans) gave a very fine speech with many flowery words, in which he very nicely set out the apology always given by the Government. He told of how the capital gains problem grew to the point where the Government began to consider it. My simple question to him, though, is, who did all this? Who put it in place? The Carter proposals of 1971, which would have treated a buck as a buck, had quite a bit of support. The Liberal Government did not bring in that report. The bureaucratic proposals which flowed out of the Carter proposals were entirely different. The only people who benefited were the accountants of Canada. The 1971 tax proposals did for the accountants what the constitutional proposals of 1981 will do for those of us who happen to be lawyers. It is like a licence to rob.

I gather the accountants have a huge statue of Mr. Edgar Benson and each year they lay on a new layer of gold leaf because of the enormous fees they have been able to collect as a result of the 1971 amendments. The Canadian Bar Association will soon be putting forth a proposal to put up a similar statue. I think we will put up a statue of the Prime Minister (Mr. Trudeau) and every year, because of the enormous fees we will receive through fighting these constitutional arguments as a result of the Charter of Rights and Freedoms, we will lay on another layer of gold leaf. Over the generations, it will become a tremendous resource for the Canadian Bar Association, so that if we come upon tough times in the future we will be able to take off pieces of this gold and keep our membership up. What the Liberal Party has done has been to help accountants and lawyers.

• (1650)

Let us not forget that we have a motion on the floor to give relief from capital gains tax. The Government obviously has enough members lined up to filibuster this. Once again the Liberal Party is saying to the farmers of this land that they are not prepared to give any relief from capital gains.

Why do we not as a nation exempt bona fide agricultural land from capital gains tax? It is a very small part of our national heritage. This is a huge country, but the amount that is truly arable is a drop in the bucket. When we look at the global scene, the amount of arable land in Canada as a percentage of the world is the smallest fraction. However, out of that smallest fraction, because we put it into the hands of individuals, the farm family, we have produced enough food to export around the world. We have lots.

If we would develop our water resources in the west, we could feed the entire world for generations. We have the land, the solar units and water flowing out of the mountains. If we used it productively, it would be our ace in the hole, and it could turn Canada into the most powerful nation in the world. Within one generation, people are going to be knocking our doors down to get food. We do not need to have agricultural food exporting corporations. They will be banging down the door. Anyone who has looked at the demography figures knows that.

One advantage of exempting just the bona fide agricultural land, all of which is identified, is that it would keep in the small family farms which are clearly more efficient. As the farms get larger, they become more inefficient, the ultimate

being the system in China and Russia where they have huge communal farms. We know that production drops off dramatically. In China they are now trying to get back to individual owners. If we exempted bona fide land we would keep more in small family production. That would mean many more tractors, drills and combines which would in turn mean more industrial jobs in Central Ontario. We could keep the enormous strength of that manufacturing industry here in Ontario. It would make it much easier to transfer to the next generation.

The problem with the tax now, as I am sure the Hon. Member for Ottawa Centre knows, is that we have a value on the land that was adopted in 1971. We must consider the sale value today. In my part of the country, land sold for about $100 an acre in 1971. It is now selling at about $1,500 an acre, a gain of about $1,400 an acre. Of that, $700 comes into income in the year of sale. For the average 5,000 acre farm, the capital gains tax is truly enormous. A new purchaser coming along can very seldom put up the whole amount at the start. Therefore, the seller has to pay in income tax more money than he receives as the down payment. Not only that, there is nothing left to purchase a small home in the town. It is an enormous problem.

The Liberals talk proudly about the rollover which they have. If the farmer sells it to someone of the next generation who will actually be farming, he can get a rollover. That is true. However, what happens to the farmer with four children, a son living on the land, a son living and working elsewhere and two daughters? He cannot leave it to all of them. What if he wants to leave it to the boy who is on the land because he wants it kept together as an economical farm unit? The farmer wants it to stay together as a family farm.

If it is given to the boy on the farm at the 1971 value, the farmer can get the rollover, but can no longer do fairness and equity to those who left. If it is sold to the boy on the farm at greater than the 1971 value, capital gains tax has to be paid. Once he pays the tax, he does not have enough left to do fairness to the other children. It is a very serious problem which it has come about partly because of inflation.

As a result of these enormous deficits, there is simply too much money chasing too few goods. Inflation tends to settle out. Over the last ten years it settled out on land in particular. In my part of the country, the value of land has increased, not because of its productivity but because of inflation; people in times of inflation trying to put their money into something that will increase in value.

Recently I had an opportunity to buy some land. I ran calculations based on its productivity. Based on productivity, the land should have been $200 an acre, yet people are paying $700, $800, up to $1,000 to try to protect themselves from future inflation. Honest people trying to expand simply cannot pay that much, because productivity indicates it is only worth $200. This is a serious problem. As a result, we find foreign money being used to buy up land. Larger corporations with enormous cash flow from sources other than agriculture are purchasing the land. It is therefore becoming more inefficient. We are losing the family farms, the small communities and the manufacturing industries which produce tractors and other kinds of equipment. Instead, huge four-wheel drive units that are produced in the United States and elsewhere are being bought.

The net result of that capital gains tax exemption for bona fide land would be cheaper food. My friend from Ottawa Centre pointed out that the capital gains would catch speculators. That is true, but there is a very little genuine speculation on bona fide agricultural land. If the tax were attached only to the land, and it became a city subdivision, fine, tax it to death. However, the fact that there would be an exemption on bona fide land would tend to keep land for agricultural purposes. As I said earlier, that is what we need for the future. There is no doubt that the rest of the world is in deep trouble in terms of food production.

It has always been a source of great sadness that Canadians, one-half of 1 per cent of the world population sitting on the resources of half this continent, are out in the world capital markets, down on both knees with their hats off, begging the world to lend us money. At the same time we are competing with the Third World countries for oil. Why should we do that? We do not want to compete with them for oil. We should be a source of capital to the world and a source of energy, yet we are not.

It is close to five o'clock. I hope the House will accept this motion of my hon. friend for Athabasca (Mr. Shields).

Mr. Douglas Fisher (Parliamentary Secretary to Minister of Finance): Mr. Speaker, I appreciate the opportunity to say a few words at the end of what I have found to be a very interesting discussion. I am sorry that the mover of the motion was not able to stay because I wanted to ask him a question. Perhaps the honourable Member for Lethbridge-Foothills (Mr. Thacker) can give us some information.

By my calculations, under the new proposals for the treatment of capital gains, proposals developed from the November budget, it looks as if in the worst possible case a taxpayer, given the reserves and the rates of taxation, will have to pay 5 per cent of the gain per annum over a five-year period. If a farmer sells his farm outside his family, he would then pay 5 per cent of that gain for a five-year period and discharge all his responsibilities for his capital gain. If he sells his farm to one of his sons or to someone in his immediate family, the reserve period is stretched out for ten years. Therefore, his liability is only 2.5 per cent of the gain per annum. That does not seem to be an onerous problem, and those are the worst figures without any allowance for forward-averaging or any of the other normal deductions the farmer might be able to take into account.

We hear stories about these difficulties, but I wonder if the Hon. Member could explain to me, perhaps privately, how 5 per cent of the gain or, in the case of a family sale, 7.5 per cent of the gain per annum, is really that onerous?

The Acting Speaker (Mr. Blaker): The Hon. Member for Lethbridge-Foothills (Mr. Thacker) on a point of order.

Mr. Thacker: I am not rising to answer the question, Mr. Speaker, but to say that I am sure my hon. friend opposite was not intending a slur on the Hon. Member for Athabasca (Mr. Shields) who is is not able to be here. The Hon. Member had to catch an aeroplane, and in view of the inclement weather he had to pop away just a touch early.

Mr. Fisher: Mr. Speaker, perhaps the Hon. Member from Lethbridge will be kind enough to give me some information personally about how this creates a difficulty.

Capital Gains

The Acting Speaker (Mr. Blaker): As usual, Friday afternoon debates are the most interesting, but unfortunately the time allotted to private members' business has now expired. Accordingly, this House now stands adjourned until two o'clock on Monday afternon, pursuant to Standing Order 2(1). I wish Hon. Members a good evening, and a good weekend.

At 5 p.m. the House adjourned, without question put, pursuant to Standing Order.

HOUSE OF COMMONS

Monday, November 29, 1982

The House met at 2 p.m.

• (1405)

MOTIONS UNDER S.O. 43

[*English*]

TRADE

EXPORTS TO JAPAN

Mr. Thomas Siddon (Richmond-South Delta): Madam Speaker, whereas officials of the Japanese government are presently in Ottawa to negotiate conditions relating to imports of Japanese automobiles, and noting that the Minister for Industry, Trade and Commerce (Mr. Lumley) has stated that he intends to talk tough and play hardball with Japan on this issue, while at the same time his colleague, the Secretary of State for External Affairs (Mr. MacEachen), has been advocating an end to protectionism at the GATT talks in Geneva, I move, seconded by the Hon. Member for Cariboo-Chilcotin (Mr. Greenaway):

That the Minister for trade be directed by this House to refrain from throwing any curve balls which might jeopardize Canada's position as an exporter to Japan, especially in light of the fact that Japan has already cut back by some 30 per cent on coal shipments from western Canada, and bearing in mind the thousands of Canadians jobs in coal, fishing, tourism, automotive and transportation industries which will be threatened by increased protectionism against Japan.

Madam Speaker: Is there unanimous consent for this motion?

Some Hon. Members: Agreed.

Some Hon. Members: No.

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EXTERNAL AFFAIRS

ALBANIA—PROPOSAL TO ESTABLISH DIPLOMATIC RELATIONS

Mr. Donald W. Munro (Esquimalt-Saanich): Madam Speaker, in view of the announcement in *The New York Times* on Sunday to the effect that the Canadian Government is considering the establishment of diplomatic ties with Albania, a Communist country leaning towards the Chinese view of Communism, and which is wedged geographically between Greece and Yugoslavia and wedged ideologically between Moscow and Peking, and in view of the Prime Minister's boast that he cleared the way for U.S. recognition of China by opening Canada's mission in Peking as a forerunner of such recognition, I move, seconded by the Hon. Member for Kingston and the Islands (Miss MacDonald):

That the Government make a statement on motions concerning this proposal indicating first of all whether, in making this move, Canada hopes to be trailblazing on behalf of the U.S.A., and secondly, what this move means in terms of additional cost and priorities, bearing in mind the need to strengthen Canada's relations with Latin America.

Madam Speaker: Is there unanimous consent for this motion?

Some Hon. Members: Agreed.

Some Hon. Members: No.

* * *

THE LEADER OF THE OPPOSITION

Mr. Bob Ogle (Saskatoon East): Madam Speaker, I rise under the provisions of Standing Order 43 on a matter of urgent and pressing necessity. Over 20 years ago the then Conservative Minister of Justice told the youth of his party that the essential characteristic which identifies the Conservative is his belief that there is and must be an underlying moral and spiritual content to all political philosophy and action. Since the current Leader of the Opposition (Mr. Clark) was probably in the audience at the time, I move, seconded by the Hon. Member for Winnipeg-St. James (Mr. Keeper):

That this House congratulate the Leader of the Official Opposition for finally giving us an update of the outlook of his Party when he said last week, "Forget about principle, the only principle that I am interested in is winning."

Madam Speaker: Is there unanimous consent for this motion?

Some Hon. Members: Agreed.

Some Hon. Members: No.

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GREY CUP GAME, 1982

CONGRATULATIONS TO EDMONTON ESKIMO FOOTBALL CLUB

Mr. Don Blenkarn (Mississauga South): Madam Speaker, in view of the fact that the Government has no representation in western Canada, I move, seconded by the Hon. Member for Bow River (Mr. Taylor):

That this House congratulate the Edmonton Eskimo Football club for its success in winning five Grey Cup victories and its efforts in promoting national unity.

S.O. 43

Madam Speaker: The House may want to applaud the Edmonton Eskimos.

Some Hon. Members: Hear, hear!

* * *

VETERANS AFFAIRS

SUGGESTED REVIEW OF WOODS COMMITTEE RECOMMENDATIONS

Mr. Dan McKenzie (Winnipeg-Assiniboine): Madam Speaker, in the Senate Report of 1981 on veterans affairs entitled "They Served, We Care", it was recommended that the Government appoint a committee composed of officials from both the Government and veterans' associations to review and update the recommendations of the Woods Committee which have not been implemented. I therefore move, seconded by the Hon. Member for Grey-Simcoe (Mr. Mitges):

That this House call on the Minister of Veterans Affairs to appoint such a committee without further delay to make recommendations about the anomalies which still exist in the treatment of veterans and their survivors.

Madam Speaker: Is there unanimous consent for this motion?

Some Hon. Members: Agreed.

Some Hon. Members: No.

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POLITICAL PARTIES

POSITION OF CONSERVATIVE AND LIBERAL PARTIES ON WOMEN'S ISSUES

Mr. Simon de Jong (Regina East): Madam Speaker, I also rise under the provisions of Standing Order 43. Recently released questionnaire results from the Tory Convention in May confirm what we have been saying for years—the Tories "think" like the Liberals "do". This is particularly true of women's issues. The typical Tory delegate wants to cut spending for daycare and family allowances, sees no need for better job opportunities for women, and is against affirmative action programs. I therefore move, seconded by the Hon. Member for Burnaby (Mr. Robinson):

That the Tory-Liberal coalition be given the "Ostrich of the Decade" award for their head-in-the-sand position on issues of importance in women's struggle for equality in Canadian society.

Madam Speaker: Is there unanimous consent for this motion?

Some Hon. Members: Agreed.

Some Hon. Members: No.

• (1410)

NORTHERN AFFAIRS

GOVERNMENT DECISION TO SUBDIVIDE TERRITORIES

Mr. Roger Simmons (Burin-St. George's): Madam Speaker, under Standing Order 43 I move, seconded by the Hon. Member for London West (Mr. Burghardt):

That this House salute the Government's landmark decision to facilitate the subdivision of the Northwest Territories; offer congratulations to the Minister of Indian Affairs and Northern Development on a job well done, and encourage the Minister to continue to take all reasonable steps to further the political development of the North, subject only to the clear and unmistakable provision that his understandable enthusiasm for this historic task must never mislead him into making any deal with the Hon. Member for Yukon to cross the floor to this side. That would be too high a price for us to pay, under any circumstances.

Some Hon. Members: Oh, oh!

Mr. Nielsen: Flattery will get you nowhere!

Mr. McDermid: You could not afford him; you would not know what to do with all that talent.

Madam Speaker: The Hon. Member for Lethbridge-Foothills.

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THE ADMINISTRATION

CALL FOR HOLDING OF GENERAL ELECTION

Mr. Blaine A. Thacker (Lethbridge-Foothills): Madam Speaker, 14 years ago Canada had a balanced yearly budget, a small national debt, and sound hospital insurance, medicare and post-secondary educational systems. Now our national debt is over $140 billion, the deficit this year is over $25 billion, and health insurance, medicare and post-secondary educational systems are breaking down. I move, seconded by the Hon. Member for Cariboo-Chilcotin (Mr. Greenaway):

That the Liberal backbenchers respond to the clearly demonstrated desire of Canadians to have an election so that they can defeat the Liberal Government which lied to them and cheated its way into power.

Madam Speaker: Is there unanimous consent for this motion?

Some Hon. Members: Agreed.

Some Hon. Members: No.

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NATIONAL PARKS

BANFF LAND EXCHANGE—DEMAND FOR MINISTER'S RESIGNATION

Mr. Gordon Taylor (Bow River): Madam Speaker, the Minister of the Environment (Mr. Roberts) has stated that Parks Canada asked Mr. Buchanan and company to build their housing complex in the only park in the townsite of Banff which had beautiful 100-year old trees, with bridges over the stream, and constructed paths and benches, making it a restful

place for Canadians and visitors to enjoy. Therefore I move, seconded by the Hon. Member for Okanagan-Similkameen (Mr. King):

That the House condemn the Minister for making this deal and demand his resignation, as a man who desecrates a park should not be Minister of the Environment.

Acid rain takes years to destroy the trees in a park; the Minister does it in three days with chain saws.

Madam Speaker: Is there unanimous consent for this motion?

Some Hon. Members: Agreed.

Some Hon. Members: No.

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[*Translation*]

MANPOWER

REQUEST FOR ACTION TO SAVE JOBS AT DAVIE SHIPYARDS IN LAUZON, P.Q.

Mr. Cyril Keeper (Winnipeg-St. James): Madam Speaker, whereas the Government is refusing to grant a subsidy of $30 million to Davie shipyards in Lauzon, unless their employees agree to the 6 and 5 wage restraint plan, a plan that constitutes a direct attack against the collective bargaining process and is also a useless economic policy, I move, seconded by the Member for the Beaches (Mr. Young):

That the House demand that this Government abandon this policy of blackmail which may well cause 1,500 jobs to be lost at the shipyards.

Madam Speaker: Is there unanimous consent for this motion?

Some Hon. Members: Agreed.

Some Hon. Members: No.

* * *

[*English*]

NORTHERN AFFAIRS

INVESTMENT OF CANADA PENSION PLAN FUNDS

Mr. Dave Nickerson (Western Arctic): Madam Speaker, whereas the Provinces of Canada are able to benefit from investments made in provincial securities by the Canada Pension Plan Investment Fund, but neither the Northwest Territories nor Yukon are able to so benefit, I move, seconded by the Hon. Member for Lethbridge-Foothills (Mr. Thacker):

That the financial transactions between the Government of Canada and the Governments of the Northwest Territories and Yukon be adjusted to reflect the fact that, pursuant to federal legislation, the latter are prevented from taking advantage of Canada Pension Plan Investment Fund placements.

Madam Speaker: Is there unanimous consent for this motion?

Some Hon. Members: Agreed.

Some Hon. Members: No.

* * *

SCIENCE AND TECHNOLOGY

HIGH-TECH INDUSTRIAL STRATEGY

Mr. Lorne Greenaway (Cariboo-Chilcotin): Madam Speaker, as the National Research Council estimates that, if the existing 1,000 high-technology firms in Canada doubled their gross output by 1990, the net benefits to Canada's balance of payments would amount to $12 billion and the creation of 650,000 jobs, I move, seconded by the Hon. Member for Richmond-South Delta (Mr. Siddon):

That the Minister of State for Economic Development waste no further time in placing his high-tech industrial strategy before Cabinet in order to foster the creation of permanent, meaningful jobs.

Madam Speaker: Is there unanimous consent for this motion?

Some Hon. Members: Agreed.

Some Hon. Members: No.

• (1415)

ORAL QUESTION PERIOD

[*English*]

LABOUR CONDITIONS

UNEMPLOYMENT FORECASTS

Hon. Flora MacDonald (Kingston and the Islands): Madam Speaker, my question is directed to the Minister of Finance. Preliminary reports indicate a further decline in the economy in the third quarter of this year, which will make it the fifth consecutive quarter in which we have seen negative growth in the country. During that period some 540,000 Canadians have lost their jobs. The Minister indicated in his economic statement on October 27 that the turnaround in job creation would come in the fourth quarter. Given the continuing decline in the economy, does the Minister now stand by his forecast in October and, if so, does he expect to see some improvement in the unemployment figures which will be released this Friday?

Hon. Marc Lalonde (Minister of Finance): Madam Speaker, in the statement I made to the House on October 27, I indicated at the time that indeed we expected there would be a continued decline in the third quarter and that we expected, however, there would be a turnaround in the fourth quarter. This is still our hope.

As far as unemployment is concerned, I have indicated that it would remain very high and that it would decline only gradually during the course of next year. Thus I do not expect a decline in the rate of unemployment this Friday, but I do not have any more information in this regard than the hon. lady. We will await the reports of Statistics Canada in that regard.

Miss MacDonald: That does not offer much hope either for those already unemployed or the ones who are fearing for their jobs today.

POSSIBLE EFFECT OF TRADE RESTRICTIONS

Hon. Flora MacDonald (Kingston and the Islands): Madam Speaker, my supplementary question is directed to the same Minister. The GATT talks, as we all know, have failed to create the conditions for an expansion of world trade. Indeed, some countries may try to restrict their trade even further. That will make worse the opportunities for job creation here in Canada where 30 per cent of our economy is based on trade. Has this unsettling possibility been taken into consideration by the Minister and, if so, what effect will it have on his relatively optimistic forecast for 1983?

[*Translation*]

Hon. Marc Lalonde (Minister of Finance): Madam Speaker, it is very unfortunate that the GATT ministers meeting did not come up with more productive results. Canada, which chaired the meeting in the person of the Minister of External Affairs, while there was also a delegation headed by the Minister of State for International Trade, did everything it could to strengthen the cause of anti-protectionism at this conference. Unfortunately, it seems we were not very successful. The Canadian Government is going to continue its campaign to encourage a lessening of the protectionist tendencies existing everywhere, including Canada. As far as our forecasts are concerned, these were made against the background that existed at the time, that is, in October 1982, and nothing that has happened since then, at the GATT conference, for instance, has provided any justification for changing them.

[*English*]

Miss MacDonald: I guess there is a difference of opinion there, because what I am trying to indicate to the Minister is that things have worsened economically for Canada since he brought down his economic statement in October.

MEASURES TO PROMOTE JOB CREATION

Hon. Flora MacDonald (Kingston and the Islands): Madam Speaker, the Minister will be meeting with his provincial counterparts on December 16, and given recent developments, the two that I have mentioned, that is, the continuing negative growth in the economy and the failure of the GATT talks, could he tell us what he plans to propose to provincial ministers in the way of new measures for job creation and growth in the country, or will he just sit back and let Canadians suffer until the Macdonald Royal Commission brings in its interim report?

• (1420)

Hon. Marc Lalonde (Minister of Finance): Madam Speaker, I have indicated that there would be only a gradual recovery, that we would see increases in the Gross National Product during the course of next year, and that the turnaround would come, we expected, during the last quarter of this year. I also indicated that, unfortunately, the rate of unemployment would decline very slowly.

I announced on October 27 a number of measures worth $1.1 billion. That amount comes on top of some $2.2 billion worth of various programs already announced by my predecessor. It takes a few weeks for programs to come into effect. The Minister of Employment and Immigration has consulted with his provincial colleagues already. Some provinces have not only supported our program but they have added funds to it, which is quite encouraging.

At the federal-provincial conference of Ministers of Finance we intend to review the economic situation together, to try to make sure our respective policies will reinforce each other rather than work at cross-purposes. We will be examining any steps that could be taken by the provincial Governments or the federal Government on the occasion of our respective budgets. I will have an opportunity to discuss the general thrust of my budget with my colleagues, and I expect that I will also be able to exchange views on how provincial ministers are preparing their own budgets which in most provinces, as the Hon. Member knows, come during the spring.

GOVERNMENT POLICIES

Mr. Blaine A. Thacker (Lethbridge-Foothills): Madam Speaker, my question is for the Prime Minister. It relates to the Youth of Canada. In 1968 when the present Grade 12 graduates were about four years old and the present university graduates were between seven and eight years of age, Canada had a balanced budget and a small national debt, yet we had the world's best health insurance, medicare and post-secondary education systems. Also we had a business climate that created jobs for all. We now find there are not enough jobs, the health insurance, medicare and post-secondary education systems are breaking down, the national debt is over $140 billion, and the yearly deficit is about $25 billion. Does the Prime Minister realize what his policies have done to young Canadians? They have denied them opportunities in a land which should be full of opportunities.

Right Hon. P. E. Trudeau (Prime Minister): Madam Speaker, I am happy to remind the Hon. Member that, during the entire course of the 1970s, Canada had the world record in job-creation of all industrial nations, and that is what our policies have done.

Mr. Thacker: Madam Speaker, is the Prime Minister telling us that the whole Government existed just to create jobs in the

1970s? What about future planning for the children in the 1980s and the 1990s?

* * *

MACDONALD ROYAL COMMISSION

REQUEST FOR APPOINTMENT OF YOUTH REPRESENTATIVE

Mr. Blaine A. Thacker (Lethbridge-Foothills): Madam Speaker, on the Macdonald Commission, for example, there is no member who could genuinely be said to represent youth. Why would the Prime Minister not have appointed some of the fine young business graduates, or university students, to sit on that Commission?

Right Hon. P. E. Trudeau (Prime Minister): Madam Speaker, I am happy to see that the Hon. Member is lending his support to the Government's establishment of a Royal Commission to look at the 1980s and 1990s. If the Hon. Member is making representation for additional Commissioners, I am sure the Chairman of the Commission would be happy to receive that from him directly.

* * *

UNEMPLOYMENT INSURANCE

POSITION OF PERSONS EXHAUSTING BENEFITS—REQUEST FOR ASSISTANCE

Mr. Derek Blackburn (Brant): Madam Speaker, my question is for the Minister of Employment and Immigration, but in his absence I will direct it to the Minister of Finance. As the Minister knows, the NEED Program announced by him will employ only one in twenty of the unemployment insurance exhaustees this winter. The Minister of Employment and Immigration's study indicates that over 82 per cent of exhaustees are unable to find work in the first two months after their UI benefits run out. Surely the Minister knows that, in terms of human suffering, there will be an average of 10,000 more individuals every month in 1983 becoming UI exhaustees. What further plans does the Minister of Finance have for work or further financial assistance for these people?

Hon. Marc Lalonde (Minister of Finance): Madam Speaker, I wish that my hon. friend would get his figures in line with those of other members of his Party who have said we will be helping only one in ten of the exhaustees under the NEED Program. Whatever the figure, it is quite clear that we will not be able to answer the unemployment problem that we are facing at the present time through that particular job-creation program.

• (1425)

As I have indicated before, there are a number of other programs that have been set up by the Government, particularly under the Minister of Employment and Immigration. We had put well over a billion dollars into direct job creation before the announcement of the NEED program and the $500 million I have mentioned.

We have also indicated that what is required for real and long lasting job creation is a lowering of the inflation rate and a lowering of the interest rates so that the private sector can get going again to create the jobs in the plants, firms, factories and various industries of the country. This is what we are working toward, trying to make sure that we will have recovery where the private sector will be the answer to growth again.

Mr. Blackburn: The Minister's soft talk sounds very nice in here, but for the people demonstrating today outside in the freezing rain, and the hundreds of thousands across the country who will be forced onto welfare this winter, it is of no comfort whatsoever.

REQUEST THAT BENEFITS BE EXTENDED

Mr. Derek Blackburn (Brant): Madam Speaker, the Minister refers to economic recovery. All knowledgeable indicators are stating at this time that there will not be a recovery and unemployment will not drop significantly for at least a year and possibly two years. In view of this fact I would ask the Minister, since the Government is also facing the prospect of seeing its welfare costs go up substantially this winter as Canadians are left with no other resort, will he instead extend unemployment insurance benefits for the first 26 weeks of 1983 for those Canadians who have exhausted their unemployment insurance benefits already and who are still unable to find work?

Hon. Marc Lalonde (Minister of Finance): No, Madam Speaker. I might add, in answer to the Hon. Member, that in this particular regard we have already increased the premiums that are being paid by the workers and employers by some 40 per cent in order to meet the needs of those who are unemployed at the present time, and that the Government is assuming approximately 50 per cent of the total deficit in the fund at the present time. I am afraid that I cannot entertain the suggestion put forward by the Hon. Member in the current circumstances. I do not think that we can afford it.

Mr. Blackburn: I hope that the Minister fully appreciates the meaning of his answer. It means a greatly expanded burden on municipalities and provinces across the entire country, for welfare costs. Second, his few short words in that answer mean that literally tens of thousands of hard working Canadians will be forced onto welfare this winter. That is an absolute disgrace, and we in this Party are outraged.

JUSTIFICATION FOR GOVERNMENT POLICIES

Mr. Derek Blackburn (Brant): How does the Minister justify asking Canadians, including all those unemployed Canadians out there looking for work, to accept the poverty of welfare as a way of life, because that is what he is asking?

How does he justify that to those who are ready, able and willing to work, but cannot find it? How does he justify forcing them on welfare and saying, "I am sorry, that is the bottom line"?

Hon. Marc Lalonde (Minister of Finance): Madam Speaker, the Hon. Member's suggestion is just to extend more handouts. I am trying to tell him that, together, we should all try to build a situation where the private sector will again be able to hire people and get the economy growing again. That is what is very important and what we should all be pushing for together.

I indicated before, in my statement on October 27, that indeed, unemployment would remain very high, distressingly high. I share all those concerns of the Hon. Member. I am sure those concerns about the present situation are shared by many Canadians. However, there is no point in playing make-believe with the Canadian people on such a very important issue.

* * *

NATIONAL SECURITY

ALLEGATIONS MADE IN BRITISH SPY TRIAL

Mr. Chris Speyer (Cambridge): Madam Speaker, my question is directed to the Solicitor General. This morning, at the Old Bailey in England, Hugh Hambleton went on trial under the Official Secrets Act on charges of spying. The Attorney General of Great Britain made certain allegations based on a statement made by Mr. Hambleton. Certain of those were as follows: first, that he had been a Soviet agent for more than 30 years, second, that he had contact with Soviet agents both in Paris and Quebec and that seven years ago he met Yuri Andropov, had dinner with him, and was encouraged to run as a candidate to become a Member of Parliament. Are those facts correct? Were they within the knowledge of the RCMP? Why was he prosecuted in Great Britain and not in Canada?

• (1430)

Hon. Bob Kaplan (Solicitor General): Madam Speaker, I have not seen those statements that were reported by the Hon. Member, and I would like to wait until I do before commenting on them. I have said, and I will repeat, that the RCMP have co-operated with the British officials to bring this case to the point at which it is now, and that until the case is disposed of I should not say anything further about it.

ROLE OF ROYAL CANADIAN MOUNTED POLICE

Mr. Chris Speyer (Cambridge): I would like to ask the Solicitor General a brief supplementary question. Were the RCMP informed of all the information that I have alleged today? Is the Solicitor General aware of the facts pertaining to this individual, and did he have any discussions whatsoever with the RCMP on why the prosecution is taking place in Great Britain and not in Canada, notwithstanding the co-operation of the RCMP?

Hon. Bob Kaplan (Solicitor General): I have indicated that the Department of Justice, through the Attorney General of Canada, advised that a prosecution founded in Canada, on the basis of the evidence that was available at a certain point, would not have been successful. Following that, the RCMP had other discussions with Mr. Hambleton himself, Mr. Hambleton departed for Great Britain, the RCMP had information obtained before and after the decision made by the Attorney General of Canada, and there was co-operation between the two friendly security agencies which have brought the matter to the point at which it is today. I think all of us should be pleased to see that justice is being done in the matter.

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ADMINISTRATION OF JUSTICE

RETURN OF CONVICTED MURDERER TO BRITISH COLUMBIA

Hon. Ray Hnatyshyn (Saskatoon West): Madam Speaker, my question is also addressed to the Solicitor General. Over the weekend we were informed that Clifford Robert Olson is once again in British Columbia, ostensibly to give information and provide evidence related to certain unsolved murders in that Province. Can the Solicitor General give the House an ironclad guarantee that, in this instance, there are no further deals contemplated with Mr. Olson, either monetary or of another nature, and, in particular, can he give us the assurance the Mr. Olson has not been promised a transfer to Abbotsford or another British Columbia facility, that he has not been offered immunity from further prosecution and, finally, that he has not been offered any cash benefit for giving evidence? I wonder if the Solicitor General can direct himself to those questions.

Hon. Bob Kaplan (Solicitor General): I can certainly confirm that Clifford Olson was taken by the RCMP to British Columbia last week under a court order obtained by the Government of British Columbia, by the Attorney General, from the Chief Justice of British Columbia, that Clifford Olson is there, that the investigation is under way, and that during the course of the investigation, which is totally under the direction of the Attorney General of British Columbia, I will not have anything to say about it.

RECOVERY OF MONEYS PAID TO CONVICTED MURDERER

Hon. Ray Hnatyshyn (Saskatoon West): The Attorney General of British Columbia, just prior to the time the House resumed its session here, denied that it was his direction with respect to the transfer of Mr. Olson to British Columbia.

The Solicitor General's dealing with the Olson matter has been typified by confusion and obfuscation. The Solicitor General has participated in the actual payment of moneys to Mr. Olson while, on the other side of the coin, he has indicated to the families of the victims that he was trying to find some way of collecting, for their benefit, the profits received by Mr.

Olson. Specifically, I would like to know what the Solicitor General has done, if anything, to assist the families of the victims of Clifford Olson, in particular, to recover the moneys, the $90,000 which the federal Government had a part in putting away and out of the reach of the families of the victims of Clifford Olson.

Hon. Bob Kaplan (Solicitor General): As to offenders profiting from their crimes, I have indeed been concerned about it. I have expressed my concern in correspondence sent to my provincial counterparts. There is currently a meeting of deputy ministers of law enforcement under way. It is one of the matters on their agenda.

I have put forward two or three suggestions on courses which might be taken to comply with that very fundamental concept of justice that an offender should not be able to benefit from his crime. However, as I indicated, and as my colleague, the Minister of Justice, has indicated in the House, it is a difficult matter. There is presently no legal machinery in place for depriving an offender of the profit from his crime. If a method were to be found, it would require legislation in this House, or legislation in one of the provincial legislatures, as I indicated in the letter that I sent to my counterparts. Therefore, the matter is under our consideration, but I do not have an answer for the Hon. Member yet.

REQUEST FOR FEDERAL-PROVINCIAL CO-OPERATION ON ISSUE

Mr. Pat Nowlan (Annapolis Valley-Hants): Madam Speaker, my question is also directed to the Solicitor General. On May 4, 1982, he did indeed send a letter to the solicitor representing eight families involved in the Olson tragedy, in which he set out some of the constitutional and jurisdictional difficulties in prohibiting a murderer from profiting from publishing details of his murders. The Solicitor General has perhaps already answered in part the question I would have put to him. The letter, dated May 4, states on the third page:

> I undertake to be available to meet with my provincial colleagues to see what uniform action may be taken.

He said, "circumstances do demand action". I would really like to ask the Solicitor General when the meeting with his provincial counterparts will take place. Is there any provincial Attorney General who objects to the appropriate amendment on the provincial scene, involving property and civil rights, which could dovetail with an amendment to the Criminal Code on the federal level, to ensure that those who commit murder are not able to profit from such murder? At the moment I am restricting it to murder.

Hon. Bob Kaplan (Solicitor General): Madam Speaker, subsequent to the letter, I indicated some of the difficulties involved in a measure which could be seen by the courts as impinging on free speech, or expropriating property without compensation. These are two matters which are the subject of protections in the Charter or Rights and Freedoms and in basic principles of natural justice in our country.

On the other hand, the goal is also one which is very much a matter of public policy, of wanting to prevent criminals from profiting from their crimes. I have received feedback from some of my provincial counterparts who have expressed concern in terms of the considerations that I have just mentioned. However, the meeting of deputies is taking place this week. The meeting of Ministers may take place in the early or late spring. That has not been settled and may depend, indeed, on the amount of progress which is made on these issues by the meeting of our deputies which begins tomorrow.

REQUEST THAT MINISTER TAKE ACTION

Mr. Pat Nowlan (Annapolis Valley-Hants): Madam Speaker, this matter has been kicking around for too many months. In view of the resurrection of the matter in the front pages of this land concerning the dirty deeds Mr. Olson committed, surely this is a lethargic approach to something which is a basic injustice. Not only to protect the civil right of the murderer, but also the collective right of the community and/or the sensitivity and anxiety of the parents involved, something must be done.

Could the Minister at least assure the House that, in terms of his jurisdiction now, and in terms of parole, there will be some type of restriction in a parole order prohibiting a murderer from directly publishing so that he can benefit? If these officials are to take so long, could he not give some instructions to the Law Reform Commission—God forbid—to come in with an objective assessment of the rights and wrongs, pros and cons, of this constitutional issue?

Surely the Minister must know that there are 28 States in the United States which already have legislation taking care of some of the concerns of the Minister, and that the interpretation of the Constitution in the United States is that there is no such thing as absolute freedom of speech when it involves sordid matters or murderers profiting from their murders.

Hon. Bob Kaplan (Solicitor General): Madam Speaker, I think that American jurisprudence is indeed helpful, but some of those States have found the measures that they put forward struck down as being invalid—

Mr. Nowlan: There hasn't been a murderer yet.

Mr. Kaplan: —under American law. Of course, Canadian law is different. My great worry is that we would see some method which would either be defeated in the court or some method which would work very well for the first case before us, but one which would create considerable difficulty down the road in cases which are not as easy and as obvious as the case involving Clifford Robert Olson.

Mr. Nowlan: Or the FLQ.

Mr. Kaplan: It is easy enough to know how to handle such a case, but what would be the consequences down the road of putting a measure in place which would perhaps result in other

people being deprived of their civil right of speaking out, or of their property rights?

Mr. Nowlan: Let's put something in place.

• (1440)

Mr. Kaplan: It would be easy, in the Olson case, but creating legislation is a serious matter, and a policy cannot be created on the run. It has to be created with consensus between the Provinces and the federal Government, and in a way that will be effective but limited.

Some Hon. Members: Hear, hear!

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[*Translation*]

AIR TRANSPORT

SUGGESTED INQUIRY INTO SAFETY OF REGIONAIR SERVICE IN EASTERN QUEBEC

Mr. Alexandre Cyr (Gaspé): Madam Speaker, my question is directed to the Minister of Transport. On October 12, I informed the Minister of the poor service provided by Regionair in Eastern Quebec and the Gaspé. We do not care what Quebecair is going to be called, but we do care about good service. Some people who have never even flown with Quebecair are making a regular hue and cry about preserving its name, but we really do not care whether they call it Pepinair or Clairair or whatever. Last week, some pilots from Sept-Îles claimed their planes were not safe, and they sent a message to the Minister of Transport asking him to clean up Quebecair's board of directors. Considering the statements by the pilots and numerous complaints from the areas served by the airline, does the Minister have sufficient reason and evidence to request an investigation regarding the safety of Regionair planes in Eastern Quebec?

Hon. Jean-Luc Pepin (Minister of Transport): Madam Speaker, there are two sides to this question. First of all, there is Regionair's safety record, and I have already asked my regional administrator in Montreal to start an investigation and send me a report as soon as possible. I must admit that at the time I made the request, I was not aware of details I received later from the Hon. Member. The second aspect is the relationship between Regionair and Quebecair. I cannot intervene at this point to decide how the company is going to be structured, and I can only say that negotiations—which I hope, will start shortly on Quebecair 2 will touch on both Quebecair and Regionair, and there will be no separation, and I think it would be premature if it were to be done now.

[*English*]

NUCLEAR ARMAMENTS

MX MISSILE—CANADIAN CONTRIBUTION

Mr. Terry Sargeant (Selkirk-Interlake): Madam Speaker, my question is directed to the Right Hon. Prime Minister, who will know that in the next few weeks contracts will be awarded by the American Air Force for Construction of the MX missile. At least one Canadian company has already been involved in the development of this missile. Now we learn that Boeing of Canada, in Winnipeg, has been granted a $120,000 contribution from the Defence Industry Productivity Program, pending contract award, to help Boeing build part of the re-entry system for the MX warhead. How many taxpayers' dollars does the Government plan to spend to put a "Made in Canada" stamp on the MX missile?

Right Hon. P. E. Trudeau (Prime Minister): Madam Speaker, it would seem to me that, if the matter proceeds as the Hon. Member states, of which I have no knowledge, it would mean a lot of jobs for Canadians, rather than taxpayers' dollars involved in this.

JUSTIFICATION FOR CANADIAN INVOLVEMENT

Mr. Terry Sargeant (Selkirk-Interlake): I find that answer rather disappointing. Last week, in answer to concerns raised by my Leader regarding the MX missile and the escalation of the arms race, the Prime Minister admitted that this concern was valid. In light of that, and in light of the Prime Minister's carefully cultivated reputation as a peace maker, what justification can he give for involving Canada—whether through Canadian corporate involvement or through the use of taxpayers' money as incentive—in this latest and ever more frightening step in nuclear arms development, knowing that money spent on arms development creates far less jobs than money spent elsewhere?

Right Hon. P. E. Trudeau (Prime Minister): Madam Speaker, the Hon. Member returns to the question of taxpayers' dollars. I have no knowledge of the contracts to which he is alluding, but it would seem to me quite obvious that, if Boeing Canada is constructing something, there would be jobs involved and salaries paid to Canadian workers. That is more important than whatever tax incentives are there.

The Hon. Member talks of a moral issue. I would be happy to debate this question with him. I would be curious to know how many arms production involvements in which he would like to see Canada take part. Is it just the MX missile, or is it other forms of arms, or is it the building of aircraft? Is he objecting to the fact that there will be industrial fallouts in Canada from Canada building an F-18? Let him state his case. If he wants to be an absolute pacifist, I would respect this, but this would mean building no arms at all. This would mean that Canada should be a non-alingned nation, which I have not heard even his Party argue. They argue that we should be part of NATO.

Mr. Baker (Nepean-Carleton): They are close.

Mr. Trudeau: Yes, some of them argue it, but the Party has not taken the position that we should withdraw from NATO.

Madam Speaker, I see some of the Members nodding their heads, taking this point of view, but this is another example of the schizophrenia of the New Democratic Party.

Some Hon. Members: Hear, hear!

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NORTHERN AFFAIRS

REQUEST FOR MEASURES TO ASSIST YUKON ECONOMY

Mr. Thomas Siddon (Richmond-South Delta): Madam Speaker, my question is directed to the Minister of Indian Affairs and Northern Development. The Minister is well aware of the crisis situation in Yukon, where the economy is in a virtual state of collapse. Thousands of northerners are leaving because of the shutdown of three very important mines there.

When can we expect the Minister to adopt the three specific proposals which were presented to him on October 6, which he promised to take to Cabinet, almost two months ago, which were submitted jointly by the Legislative Assembly of Yukon, Cyprus Anvil, and the steelworkers' union? When will he show some initiative by announcing an emergency assistance plan to offset the debt of the Northern Canada Power Commission, to facilitate ore shipments by the White Pass and Yukon Railroad, and to provide a short-term loan to Cyprus Anvil on condition that the mine be reopened immediately?

Hon. John C. Munro (Minister of Indian Affairs and Northern Development): Madam Speaker, the Hon. Member might be the first to agree, judging by positions taken by his Leader and his entire Party, that it is unlikely any Government, nor would the Hon. Member recommend it, would give a blank cheque to Dome until they can show that they mean business, that they can operate a viable operation and can guarantee jobs for the workers on a long-term basis.

Mr. Baker (Nepean-Carleton): You gave them a cheque.

Mr. Munro (Hamilton East): We do not intend to be irresponsible with respect to that. The fact of the matter is that Dome has made some offers. We have analysed those offers, but we have indicated, certainly before we take those offers seriously and break them down, that since they are in the private sector, they have an obligation to conclude a labour agreement with their employees. They have not done that yet. I was up there this weekend. Apparently that is close. I would hope it would be settled by the end of this week—

Mr. Nielsen: You did not invite me.

Mr. Munro (Hamilton East): Then we could at least nail down that variable and get down to business and see when we can get the mine reopened.

REQUEST FOR PROMPT ACTION

Mr. Thomas Siddon (Richmond-South Delta): No one is talking about a blank cheque here, Madam Speaker. The Minister knows that that agreement would have been signed long ago if the Government had made a commitment to a permanent remission of the northern benefits taxation.

Given all the millions which his Government is handing out in economic development grants and bailouts to its friends in other parts of Canada and to questionable projects around the world, when is he going to show some leadership to save Yukon, to prevent this irreversible destruction from becoming a terminal disease. How much longer does he expect the people of Yukon should have to wait while he and his Government muddle their way along, instead of acting decisively and promptly?

Hon. John C. Munro (Minister of Indian Affairs and Northern Development): Madam Speaker, about the only people trying to get any political exploitation out of this are the Hon. Member and his Party. I have been up there this weekend and I think the residents of the Yukon are entirely satisfied—

Some Hon. Members: Hear, hear!

Some Hon. Members: Oh, oh!

Mr. Munro (Hamilton East): —that this Government is doing everything possible to get that mine reopened.

Some Hon. Members: Hear, hear!

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CANADIAN NATIONAL RAILWAYS

COMMITTEE RECOMMENDATION ON PENSION FUND INQUIRY

Mr. Dan McKenzie (Winnipeg-Assiniboine): Madam Speaker, my question is for the Minister of Transport. In June, 1982, the Transport Committee passed a motion unanimously calling on Parliament to provide the Committee with a reference to conduct a full inquiry into the CNR pension fund. I would like to ask the Minister what the current status is of this report, and when the House can expect to have this presented.

If he can wake up, Madam Speaker—

Mr. Epp: He is on pension.

Mr. McKenzie: We know the contempt that the Minister has for the CNR pensioners. I will redirect my question. In June, 1982, the Transport Committee passed a motion unanimously calling on Parliament to provide the Committee with a reference to conduct a full inquiry into the CNR pension fund. I would like to ask the Minister what the current status is of this report, and when the House can expect to have it presented.

Hon. Jean-Luc Pepin (Minister of Transport): Madam Speaker, the reason why I did not answer is that the pension

fund of CNR is not my responsibility. It is the responsibility of the Minister of Labour. What the House of Commons Committee on Transportation does is not my responsibility, either. It is the responsibility of the Committee Members to decide what they will do with respect to an inquiry into pensions at the CN, which they were contemplating a number of months ago. My hon. friend should ask the Chairman of that Committee what they intend to do, not the Minister of Transport.

● (1450)

PENSION FUND INVESTMENT

Mr. Dan McKenzie (Winnipeg-Assiniboine): My supplementary is to the Minister of Labour or to the Minister of Transport. The Canadian National Railway pension fund has an 18 per cent share of Cast Shipping Line, which is on the verge of bankruptcy. Do either of the Ministers feel it is appropriate for the CN pension fund to continue to prop up a losing venture when bankruptcy could cost the fund many millions of dollars, and when the money could be put to much better use by increasing payments to CN pensioners?

I would like to point out, Madam Speaker, that this runaround has been going on for years between the Minister of Labour and the Minister of Transport. It is time they got their act together and did something for these pensioners.

Hon. Chas. L. Caccia (Minister of Labour): Madam Speaker, without going into the substance of the matter which the Hon. Member would like me to look into, I would like to consider the whole question first and give him a well thought-out answer. The Hon. Member is making allegations which, first of all, would have to be checked. Second, it is a substantial matter that has been put to a committee for deliberation. That committee, to my knowledge, has not reported and, therefore, I am not in a position to comment as to any recommendations made by the committee.

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ENERGY

PETRO-CHEMICAL INDUSTRIAL COSTS

Hon. Bud Cullen (Sarnia-Lambton): Madam Speaker, my question is directed to the Minister of Industry, Trade and Commerce, and/or the Minister of Energy. The pricing mechanism for oil-based petro-chemical industries is a matter of some concern to the petro-chemical industry, particularly in eastern Canada, although there is some concern as well in the oil-based industries out West. Many meetings have been held with Ministers, which are appreciated, but there is an Industry, Trade and Commerce and Energy task force which is about to complete its work or has completed its work. I would like to know has the study been completed, and if so, when the findings will be made public.

Hon. Jean Chrétien (Minister of Energy, Mines and Resources): Madam Speaker, I have had some meetings with the industry and have discussed the matter with the Minister of Industry, Trade and Commerce, in reviewing the situation. We have received a lot of input, some from Members of Parliament. It is quite a complex issue. We hope that we will be able to deal with this problem in the near future.

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ADMINISTRATION OF JUSTICE

RETURN OF CONVICTED MURDERER TO BRITISH COLUMBIA

Mr. Svend J. Robinson (Burnaby): Madam Speaker, my question is directed to the Solicitor General. The people of British Columbia view with anger and revulsion the spectacle of convicted child murderer, Clifford Olson, again wheeling and dealing with the federal and provincial authorities to return to B.C. The Solicitor General knows that any transfer from Kingston to the Regional Psychiatric Centre at Abbotsford, British Columbia, is entirely a federal decision within federal jurisdiction. Will the Minister assure this House that Olson will not be transferred at any time from Kingston to the RPC in British Columbia? Will he further assure the House, again within federal jurisdiction, that not one more penny of blood money will be paid to Olson for his latest trip to B.C.?

Hon. Bob Kaplan (Solicitor General): Madam Speaker, there is an investigation under way now in the Province of British Columbia. Investigations are easily disturbed by undue publicity and by statements made. For that reason I choose not to answer any questions about the investigation at this moment. That is the position I am taking.

PROFITS FROM BOOK SALES—REQUEST FOR REFERRAL TO COMMITTEE

Mr. Svend J. Robinson (Burnaby): Madam Speaker, once again Clifford Olson seems to be leading the Solicitor General around by the nose. The people in British Columbia have said very clearly they do not want him on their soil now or in the future.

My supplementary relates to the issue which was raised earlier of possible profits to Olson from the sale of a book on his murders. Will the Minister, in recognition of the outrage which is felt by all Canadians at the prospect of Olson again profiting from his murders, at least undertake to refer this important issue to the Justice Committee where we may carefully examine all aspects of the matter and make recommendations to ensure that this kind of profiteering will not be allowed to take place?

Hon. Bob Kaplan (Solicitor General): Madam Speaker, I have indicated the objective of the Government, which is to try to formulate a policy to assure that profits from a book by a criminal will not be retained by him. There are difficulties, and I have explained what they are. I would be very interested in hearing from any Members of the House of any approaches they can suggest to overcome some of those difficulties, including the Hon. Member for Burnaby who has expressed some

reservations about my proposed methods, but who has not come up with any workable alternatives.

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MACDONALD ROYAL COMMISSION

QUERY RESPECTING AGRICULTURAL REPRESENTATION

Mr. John McDermid (Brampton-Georgetown): Madam Speaker, my question is for the Prime Minister. May I ask the Prime Minister why a member from the Canadian agricultural community was not appointed to the Macdonald Royal Commission on the Economy?

Right Hon. P. E. Trudeau (Prime Minister): Madam Speaker, I know the Minister of Agriculture has recommended some possible additions to the Commission. The matter stands there. As I told the House last week there are, I believe, three more members to be added to the Commission list.

REQUEST FOR ASSURANCE OF AGRICULTURAL REPRESENTATION

Mr. John McDermid (Brampton-Georgetown): Madam Speaker, will the Prime Minister give his unequivocal assurance that a member from the Canadian agricultural community, which is such an important part of our economy, will be appointed to this Commission?

Right Hon. P. E. Trudeau (Prime Minister): Madam Speaker, before answering that question prudently, I would have to wait for more suggestions from the Opposition. Only today I had the suggestion to add a representative of the youth sector of our community. Now I have the suggestion to add a member for agriculture. How many more will speak before we have a 20-man Commission?

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AIRPORTS

INCREASE IN FEES FOR PRIVATE AIRCRAFT

Mr. Lorne Greenaway (Cariboo-Chilcotin): Madam Speaker, my question is directed to the Minister of Transport. It concerns the tie-down fees for private aircraft at the Williams Lake airport in British Columbia. This October, private aircraft operators were told that their tie-down fees were going to be increased by 66 per cent. This has caused a lot of problems because not only does it not square with the six and five program, but it has caused a lot of the aircraft owners to move their aircraft off the Government airport onto private dirt strips, thus causing hardship on the industry which serves private aircraft secondarily, mechanics, and so on. Can the Minister tell me how he can square this with the six and five program, and is he prepared to roll this increase back to 6 per cent?

Hon. Jean-Luc Pepin (Minister of Transport): Madam Speaker, we have done that on a number of occasions. My Department has been as strict on this matter as one can possibly be, that is, that everything which was to take place after the announcement of the six and five program has been reduced to six and five. I have written to a great number of people on the other side to inform them of these realities, and I will do so for my hon. friend. I cannot give a 100 per cent guarantee that the case he brings forward now is one of those cases I referred to but the chances are great that it is, and I will confirm it.

CRITERIA FOR FEE INCREASE

Mr. Lorne Greenaway (Cariboo-Chilcotin): That is somewhat comforting, Madam Speaker, but I would like to ask the Minister, as a supplementary, how his Department figures this out in the first place. What do officials use for criteria? How would they get a 66 per cent increase in the first place? Last year there was a large increase in these tie-down fees, and it is driving small aircraft off the Government airports.

Hon. Jean-Luc Pepin (Minister of Transport): Madam Speaker, the usual criteria we use are the increases in cost of operating these facilities, be it at airports or elsewhere; the second is common sense. In most cases, and I have a number of them in mind, these fees or rates have not been increased for a number of years. It is sad to look at some of those cases occasionally, but in the case the Hon. Member mentioned it may be it was increased simply to correspond with the cost of operations increases.

* * *

HUMAN RIGHTS

DISCRIMINATORY ASPECT OF VIDEO TAPES

Madam Speaker: The Hon. Member for Prince George-Peace River (Mr. Oberle).

Mr. F. Oberle (Prince George-Peace River): Thank you, Madam Speaker—

Some Hon. Members: Hear, hear!

Mr. Oberle: This is great physiotherapy, Madam Speaker. Thank you for letting me take part. My question is for the Minister of Justice who, I understand, has some jurisdiction or responsibility for deciding on the importation of vido display discs or tapes. One in particular is called "Custer's Revenge". This matter has been raised in the House and it is generally agreed that the display on this particular disk is repugnant by even the most relaxed standards of decency. But is the Minister also looking at the other side of the coin, the discrimination? I do not want to elaborate on what the display is, but a lot of native groups and individuals have asked me to consult with the Minister to see if he would be prepared to look at it in that sense, apart from the pornographic nature of this disk.

● (1500)

Hon. Mark MacGuigan (Minister of Justice): Madam Speaker, this is obviously a matter of considerable concern to myself and to a great many people in the House. I might say that, to the best of my information, the Department of Justice has not yet been consulted on this matter, but immediately before Question Period I had a meeting with the Minister of National Revenue and we agreed that we could consult very fully on the problem.

The decisions up to this point, I understand, have been taken at lower levels in his Department, and the Hon. Member may have questions to address to the Hon. Minister, but the matter is now under consideration at higher levels and we will certainly have an input as to the result.

REQUEST THAT REVENUE MINISTER CONSULT HUMAN RIGHTS COMMISSION

Mr. F. Oberle (Prince George-Peace River): Madam Speaker, I will direct my question to the Minister of National Revenue. The disk, despite its preview, has been imported and has already been distributed in Montreal and, I understand, in other areas of Canada. Can the Minister give us the assurance that he will, in his examination of this matter, consult with the Human Rights Commission concerning the discriminatory aspect with respect to native peoples associated with this particular display? Can he give me his assurance that this matter will be dealt with immediately and that he will report to the House as soon as possible?

[*Translation*]

Hon. Pierre Bussières (Minister of National Revenue): Madam Speaker, as I pointed out to the House on Friday, I had an opportunity to meet the Deputy Minister at National Revenue who has very specific powers under the Customs Act, and we discussed the importation of certain goods that are defined in Schedule C, if I remember correctly, to the Customs Tariff. I asked the Deputy Minister to investigate this video game in accordance with departmental guidelines for investigating goods prohibited under Schedule C to the Customs Act, and second, to do so in the light of legal precedent in this respect. That is why we shall have close consultations with the Department of Justice to ensure that our decision is well-founded in law and in fact.

ROUTINE PROCEEDINGS

[*English*]

QUESTIONS ON THE ORDER PAPER

(Questions answered orally are indicated by asterisk.)

Mr. David Smith (Parliamentary Secretary to President of the Privy Council): Mr. Speaker, the following questions will be answered today: Nos. 4,250 and 4,499.

[*Text*]

CONFLICT OF INTEREST GUIDELINES

Question No. 4,250—**Mr. Crosby:**

1. Does the Department of Energy, Mines and Resources have written rules or regulations governing the conduct or standards of behavior for employees of the Department and, if so, are they embodied in a Code of Conduct or other specific document and is the Code or document available to the public?

2. In the five years preceding April 1, 1982, were any employees of the Department disciplined by way of suspension, dismissal or otherwise for violations of any rules or regulations governing the conduct or standards of behaviour for departmental employees and, if so, in each case, what was the name of the employee and the date of the disciplinary action?

Hon. Jean Chrétien (Minister of Energy, Mines and Resources): The Department of Energy, Mines and Resources reports as follows:

1. Yes. EM&R issues to employees written guidelines governing conduct in respect of conflicts of interest. These guidelines are embodied in a specific document, Conflict of Interest Guidelines, which is available to the public.

2. In accordance with departmental discipline procedures and subject to collective agreements, records of disciplinary action are destroyed after three years have elapsed since the disciplinary action was taken, provided that no further disciplinary action was recorded during this period. Most collective agreements provide that such records will be destroyed after two years have elapsed if no further disciplinary action has been recorded during this period.

In view of the above-mentioned requirements, departmental records reflect 26 disciplinary sanctions imposed in the five years preceding April 1, 1982.

	Written Reprimands	Suspensions	Discharges
1977/78	3	1	None
1978/79	2	1	None
1979/80	2	2	None
1980/81	4	2	None
1981/82	6	3	None

To be consistent with the provisions of the Canadian Human Rights Act, we are not providing names.

STATISTICS CANADA—EXCESS PUBLICATIONS

Question No. 4,499—**Mr. Siddon:**

1. What amount did Statistics Canada spend in 1981 on regular publications and all other printed matter that has subsequently been deemed to be in excess of that required for sale or normal distribution?

2. What percentage of the total surplus material referred to in Part I was simply disposed of as waste without any cost recovery?

Hon. J.-J. Blais (Minister of Supply and Services): 1. In 1981, only one publication was found to be in excess of anticipated distribution (a small booklet 3¾′ × 5½′—Refer-

ence Canada). The surplus of 9,200 copies represented $450, an excess of 9 per cent.

2. None.

* * *

[*English*]

QUESTION PASSED AS ORDER FOR RETURN

Mr. David Smith (Parliamentary Secretary to President of the Privy Council): Madam Speaker, if question No. 4,229 could be made an order for return, this return would be tabled immediately.

[*Translation*]

Madam Speaker: The questions enumerated by the Parliamentary Secretary have been answered. Is it the pleasure of the House to have Question No. 4,229 deemed to have been made an order for return?

Some Hon. Members: Agreed.

[*Text*]

METRIC COMMISSION—INFORMATION KIOSKS

Question No. 4,229—**Mr. Scott (Hamilton-Wentworth):**

1. Were information kiosks established by the Metric Commission across Canada and, if so (a) how many (b) in which cities and towns may consumers expect to see them or have consumers already been exposed to them?

2. What is the cost of operating the kiosks per unit and what is the total operating budget?

3. How many persons were hired by the Commission to dispense metric information to consumers and how were they selected for the positions?

4. Were the positions advertised by the Public Service Commission and, if not, for what reason?

5. What were the qualifications required for the positions?

6. What is the salary or wage scale paid to each employee?

Return tabled.

[*English*]

Mr. Smith: I ask that the remaining questions be allowed to stand.

Madam Speaker: Shall the remaining questions stand?

Some Hon. Members: Agreed.

Parliamentary Reform

GOVERNMENT ORDERS

[*Translation*]

STANDING ORDERS AND PROCEDURE

THIRD REPORT OF SPECIAL COMMITTEE

Hon. Yvon Pinard (President of the Privy Council) moved:

That, commencing at 5.59 o'clock p.m., on Wednesday, December 22, 1982, or, as the case may be, at the time that the House concludes its consideration of Government Business on that day, the temporary changes to the Standing Orders set forward as Appendix C of the Third Report of the Special Committee on Standing Orders and Procedure, tabled Friday, November 5, 1982, shall take effect;

That the proposed changes in the Standing Orders shall be applied in the spirit expressed in Part II (entitled "Recommended Experimental Changes") of the Third Report of the Special Committee on Standing Orders and Procedure;

That, subject to future Order of the House, the said temporary changes to the Standing Orders shall cease to have effect at 5.59 o'clock p.m., on Wednesday, December 21, 1983, or, as the case may be, at the time that the House concludes its consideration of Government Business on that day;

That, subject to the provisions of this Order, the dates and times of the commencement and cessation of the effect of the said temporary Standing Orders shall be valid whether or not the House is sitting; and

That the Clerk of the House be authorized and instructed to print revised and re-numbered Standing Orders of the House incorporating the temporary Standing Orders and any technical or consequential amendments necessary.

He said: Madam Speaker, it is with great pleasure and even greater satisfaction that I may present a motion in the House today which paves the way for parliamentary reform, a concept I have always cherished and a goal I have always wanted to achieve. Hon. members will remember and I am particularly reminded of this today the disappointment I felt in 1974 and 1975, during the first two years when I was sitting on the far southwest side of this House, and every time I wanted to take the floor, I sent a note to the Hon. James Jerome, the Speaker at the time, in order to be recognized. On occasion, I took part in debates which were equally disappointing to the vast majority of my colleagues on both sides of the House. The result was that from the very outset, I showed an interest in making a modest contribution by participating in the search for solutions that would help this institution to evolve and to be more in tune with reality. I also remember that in 1976, in our caucus on the government side, I was given responsibility for preparing a draft proposal on parliamentary reform. After consulting with a multitude of sub-committees specialized in various fields, we succeeded in drafting a proposal which, I may point out, is in many ways similar to the suggestions that were made today by the Special Committee on Parliamentary Reform and are embodied in the motion I have the honour of presenting.

Again, in 1976, in addition to taking part in the search for ways to make Parliament evolve, within the party caucus of Government members, I also remember spending several weeks during the summer, with a number of colleagues on both sides of the House, on the Committee on Procedure and Organization, a committee that managed to produce three reports which, unfortunately, were never presented to the

House, but, I am sure, were used just the same and which have most certainly influenced members who not long ago were working on the report that is before the House today. Subsequently, after my initial disenchantment and after my involvement in a reform proposal at the caucus level and as member of a standing committee of the House, I wanted to remain involved in the workings of Parliament. In fact, fate was on my side, because the responsibilities I have been given since 1977 have always kept me very close to parliamentary procedure, either as Parliamentary Secretary to the Leader of the House in 1977 and in 1978, or as Deputy Leader of the Official Opposition in the House in 1979, and, for two and a half years now, since March 1980, as Leader of the Government in the House and President of the Privy Council. Once again, this opportunity to present a motion that will mean a giant step towards parliamentary change is not only a great pleasure for me it also as I said at the beginning of my speech has a very special meaning for me.

I am also very pleased that this fundamental proposal should come at a time when this session has already seen such major historic measures as constitutional reform and our National Energy Policy. A session, which, as Hon. Members are aware, has broken all previous records by being the longest session ever and also because of the number and significance of the measures that have been adopted. Mr. Speaker, we first had to adopt a motion that would enable the Government to patriate the Constitution and adopt a Charter of Rights, we had to approve the many bills constituting the National Energy Program, we had to approve three budgets, the Estimates for four fiscal years and some 140 pieces of legislation and we had to debate many motions on subjects selected both by the Opposition and by individual Members. In other words, this House has had to wait since April 1980, the beginning of the current session, until finally agreement was reached on a reform proposal that is certainly beneficial, considering the manner in which Parliament achieved this result.

Before I go any further, I would first like to pay special tribute to someone whose receptiveness to all aspects of parliamentary change, has, since 1968, made it possible for this institution and its Members to evolve, and I am, of course, referring to the Right Hon. Prime Minister of Canada (Mr. Trudeau). The House will recall that it was under the present Prime Minister that in 1968, Parliament unanimously adopted, and it was unanimous, contrary to popular belief, since there was agreement between Members on both sides of the House, unanimously adopted on December 20, 1968, a major reform in the area of supply proceedings. Still under the present Prime Minister of Canada, television made its entrance in the House of Commons, thus bringing Parliament closer to the Canadian people, and again, under the present Prime Minister of Canada, first in 1975 and latterly in 1981, salaries and pensions of parliamentarians were adjusted to decent levels, and still under the present Prime Minister of Canada, we now have the culmination of the developments of the past fourteen years, namely, this major step towards parliamentary reform, and it is the present Prime Minister who made this reform possible.

• (1510)

[*English*]

It was also under the Prime Minister that, besides all the reforms and changes I have talked about, funds have been provided for the caucus research bureaux, for the offices of the Leader of the Opposition (Mr. Clark) and the Leader of the NDP (Mr. Broadbent), and for such funds not only to be increased but in some circumstances even to be created. That is most important when we talk in terms of re-evaluating the role of the Member of Parliament in whichever side of the House he or she sits.

The House will recall that in 1968 no funds were provided for caucus research bureaux. It was in the fall of 1968 that the Government announced its intention to provide such funds, beginning in the 1969-70 fiscal year. In 1969-70 the amount provided for the Official Opposition was $125,000, and for each of the smaller Opposition Parties—because there was more than one at that time—$35,000. These amounts were originally paid through the Leader's office.

Starting in 1970 the caucus research bureaux were created as separate entities and a Liberal caucus research bureau was added. For 1982-83 the caucus research bureaux received the following amounts—and this is where we see the changes: Liberals, $601,000; Progressive Conservatives, $541,000; and NDP, $285,000.

The Office of the Leader of the Opposition did not have a separate budget until 1980, under the Prime Minister. In 1968-69 the figure for the Office of the Leader of the Opposition was about $87,500; in 1969-70 the Leader of the Opposition received $129,500 and the Leader of the New Democratic Party received $36,000. In 1982-83, under the Prime Minister, the Office of the Leader of the Opposition had a budget of $1,081,400 and the Office of the Leader of the NDP $569,700, both amounts separate from the funds of the research bureaux of the caucuses.

That is a reality that we do not talk about very often, but it is a reality that makes it possible for Members on both sides to come here and deliver better speeches and do a better job as Members of Parliament; or, at least, it should allow them to do a better job as representatives of their constituents.

The point I want to make in saying "thank you" to the Prime Minister is that since 1968 many changes have been made in this place, some of which are more obvious than others, but all of which were most important. They start with the reform by unanimous consent in 1968 of the Business of Supply, going through to this very substantial increase in research bureau funds of each caucus, to the funds allocated for the offices of the Leaders of both Opposition Parties, to broadcasting the debates of this House in 1978, to the increases in our salaries and pensions and to the reform we are discussing today.

[*Translation*]

I would also like, Mr. Speaker, to pay a special tribute to the Special Committee on Standing Orders and Procedure, especially its Chairman, the Hon. Member for Pontiac-Gatineau-Labelle (Mr. Lefebvre), and each of the members of the Committee for having come to a unanimous agreement on changes which, as I noted earlier, match almost exactly those I have always advocated and through which Parliament will better reflect the reality of the eighties. Finally, I want to pay homage to all those, men and women, who have contributed directly or indirectly to this result.

[*English*]

The process of reform of parliamentary procedure is, by the very nature of the institution, an ongoing one. In Canada the first major reforms came only at the turn of the century. It was almost 50 years later that the next major revisions took place. Then in the 1960s a series of committees and experiments, of which our present efforts are a part, began. Since the major revisions of 1968-69 we have had many committee investigations on the matter. We have tried several experiments and have even adopted some permanent changes. Once again, we have before us some proposed experiments and it is interesting to note that one of the proposals is for an automatically continuing committee review of our rules.

The Special Committee, of course, benefited from super-professional assistance from the committee's branch and the table research office and was particularly assisted by the former Clerk of the House, Mr. Alistair Fraser, whose wisdom, experience and subtlety of mind permeates the report.

My predecessor as Government House Leader, Leaders on both sides of the House, and our staffs, some of whom are still with us, some of whom have gone to greener pastures, all contributed in one way or another to this report. Although he was unable to participate in this committee, the report most certainly reflects years of work by the Hon. Member for Winnipeg North Centre (Mr. Knowles).

• (1520)

Finally, although I never had the privilege of meeting the reputed grand master of parliamentary procedure as former Clerk Assistant of the House, one who knew him well told me: "If Gordon Dubroy was alive today, this is exactly what he would have produced".

[*Translation*]

The proposed experiment, Mr. Speaker, is interesting and relevant for three reasons. First, it will help to upgrade the role played by Members of Parliament. It will make Parliament more alive and more effective, without eroding the right of the opposition to a full debate. Finally, the third reason why this experiment will be interesting is that it will update Parliament and give it more respectability in the eyes of the Canadian people. To summarize, the role of Members of Parliament will be upgraded, Parliament will become more alive and more effective without infringing upon the rights of the opposition to a full debate. Parliament will be a more modern institution, more respectable, and more respected by the people, at least I hope so. If we go through the nine proposed changes, we can see that they will have these three results. I believe that every one of the proposed changes will have this effect. Of course, this is more obvious in the case of some changes, but even with the others, we shall have partly achieved these results.

The first proposed change concerns the parliamentary calendar which we wanted to implement for a long time and which our predecessors had already considered when looking at possible reforms. This calendar will finally allow Members of Parliament to plan ahead realistically and will make it possible for the Government to announce in good faith and on a regular basis,—at least three times during a session or at the beginning of each semester,—to Parliament and the opposition its legislative program the weeks and months to come. Of course, this program will not be restrictive and the Government will always be able to add to it, but if we want to benefit from the experience there must be no abuse of changes and I believe the Government is quite willing to make public regularly at the beginning of each semester its proposed legislative program to the Canadian Parliament. At the same time, the opposition will be in a better position to coordinate its strategy against whatever legislation it finds more controversial.

We can see immediately that a parliamentary calendar with three semesters and adjournments at set dates will promote efficient planning both for the Government and the Members of the opposition, and I am convinced that it will make Parliament even more productive, not because the opposition will be more prepared not to debate Government legislation, but rather because it will be able to make a preliminary choice of the subjects it finds most interesting and to use the time allocated to discuss Government proposals and allow passage of less controversial bills, which unfortunately was not always the case under the present system. As concerns this first change, I would also emphasize that the parliamentary calendar will not decrease the workload of Members of Parliament. It will not reduce their hours of work. On the contrary as a result of the changes implemented today we shall sit an average of 175 days a year, while the previous average was 165 days. We shall therefore have a heavier workload and ten more sitting days, and the proposed changes do not limit in any way the daily sitting hours of Parliament from Monday to Friday inclusively.

It is clear, therefore, that this parliamentary calendar will contribute significantly to upgrade the role of Members of Parliament. It should be conducive to better planning, greatly reduce or eliminate many of the frustrations many of us feel—I think that, in that area, the benefits will be obvious—and make Parliament more effective and, therefore, more streamlined and better perceived by the Canadian people.

As to the day sittings, the committee recommended that instead of sitting for two hours in the evening on Monday,

Tuesday and Thursday, the House should sit between 11 a.m. and 1 p.m. Again, this is an extremely positive change, which I have always supported, not only because it will make life easier for Members of the House, although there is nothing wrong in trying to improve the life style of parliamentarians, many of whom are men and women with family responsibilities, but also because it will make it possible for them to work harder in the afternoon than they can now in the evening when they are tired and, consequently, the tone of the debate suffers. Hon. Members will be more available in the evening for committee sittings, which will be more interesting. The smaller committees will sit more often because they will be busier, for reasons I will indicate in a little while. The parties on both sides of the House will also be able to hold special caucuses in the evening without any risk of coming into conflict with House sittings. And finally, Hon. Members on both sides of the House will be able to work quietly in the evening without fear of being interrupted by bells ringing in every hallway of Parliament, of having to cancel public engagements they might have both in Ottawa or in communities located within a reasonable distance from the capital, where they would be addressing the Canadian people, as they are duty bound to do.

The fact that Members of Parliament would not have to sit in the evening will upgrade their role in the sense that they would not have to answer slavishly to the call of the bell until 10:30 p.m. three nights a week, but that after 6:00 p.m., they would be free to come and go as they please, to look after the interests of their constituents, to sit on the standing committees of the House, to participate actively in the special caucuses of their respecting parties, to go and address the Canadian people in many communities located within a reasonable distance from Ottawa. This is an aspect which I feel is extremely positive and which will have a major impact on the way Hon. Members will perform in the House and assume their responsibilities in a more humane and, consequently, more involved, interesting and effective fashion.

The suggestion to limit speeches to 20 minutes, followed by a debate lasting some ten minutes, I find most original. I do not know how the debate will progress. This is a chance which I feel we are taking, and that we are all a little curious and worried about the way this experience will unfold, but as we are people of good will, we all want this experience to succeed, and I am sure that this type of original suggestion will achieve its purpose. Firstly, if speeches are shortened, they will be more interesting and to the point, and secondly, our debates will be livelier. As I was reading part of my remarks a moment ago, some of my colleagues opposite could not help commenting on it, and I realized that I was becoming boring; I quickly moved on to the subject matter of my speech, but as my notes were in English, I wanted to be sure to congratulate all those who deserved it.

• (1530)

But I think that after mid-January the 20-minute speeches will preclude long quotations, make the debates more lively and certainly more relevant since any Member rising to speak may have to answer questions and prove in no uncertain terms that he knows what he is talking about. And then, of course, speeches at the report stage will be cut down to ten minutes; that will speed up the debate and do away with tedious repetitions. The report stage of a bill will be more constructive and we will be able to proceed with third reading much more rapidly.

Another change which will enhance the role of Hon. Members, and make Parliament more interesting and definitely more modern is the fact that votes to be taken on Fridays will be deferred. Considered on its own, such a change is not particularly challenging, but taken in conjunction with others like shorter speeches, the new parliamentary schedule and the proposed over-all reform, I suggest that Hon. Members will be less in a partisan mood on Fridays because, any vote on a substantive matter being deferred, they will probably be more inclined to dispose quickly of the so-called non-controversial bills. It will be possible to clear the Order Paper of the many bills which are often absolutely essential, of a technical nature, or urgent for other reasons. We will be able to pass such bills without the fear of having to call Hon. Members for a vote since any recorded division will be automatically deferred until the following Monday. As a result, Hon. Members will be happier and healthier as well in the planning of their weekend activities in their riding or elsewhere in Canada. They will be having a few extra hours to travel and meet with their constituents in their respective ridings, feeling a lot more alert and less tired by last minute travelling crowded within two days as is the case now.

We are doing away with that parliamentary oddity, Standing Order 43, a move which practically all Hon. Members fully endorse. It is a proceeding which no longer serves any useful purpose, although there still will be a way to move an urgent motion in an institution such as ours. I would suggest however that if a motion is indeed really urgent and important, as Hon. Members are now required to explain in their preliminary remarks under Standing Order 43, I should think that if something very important and very urgent does come up, unanimous consent will be forthcoming without any recourse to a special rule. We will have the usual discussions between House leaders and/or the interested parties with a view to adopting any really important and urgent motion without debate and undue haste. Doing away with motions under Standing Order 43 is in itself a very positive step. Instead, Hon. Members will each have 90 seconds to make a point rather than raise objections.

I think we should try it on an experimental basis because I am convinced that those who want that experiment to succeed will draw maximum benefits from those 15-odd minutes before the Question Period and not make ill use of the time of the

House. I hope that the Chair, mindful of the intent of the committee report, will recognize Hon. Members without any regard for party affiliation and that the time available will be equally distributed between both sides of the House.

With respect to Wednesday afternoon being devoted to Private Members' Business, as in many other instances we would have favoured other alternatives such as Monday morning from 11 a.m. to 2 p.m., or Friday, but we on the Government side have agreed to that change as we did to others so that the experiment could be carried out. Since Private Members' Business will be dealt with on the same day, I hope that Hon. Members who want to introduce bills or move motions will find it easier to better organize their work and plan those measures for a specific day of the week. This might deprive the Government of the choice of one day in allotting opposition days. However, I am convinced that on a special occasion, as more experience is gained, if either the Government or the Opposition wish to earmark a particular Wednesday as an allotted day, this could be done by unanimous consent by agreeing to have Private Members' Business postponed to another day.

Another positive change is the one respecting quorum. Too often, the image of Members of Parliament has been tarnished by someone trying to make political gains out of an unfortunate circumstance whereby some Members happened not to be in their seats, thus preventing quorum. I believe that every time a count was called for lack of quorum, this was a disservice to this institution, to the parties in this House and certainly to Members of Parliament in general. Nobody is to be blamed really, because very often this happened during fierce debate when it was too tempting to avail oneself of the Rules. Those who objected seized this opportunity to express their disapproval and call the public's attention by having Parliament adjourn, because Hon. Members were meeting in committee or phoning in the Government anteroom, or attending to their business and functions. I believe that this temptation will disappear when the suggested change is implemented because whenever fewer than 20 Members are present in this House and an Hon. member calls attention to this and the Speaker is aware of this fact, the House will not be called for a count until the bells have rung for 15 minutes. And in such cases Hon. Members meeting in committees or attending to other Parliament Business will certainly hurry back to their seats in order that the House and committees may work simultaneously.

The other changes also are very important. They deal with the structure of our Standing Committees. Suggestions are made as to Special Committees and the reduction of committee membership in my view will have a most important impact. I, for one, have always supported that change, because it is my belief that a small group can much better and more easily concentrate on an important matter, as evidenced by the Special Committees that were established last year and made reports on matters of current interest. My parliamentary secretary had the privilege to chair one of those on the handicapped. They did tremendous work. They were seven. They drew their report within a reasonable time frame. The same may be said for the Chairman of the Committee on Parliamentary Reform, the Hon. Member for Pontiac-Gatineau-Labelle (Mr. Lefebvre). Experience has shown that smaller and more flexible committees, when entrusted with interesting matters, can have a very positive impact on the development of our parliamentary system, upgrade the role of Members of Parliament, sharpen their interest and ultimately enable this institution to produce much more enlightened measures that better meet the wishes of the Canadian people.

Therefore smaller committees, with 10 to 15 members, would be busier because all reports tabled before Parliament under a statute would automatically be referred to those committees. They would always have bills before them and estimates, as well as those reports tabled before Parliament that do not require special reference. In each of these committees, therefore, about ten members will be able to examine topics they are most interested in and submit reports to this House, to which the Government will have to respond intelligently in a limited time frame and which could afterwards be made public in due time. Finally, this ongoing review of regulations by the Committee on Procedure and Organization also seems to me like a constructive suggestion. I believe that this experience should be evaluated as it proceeds so that we may make adjustments if need be, not to undermine the experiment or long-term parliamentary reform, but rather to make this experimental process easier with a view to bringing about a more efficient, human and modern Parliament.

• (1540)

I would have liked to mention an area which those who deal with parliamentary reform will have to examine during the next few months, namely supply procedure, budget confidentiality, budgetary bills, financial bills and the delays involved as a result of our outmoded procedure which forces us years after a budget has been brought down, to still have to debate bills ensuing from past budgets. I believe this kind of reform now deserves special consideration and a consensus will not be easily reached when it comes to firm conclusions. Not only will such a reform be a challenge, but I believe that is most relevant and that if Parliament is to be in a better position to deal with today's problems, our procedure dealing with supply, the budget and supply bills will have to be updated so that the House of Commons can deal with these matters within a reasonable time. I believe that one of the ways to dispose of bills more quickly and to avoid many delays would be to allow preliminary consultation of all the people concerned before a budget is made public and related bills are tabled.

In closing, Mr. Speaker, I would like to invite all Members of Parliament to make this experiment a success and not to look for anomalies or weaknesses in this proposal, since it is

not perfect as we recognize ourselves and as I think our friends opposite and the members of the Committee also recognize. The rules proposed to this House have weaknesses and unclear elements, and I believe that for a destructive mind, it would be very easy although childlish to prevent this experiment from being positive and successful. I therefore call on the intellectual honesty of all Members and I want to assure them of the sincerity of the Government in implementing the proposed changes so that this experiment can be a success and result in fact in permanent changes to which adjustments may be made. Therefore parliamentarians on both sides of the House will feel more useful in society, will feel truly upgraded and, convinced that it is to their advantage to work in committees and that they can make a difference on legislation introduced in this House. As I said, it would be easy enough to botch the exercise, but to me it would be totally unacceptable and irresponsible. I think that it is merely a matter of credibility, not for the Government, not for the Official Opposition, not for Hon. Members collectively, not for the independent Member, it is a matter of credibility for each and everyone of us. It is a matter of credibility for this institution itself and it is essential as we are experiencing special problems confronting our community and while our economic and social development requires major changes during the years to come. It is essential for a democratic institution such as our Parliament to be in a position to respond to reality and adjust to our modern times, to the eighties. I think that the proposed reform is not the only solution but it is a step in the right direction. At long last, this institution will be operating within the framework of a series of Standing Orders which given the good faith and the practical sense of its Members will ensure a performance that will be more readily accepted by Canadians and will meet their aspirations.

Finally, I hope that this experience and the permanent changes to be implemented at a later date will pave the way to a regular and continued development. I regret that we should introduce by fits and starts such revolutionary reforms which contrast too strongly with the bad habits acquired by Parliament. I think that the suggestion that we let the Committee on Procedure and Organization constantly monitor the implementation of our Standing Orders will from now on allow parliamentary reform to proceed on a daily basis, and develop at a more regular pace without suddenly having every 12 , 14 or 15 years to make recommendations which following some experimentation become a step in the right direction. In conclusion I wish we will all show good faith, goodwill, and a practical mind so that parliamentary reform will become a continued procedure in the process of a normal and regular development to allow once again elected representatives to work proudly in the best interests of their constituents so that our democratic institution may play its true role and increasingly gain the respect of all Canadians.

[*English*]

Hon. Erik Nielsen (Yukon): Mr. Speaker, before the House Leader (Mr. Pinard) resumes his seat, I wonder if he would simply address himself to the minor matter which I raised last Thursday, when we were discussing the day to be set aside for debate of his motion, concerning the implementation of his motion and the experimental Standing Orders. He will recall that we had a House Leaders' meeting later that same day, last Thursday, and I suggested that there be included in the last line but one of his motion, after the word "and", the words "with the approval of the House Leaders". That was to avoid placing the potentially embarrassing discretion with the Clerk of the House to make decisions on his own with respect to technical and consequential changes.

By adding the words I have suggested and to which I understood all three House Leaders had agreed, it would make any additional technical or consequential amendments subject to consultation with the House Leaders before that discretion was exercised. Perhaps the House Leader could address himself to that point.

[*Translation*]

Mr. Pinard: Yes, Mr. Speaker. I can confirm that the House leaders met last week, and we decided that it was unnecessary to amend the motion to make the discretion of the Clerk of the House in drafting the Standing Orders subject to consultation with the House Leaders, but it is, of course, understood that this is desirable, and that if any technical changes are necessary in Appendix C as proposed in the motion in my name, the House leaders, would appreciate being consulted before such technical changes are made, in order to ascertain that the changes are indeed of a technical nature and that the intent of the report remains intact. One example comes to mind, and I may bring it to the attention of the Hon. Member for Yukon (Mr. Nielsen). It is a case of incorrect numbering. It is suggested that Standing Order 6.(4)(a) be amended, while this should be 6.(5)(a).

Mr. Nielsen: 6.(5)(b)!

Mr. Pinard: 6.(5)(b), I beg your pardon. So there is some confusion here. Any changes, must be purely technical, and we want to make sure that we are consulted in any case, before the changes are made, to prevent any change in the spirit and intent of the report. I can therefore confirm to the House Leader that we do have an agreement in that respect. It is unnecessary to amend the motion, and it is understood that the House Leaders would like to be consulted before any technical changes are made.

Finally, I can also confirm that in the last paragraph of my motion, the mandate given to the Clerk of the House to update the Standing Orders of the House of Commons is a restrictive one, since it applies only to Standing Orders incorporating the changes referred to in my motion and covered by Appendix C of the report tabled in the House by the Special Committee on

Parliamentary Reform. I understand that sooner or later, it will be necessary to revise or make technical changes in other Standing Orders which are not covered by the present experiment, but I submit, with due respect, that this is not the time to do so and that such changes are not covered by the present motion.

• (1550)

[*English*]

Mr. Nielsen: I thank the House leader for that clarification and for his commitment with respect to that understanding.

My first words must be of a congratulatory nature to the chairman of the committee and the co-chairman—

Some Hon. Members: Hear, hear!

Mr. Nielsen: —who have done an outstanding job in considering this very complex problem, together with Members of Parliament from all three parties who served on the committee. They approached their job with the determination to bring about this initial change and they are still sitting with that same determination to see that meaningful reform is brought about in our processes and practices in the House. No doubt their future reports will accomplish the objective which we all seek and certainly which we in this Party have been seeking for a good many years, as evidenced by the immediate attention the matter was given by our Government during the short period we were in office. It was the Hon. Member for Nepean-Carleton (Mr. Baker) who tabled a discussion paper, on behalf of our Government, setting forth meaningful changes in the process, and who put down a motion to refer that discussion paper to the Standing Committee on Procedure and Organization.

Some Hon. Members: Hear, hear!

Mr. Nielsen: We are all happy to see that many of his suggestions contained in that discussion paper have now seen the light of day in the changes which have been proposed by the Special Committee.

The House Leader has described the third report as a giant step forward. Reform, as a whole, would certainly constitute a giant step forward. Without detracting one iota from the excellent work of the committee and from our expectations of its future work, I would prefer to describe the third report as a first tentative step. We all look forward with great anticipation to the future reports of the Special Committee, particularly when we get into the heart of reform of this place in the discharging of its central responsibility, namely, the control of the public purse and the accountability of Government to the taxpayers who foot the bill.

The references of the House Leader to the moneys which have been made available to the Opposition Parties and to the Office of the Leader of the Opposition (Mr. Clark) bear one brief reflection. First, it is my understanding, and I believe I am correct, that the budget for the Office of the Leader of the Opposition, at $1.8 million, is a global budget, all-inclusive. I see the Government House Leader shaking his head in the negative, but I believe if he checks he will find that to be accurate. That must also be compared with the budget of the Prime Minister's Office, which, as he well knows, has split away from his own office, the PCO. Our latest estimates in the Blue Book concerning the functioning of the PMO show that it receives $4,196,000, almost three times as much. I might say that that amount is up by $818,000 over the last budgetary period, the last fiscal year, an increase of some 24.2 per cent.

I am attracted by the last paragraph of the introduction to the third report, which is to be found on page seven of *Votes and Proceedings* for Friday, November 5 last. All of my references hereafter will be to the pages of that issue of *Votes and Proceedings*, which I have studied, rather than to the committee report itself. That last sentence states:

> Your Committee unanimously recommends that its proposals be considered together as a whole.

I could not endorse any proposition more strongly. Changes to our Standing Orders and to our practices have a habit of being unable to foresee situations arising in the future, the effect of which is never anticipated by ourselves in a debate such as this or by committee members who bring forward the recommendations.

I might also say that, as I develop my remarks in this discussion, it is my intention to set forth certain understandings upon which we are accepting this third report on an experimental basis and to say, quite frankly, that within that one-year period we expect those understandings to be fulfilled in good faith and in the good spirit intended by the committee in the report. For it is only if the Government and the Opposition act in good faith in the implementation of these changes that they stand even a ghost of a chance of succeeding, as the Government House Leader has said. If that good faith fails on any side, the experiment would be terminated on the specific date set forth in the motion of the House Leader.

• (1600)

I wanted to include in my congratulations to the committee co-chairman and the committee members, and to express my congratulations and the thanks of all Members of the House to the several witnesses who appeared before the committee, some of whom have lived and worked with our practices and our Standing Orders and have been very concerned about the change that is necessary not only to make this place a more human institution, as the Government House Leader describes it so often, but to make it a more meaningful place for Members of Parliament, to make it a place where Members of Parliament as individuals feel that they are making a positive contribution in the discharge of the expectations which were the basis upon which they were sent here by their electors in the first place.

With respect to the former Clerk of the House, he was specifically singled out by the Government House Leader in his remarks. I, too, would like to endorse the fund of knowledge that was made available by the former Clerk to the committee, and to tell the Government House Leader that in a

sense it was the former Clerk of this House who contributed to my presence here today, and that, he made that contribution in 1957 during the first election in which I ran. You might ask him, in a private moment, to explain that to you, Mr. Speaker.

I want to deal with the report generally. It is our feeling that Parliament maintains its power, integrity and prestige by remaining at arm's length from the bureaucracy and the Government. Parliament cannot allow itself to become a pensioner of the Government no matter how benevolent or how well-intentioned. Parliament cannot afford to become the private personal property of whatever Government might find itself in office from time to time.

Parliament is the highest resort of freedom, where free men and women are able to voice opinions and to criticize the excesses of powerful Governments without fear of retaliation. Parliament's independence, if that is to be the case, must be the primary concern of every citizen.

If Parliament is to carry out its mandate of controlling expenditures and overseeing the activities of Government so that the resources of the taxpayers do not become simply an instrument for retaining Governments in power, then Parliament must be free of coercion, intimidation or restraint. Parliament no longer needs to fear the pressure from an all-powerful royal court. Just as inimical to free deliberation is the pressure from a Government which would like to become all-powerful. I say these things without any intention whatsoever of being partisan.

Proposals for parliamentary reform usually aim at gaining more time for Government business and reducing the time available to an Opposition. From my personal viewpoint, the proposals of this committee fall into that latter category because there is no doubt in my mind that the changes contained in this third report are overwhelmingly in favour of the Government.

We, nonetheless, are prepared, on an experimental basis, to adopt the third report in the hope—and we have this sincere hope—that the Government will act bona fide and in good faith in the manner in which it used the excess advantages which they will gain as a result of these changes, and in the singular anticipation that we are going to see further changes in subsequent reports that will result in that kind of fiscal and over-all parliamentary control of Government and the purse strings. Those reports have yet to come.

Let me point out at once that what diminishes the Opposition diminishes Parliament and Parliament's ability to act. It is very clear that if there is to be effective criticism on a continuing basis it will come from the Opposition. Parliament is not strengthened, nor is the public interest served, by Members of Parliament who speak with emotion outside the House of Commons about the iniquity of certain legislation and yet who rise in the House of Commons and vote with the Government simply because they feel that that is their obligation, or that unless they do their careers will be deleteriously affected.

Parliament cannot afford—this is in keeping with those who hold the view that there are certain functions of this place for which there should be freedom to vote as a Member pleases—to have what have often been referred to as trained seals on either side of the House. That is why it is essential that the rights of the Opposition be preserved and that we maintain the capacity of the Opposition to make its position known in the most effective manner possible.

A simple numerical majority does not give a Government the right to ride like a juggernaut over the Opposition. Responsible Government also means taking minority views into account and paying attention to the position taken by the Opposition. Failing that, if we do not accept that principle as lying at the heart of our parliamentary system, we may as well accept, from my personal point of view, a one-party system such as that which now prevails in Poland under General Jaruzelski.

The last major reform undertaken in 1968 had the effect of removing much of the detail of both legislation and expenditure from the control of the House, relegating it to Government-dominated committees about which I will have more to say shortly. Obviously, this does not improve Parliament's capacity to deal with expenditure control.

In recent years we have had repeated warnings from successive Auditors General that Government expenditures are now completely removed from the control of Parliament. A vital brake on the excesses of Government since the days of Charles II has been control of expenditures by Parliament. To all intents and purposes, what those successive Auditors General are saying is that that brake no longer exists.

This is more than a mere question of procedure. It is a question of fundamental democracy, a question of the people's right to know how their money is being spent and to call the Government to account. That right has been lost. It has been lost totally, and that is not an exaggeration. It is one of the most important functions of this Special Committee, and that is one of the principal reasons that we accept on an experimental basis this report.

• (1610)

One of the most important functions of this committee is to regain that right and to regain, consequently, democracy in this country. Because unless this Special Committee comes up with a solution to the problem which has been pointed out by those successive Auditors General, and unless it can come up with that kind of solution which strikes at the heart of the reason for being of this place, then not only it but we will have failed.

I see some distinct encouragement that the committee is grappling with that problem from a very excellent paper which I have studied and which is now before the committee, I believe, under the combined authorship of the Hon. Member for Capilano (Mr. Huntington) and the Hon. Member for Rosemont (Mr. Lachance), who I see listening intently to this debate. It is a good thing to see a member on the Government

side and a member of the Opposition sponsoring, in a common cause, a proposed solution to the very important problem of which I speak. The first thing which must be restored in the procedures of this House is a mechanism whereby Parliament regains control over expenditures.

Coming now to the proposals themselves in the third report, I re-emphasize my agreement with the words expressed by the subcommittee in the presentation of this report, that we should be looking at the proposals as a whole and not piecemeal. I re-emphasize the importance of that and say that is precisely what we will be doing in the coming year. Because within that year I am sure, Mr. Speaker, we are going to see further reports dealing with very important problems, such as parliamentary control over expenditures. We will move cautiously in the meantime. We wait for the total reformation package before making these changes permanent, which should happen well within one year from today, and we may then consider the package as a whole. The dangers inherent in doing otherwise, I think, are so obvious they need not be set forth by me here today.

We are adopting this report now on the basis of an expectation of those reports yet to come which will deal meaningfully with the changes that are necessary. The Opposition, by this interim report, this third report, are being asked to give up a great many protections while the Government is giving up virtually nothing. As an example, the Opposition generally loses its power to delay or even block unacceptable legislation. In the meantime, the Government gains very substantially in terms of parliamentary time which the Opposition must surrender.

The adoption of the parliamentary calendar, while perhaps justifiable on a strictly experimental basis, and certainly justifiable for the convenience particularly of those Members who have families and long distances to travel, certainly adds something in the order of ten days, as stated by the Government House Leader; but I think it is more in the nature of in excess of three weeks' time which will be available to the Government. This would be tolerable if the Government showed some inclination to bring Bills forward in a proper and efficient manner, but we have seen nothing of that in the over 400 days we have been sitting in this session. After more than 400 days in the present session, we are faced with Ways and Means proposals arising out of three different budgets, some at cross-purposes with each other in a kind of confusion and chaos that no amount of rules changes or goodwill on the part of the Opposition can cure. Sitting on the Order Paper today are something like 46 or 47 Ways and Means motions, the product of three different budgets. This is simply bad management on the part of a Government which really does not know where it is at or where it is going in terms of its fiscal policies. The point I raise is that no procedural reform can make up for incoherence, lack of planning and lack of direction on the part of the Government.

Since this is the first opportunity I have had since last April to do so, I would like to refer to the episode of the energy omnibus Bill which was dumped into the lap of Parliament with the expectation by the Government that the House was prepared to deal with a package which wrapped up something like 12 separate legislative enactments in one hydra-headed Bill. That is not the way I understand Parliament, and I believe that is a view shared by all in my Party.

I know that the Special Committee is grappling with this problem, and, indeed, it is a problem to try to spell out criteria upon which omnibus Bills are designed or criteria which will prevent abuse of the device of omnibus Bills. We expect great things from the Special Committee when dealing with that subject matter, as we do when it deals with the subject of parliamentary control over expenditures. But no Government, no matter what pressures might be upon it to get their legislative programs through, is entitled to abuse Parliament to the extent where they confine us to divide once on a plethora of measures involving several principles upon which divisions could very well be different on all.

We are prepared to provide the Government with extra time through a parliamentary calendar if there can be some assurance that the Government will make use of that time in an appropriate way. We expect the Government to bring down a legislative program in keeping with the needs of Canadians, having regard to the very pressing economic, personal and human problems which are confronting Canadians in our country today. We expect to have the broad lines of that program in plenty of time to be able to deal effectively with it and for the opposition to make a positive contribution. So far we see no evidence that that is going to be done and, presumably, that also is going to be the subject of future reports of the committee.

There is a proposal to restrict votes on Friday. There are some concerns which I feel should be expressed with respect to that proposal. Nothing benefits a Government more and an Opposition less, given our existing practices and procedures, than predictability. One of the few weapons which an Opposition commands to prevent Government abuse of power is the lack of that predictability. One of the abuses which is open to them—and we are willing to run the risk to see if the good faith the Government House Leader speaks about will be displayed—is that the Government could schedule termination of controversial debates on a Friday knowing full well there would be no vote on a Friday and knowing also full well that that vote would be set over to a Monday. Therefore, if the good faith of which the Government House Leader spoke is not present in the experimental period, it could ensure that Fridays will become some kind of repository for ending controversial legislation, enabling the Government to put over votes on such legislation until the following Monday.

• (1620)

Another thought that occurred to me over the weekend is this. Supposing the summer session ended on a Friday and we were dealing with legislation requiring a vote. Given no unanimous consent, would that mean that all those votes would be put over until the fall when we came back? The possibility is there in the rules. I do not mention that for the purpose of nitpicking, but just to confirm what the Government House

Leader has said, that the proposals are far from perfect even as they stand now.

Mr. Pinard: That is the problem.

Mr. Nielsen: He acknowledges the problem. This is the kind of procedure which has inherent dangers which require a very careful look.

I do not know whether I heard the translation correctly when the Government House leader was winding up his remarks, but he referred to an experimental period for the adoption of the changes proposed in the third report, which would become permanent at the end of the year. I am sure I must have heard wrongly or that it came across wrongly. That happens to me often.

[*Translation*]

Mr. Chrétien: Why does my hon. colleague not speak French?

[*English*]

Mr. Nielsen: Well, I do not speak French all that well. I certainly know what the Minister is saying about me in the elevator, though!

In any event, we have to look at these changes very carefully. I really see no requirement for increasing to three hours the time required for giving notice under Standing Order 26. It is there and we are going to support it on an experimental basis, but I think its flaws will show themselves very quickly.

As for Standing Order 43, from my personal point of view there is no doubt of its usefulness in getting special attention drawn to special issues. I was rather surprised when I looked up the record a week ago to find that since the beginning of this session some 170 motions made under Standing Order 43 have been adopted. I could not believe that. I thought I had either miscounted or misconstrued, but looking through the Order Paper it is just fantastic the number that have gotten through. In any event, I agree that the procedure is rather useless and I do not think that the statements of a minute and a half are going to much lessen the farce. I would far rather like to see that 15-minute period used for extending Question Period. However, it is worth a try and we will see how it works. If it does not work I would suggest the committee go back to the drawing board and consider including that period as part of the Oral Question Period, making it a total of an hour.

Now, Mr. Speaker, in agreeing to shorter time limits on speeches the Opposition is giving up a considerable amount of time. Again, this could perhaps be more palatable or tolerable if we could expect the Government to bring forward a legislative program in some sort of planned way, but we see no evidence of this. By my calculations, and dealing only with the combined Opposition, the limitation on speech times has resulted in reducing the total available time in any debate from 4,080 minutes to 1,053 minutes, or a reduction at second reading stage of some 74.20 per cent. That is a considerable amount of available time to give up. At report stage we are giving up 50 per cent of the time and at third reading stage some 25 per cent of the time. The Government gains all that time and in return there is precious little except for perhaps the most significant proposal by the Special Committee when it deals with the work of our standing committee system. But there is no significant giving up of anything to achieve that balance between Government and Opposition which is so essential.

So on average, sir, this one device of limiting speaking time results in transferring some 49 per cent of the Opposition's over-all time to the Government, and I do not believe that this can be described as an improvement in procedure. I can describe it as something with which we are prepared to go along because the issue parliamentary control over expenditures is so fundamental and important that we are prepared to go along initially with this report to see whether that is going to happen. If it does not happen, then that understanding upon which we are accepting this report will have failed and the experiment will, with great reluctance, have come to an end. So I am putting great store in that Huntington-Lachance paper on expenditure control, as we all are on this side of the House.

On the question of committees, I do not believe that our problem in the past has been too many members, although that always is subject to improvement. Perhaps we have too many committees, some 26 standing committees of the House of Commons now, and I think that once we solve the problem of Members, we will solve the problem of substitutions. Right now there are standing committees of the House which overlap, which cover the same territory, and there are committees which meet so infrequently that they constitute scarcely more than a nullity in our process. So this implies a need for tightening up the number of committees required to conduct the business of the House of Commons, and perhaps that is one of the matters the Special Committee will be looking at as well.

The proposal which the Government House Leader had so much praise for a moment ago, the automatic referral of annual reports, is one significant change which is beneficial. It is not just the annual reports which have automatic referral, but to use the words of the changes in the Standing Order, it includes all annual reports of Government Departments, Crown corporations, including their subsidiaries, and other agencies, which are to be referred to the appropriate standing committee. It also includes returns or other papers that are laid before the House in accordance with an Act of Parliament.

I see two very serious difficulties with that. Perhaps the most serious, and I think this may well have been overlooked by committee members, is that even given the very desirable change in the Standing Order, there is no mandatory provision for the committee to meet. If the Government does not wish the committee to meet, it will not meet. So that addresses itself again to the good faith that we are expecting the Government to exercise in causing these committees to meet immediately. As soon as the session opens, those standing committees should be struck and should be meeting. In the interim the Special

Committee should be considering, in one of its forthcoming reports, proposing an amendment to our Standing Orders which will make it obligatory for these committees to meet and not leave it to the whim of the Government. I do not suggest that such a thing would happen, but a Government could abuse that change. It might be embarrassing to let the standing committee, which might have, for instance, responsibility for looking into contracts in Banff National Park, meet at this particular time. That obligation should be there, but it is not there now.

• (1630)

The second omission that I see in the automatic referral is that time and time again, notwithstanding the existence of statutory law requiring annual reports to be tabled within a specific calendar time, those reports and papers have not been tabled and the returns have not been made. I have seen annual reports of Crown agencies that were supposed to be tabled within a fiscal year not tabled for two years. So much for automatic referral of annual reports if the law is disregarded in the first place. In that case, the committee has nothing to review.

The third weakness I see is that the requirement that the Government must respond to the report of the committee is only triggered if the Government majority on the committee requires the response. If you look carefully, Mr. Speaker, you will see that the response is at the request of the committee. The committee is going to continue to have a Government majority, and unless that majority agrees to require a response by the Government, that is not going to be forthcoming. I do not suggest for a moment that this would happen, but in the past I have known of committee chairmen from the Government side going to a Minister and saying that the committee has in mind to recommend such and such a thing, and would he find that embarrassing or would he accept it? I can see a Minister saying that the action would embarrass him considerably and asking the committee not to make him respond. That requirement is rather toothless, therefore.

I hope the Special Committee will address those concerns. If it is serious about improving the committee system, it will make meetings of committees obligatory.

I do not know how you can improve a law which requires annual reports to be tabled by a specific date. I hope the committee will address itself to that problem and to the question of the Government majority emasculating the requirement of Government response to committee reports.

With respect to special committees, I am quite puzzled by the proposal which would authorize a member of the committee or authorize the committee to make public interim and final reports, even though the House is not sitting. I find that rather surprising. What the House is authorizing, if the proposal is adopted, is that a special committee of the House could report to the media instead of to the House. If that is what the majority of Members want to try for a year, we will see how it works.

I want to return for a moment an aspect of to this automatic referral of annual reports that I did not pick up in my first remarks on the subject. On page 19 of the report, after the reference to Standing Order 41, there appears the following:

"(4) Reports, returns or other papers laid before the House in accordance with an Act of Parliament shall thereupon be deemed to have been permanently referred to the committee designated by the Member tabling the report, return or paper."

We know that only Government members can table reports, returns or papers; Members of the Opposition cannot table anything. This is a substantive change which I am not sure committee members wanted to make. At present such reports, returns and papers may be tabled only by Ministers or their Parliamentary Secretaries. What we are doing here is authorizing any Government Member to table a report and refer it to any committee he or she pleases. Perhaps that was not the intention. Perhaps the reasoning was that a Minister or a Parliamentary Secretary is also a Member. I want to point out the procedural difficulty, however, if a Member who is not a Minister or a Parliamentary Secretary were to discharge that function, which he or she would be perfectly entitled to do as a result of that change.

I want to make sure that Members appreciate what they are doing, on the adoption of this report, with respect to Private Members' Business. Because this session has lasted as long as it has—the longest in our history at well over 400 days—Private Members' Bills have not been discussed since March 24, 1981. When it comes to dealing with Private Members' Business in the House, this is one area where I believe the Government or the Opposition has no right to interfere. Private Members have precious few legislative privileges. Private Members' hour has traditionally been the time in the whole process which is peculiarly the property of Private Members.

Since March 24, 1981 Private Members have been denied the right to debate Bills. All they have had is Thursdays and Fridays; in effect, what they have been denied is two hours per week. In the first Supply period of the three semester periods, 40 hours of Private Members' time has been denied since March 24, 1981. By the change proposed in the committee report, which we are prepared to try for an experimental year, Private Members lose one hour per week. Three hours on Wednesday is all they will get. There will be no more Private Members' time at any other time in the week. Ordinarily, in the Supply period they would get four hours per week; this ensures them three hours per week, or 40 hours in the first supply period. But since March 24, 1981 we have lost that time.

I want Members to be very clear about what they are giving up and to suggest that they give up that time for a year, to try it out and see if it improves things. I suspect our Special Committee might want to take another very hard look at that. Speaking as a Private Member, I feel I would give up that right most reluctantly when it comes to the confirmation or otherwise of this experiment a year from now.

I want to deal with the quorum for a moment. There have been some misguided souls who fancy themselves as experts on

the procedures and practices of this place. They have published articles and/or editorials which conclude that the changes proposed with respect to the quorum would prevent forever more a repeat of the tactics that were employed to stop the energy omnibus Bill. Nothing could be further from the truth. As I understand it—and I am sure that it was the intention of the committee—it is a 15-minute bell so that the House sitting is not terminated simply because some over-zealous Member calls for a quorum when someone may be out having a coffee. It is meant to call a quorum together when our numbers fall below a quorum and we are considering some order of business. That is as far as the change goes, and I am happy to see the chairman of the committee nodding his head in agreement.

• (1640)

I think it is a great amendment in favour of the Government, but I would caution the Government that it should not become too lax as a result of having this luxury of a 15-minute bell and not have its Members in here to meet it. We have all seen in the last couple of weeks what can happen if the Government does not fulfil its responsibility to have a quorum here; the Speaker simply adjourns the House until the next day.

While I think of it, I also caution the Government, in its sincere effort at encouraging this kind of good faith of which all Parties speak in trying to make this experiment work, that it should also think twice before doing things without a quorum in the House.

Let me simply conclude by saying that we are accepting the third report with caution and on the understanding that the expectations inherent in the spirit of the report and spelled out in what the committee intends to address itself to in the future will be achieved. Unless there is substantial and meaningful reform which will restore to this place fiscal accountability, there can be no question of making these changes permanent. If we have the kind of meaningful reform which will restore to the people of Canada and their elected representatives through this institution the parliamentary control which must exist if democracy itself is to continue, then the changes in the third report have a chance of becoming permanent.

Some Hon. Members: Hear, hear!

PROCEEDINGS ON ADJOURNMENT MOTION

[*English*]

SUBJECT MATTER OF QUESTIONS TO BE DEBATED

The Acting Speaker (Mr. Corbin): It is my duty, pursuant to Standing Order 40, to inform the House that the questions to be raised tonight at the time of adjournment are as follows: the Hon. Member for Winnipeg-Assiniboine (Mr. KcKenzie)—Garrison Diversion—Reported approval of project by United States. (b) Inquiry whether steps taken to deter action in U.S. Congress; the Hon. Member for Burnaby (Mr. Robinson)—Customs and Excise—Evasion of duties by Amway Corporation. (b) Request for details of possible settlement; the Hon. Member for Ottawa-Vanier (Mr. Gauthier)—Convention Centres—Financial contributions to development of Rideau Centre.

GOVERNMENT ORDERS

[*Translation*]

STANDING ORDERS AND PROCEDURE

THIRD REPORT OF SPECIAL COMMITTEE

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

That, commencing at 5.59 o'clock p.m., on Wednesday, December 22, 1982, or, as the case may be, at the time that the House concludes its consideration of Government Business on that day, the temporary changes to the Standing Orders set forward as Appendix C of the Third Report of the Special Committee on Standing Orders and Procedure, tabled Friday, November 5, 1982, shall take effect;

That the proposed changes in the Standing Orders shall be applied in the spirit expressed in Part II (entitled "Recommended Experimental Changes") of the Third Report of the Special Committee on Standing Orders and Procedure;

That, subject to future Order of the House, the said temporary changes to the Standing Orders shall cease to have effect at 5.59 o'clock p.m., on Wednesday December 21, 1983, or, as the case may be, at the time that the House concludes its consideration of Government Business on that day;

That, subject to the provisions of this Order, the dates and times of the commencement and cessation of the effect of the said temporary Standing Orders shall be valid whether or not the House is sitting; and

That the Clerk of the House be authorized and instructed to print revised and re-numbered Standing Orders of the House incorporating the temporary Standing Orders and any technical or consequential amendments necessary.

The Acting Speaker (Mr. Corbin): The Hon. Member for Rosemont (Mr. Lachance), on a point of order.

Mr. Lachance: Mr. Speaker, I wonder whether the Hon. House leader of the Official Opposition would agree to my asking him a question.

[*English*]

The Acting Speaker (Mr. Corbin): Would the Hon. Member for Yukon (Mr. Nielsen) accept a question?

Mr. Nielsen: Certainly.

[*Translation*]

Mr. Lachance: Mr. Speaker, the Hon. Member for Yukon (Mr. Nielsen) has dwelt at great length on the question of automatic referral of annual reports of departments and Crown corporations to the various standing committees to explain that he saw a problem if these reports were late.

Would he not agree with the members of the Committee that referral of annual reports would enable standing committees to initiate their own enquiries, and that in any case, the annual report remains before a standing committee until the next annual report is submitted, and that any technical delay in producing the report does not change the fact that the committee continues to have the right to initiate its own enquiries?

[*English*]

Mr. Nielsen: Mr. Speaker, I hope the Hon. Member for Rosemont (Mr. Lachance) does not get me wrong. I think it is an admirable change. One of its weaknesses is that we do not get current annual reports when they should be tabled. If that problem could be met, it would almost be a perfect change, were it not for the more serious one of the committee not being able to meet on its own initiative but relying on the Government to allow it to meet.

Let me just leave the Member with one example of the more serious problem. Under Standing Order 65(1)(t) we now have a Standing Committee on Northern Pipelines which specifically has referred to it documents and papers under four specific sections of the Northern Pipeline Act. Despite repeated requests from the Opposition for that Standing Committee to meet since the beginning of this session, over two and a half years, it has not met because the Government has not allowed it to meet. Yet it is empowered specifically to look into specific papers that are required to be produced under a specific Act of Parliament. Without the ability to meet on its own initiative, the change is pretty meaningless.

Mr. Bill Blaikie (Winnipeg-Birds Hill): Mr. Speaker, it is a great pleasure to be able to speak on behalf of my Party this afternoon and also as a member of the Committee on Parliamentary Reform to the motion of the Government House Leader that the parliamentary reform package recommended by the third report of the Special Committee on Standing Orders and Procedure be adopted for the year 1983. I will try to do my best to match and transcend the enthusiasm which the Hon. Member for Yukon (Mr. Nielsen) demonstrated for the package. I look forward to hearing from other Members of his Party who will hopefully be more enthusiastic about what potential there is within this package for parliamentary reform, not just those reforms which are contained within the package but also those made possible down the road by the actions we are taking today. I will have more to say about that later.

I think we ought to stress, not in as tentative a way as the Opposition House Leader but in a positive way, that this is an experiment, that this is an interim report, and that these are the things the committee when it met thought it could come to an early consensus on and get before the House for its consideration. I am very pleased that we were able to do it, that we were able to put something before the House this fall, and that the three Party caucuses have had the wisdom to allow this to happen so quickly.

The adoption of this report by the House will break the ice on parliamentary reform. I am reminded of the ice that was caked around my car when I arrived at the airport today. The experiment will break the ice on parliamentary reform and make other things more possible down the road.

Members of the committee know that the report is imperfect and that indeed there may be things we will find out as we go along which were overlooked. There will be unforeseen consequences of the reforms and other things which need to be straightened out as we go along. It might even be somewhat chaotic, but it will be a creative kind of chaos rather than the paralysing chaos to which we are so often treated in the House of Commons as it now operates. Whether or not the chaos is creative will depend upon whether the goodwill continues, the goodwill which made the unanimous report of the committee possible, which existed in the committee and exists in the House to the extent that we were able to come to an agreement to deal with it today and implement the experiment as of January, 1983.

There will have to be the will to make parliamentary reform actually work. This is why I hope there will be more enthusiasm on the part of the Official Opposition as a whole than I felt the Opposition House Leader demonstrated for the proposals. I do not think we ought to go into them on quite the tone he demonstrated, because I think it is very important for the life of Parliament and the life of the House of Commons, about which I know the Hon. Opposition House Leader cares, that we go into this area on as positive a note as possible.

If the goodwill breaks down and the Government decides not to call committees into existence to exercise their new powers, it will be a breach of faith for which the Government will be responsible. The Government will hear about it if it acts in such a way as to make these reforms unworkable. Many of the possibilities which are contained in this package will not actually come to fruition if the Government stands in the way, but I do not think the Government will do that. I certainly hope it will not. I do not think the Government would have agreed to these reforms if it were the Government's intention to stand in the way of allowing them to be given a real try. But only time will tell.

• (1650)

Adopting this report today is crucial in terms of looking down the road, in that it makes the rest of the committee's work more meaningful. In my view, it would have been very difficult for the committee to have carried on looking at very difficult issues; for instance, the speakership, the supply process and the whole question of accountability of the Government to Parliament for its expenditures. We could not have moved into this area as a committee had we not had the feeling that there was enough concern in the House for parliamentary reform to at least experiment with the package on which we are agreeing today.

I quite agree with those who have said that this is no radical reform. This is not something about which we should be beating our breasts all that loudly. But it is an important first step. It is not just a tentative step; it is a step about which we can feel a great deal of satisfacton. Nevertheless, we have to

see it for what it is. It is something that will break the psychology of despair about parliamentary reform which I have noticed, even being here only three and one-half years, has existed for some time, and particularly since the failure of the 1976 parliamentary reform committee. Thus, this is something from which we should take some satisfaction as a House of Commons today. This kind of opportunity presents itself so rarely, and I hope this is the beginning of something even more significant than the specific reforms that are contained within the package.

If we have difficulties down the line with recommendations that are in the package, committee members will be around to interpret the spirit of what the committee had in mind when it made its recommendations.

I hope the House Leaders and others who have to deal with the reality of these reforms will feel free to consult with members of the committee from time to time as to what we intended by this parliamentary reform, or to find out what was in our minds if we have not described it perfectly in the recommended Standing Orders.

This is one occasion for me, and I am sure for others on the committee, when I felt that Members of Parliament acting together could make a difference. In other words, Members of Parliament acting together made recommendations in such a way that the Government took steps to bring them into being.

One of the objects of parliamentary reform is that Members of Parliament can feel that they can make a difference when it comes to policy. We do, however, have a long way to go on that road. But 20 Members of Parliament got together, made recommendations and had them accepted, which means that a difference has been made. Therefore, we have given an example of what I would call parliamentary reform.

I think those who are concerned about things to come, as far as parliamentary reform is concerned, ought to take a look at the document that was mentioned, the so-called Huntington-Lachance position paper on accountability. It is called "Closing the Loop". This document is available to Members of Parliament and also to the public through the minutes of the Special Committee on Standing Orders and Procedure.

It seems to me that where the real problem lies is in making the Government more accountable to Members of Parliament for its actions. This is something which unites all Members of Parliament, regardless of the ideological differences that exist between Parties and individuals. We may want to make the Government accountable for different things. We do have different interests in what we want to pursue in terms of accountability, but it is in the interests of all Members of Parliament that the Government be made more accountable. That is certainly one of the most important areas with which the committee will deal. Adopting this report at this time will, I hope, create the kind of momentum which will result in subsequent reports of the Special Committee being taken more seriously, instead of finding their way on to shelves to collect dust.

I do not intend to speak much longer but instead make myself available as a member of the committee for any questions that Hon. Members might have about what was intended by particular reforms. I must say I am somewhat disappointed that there are so few Hon. Members present for this discussion; it is a discussion since we do not expect a division on this matter. It is disappointing that there are so few Members around even to mark the occasion. When I subtract members of the committee who are present here in the House from the total number of Hon. Members present in the Chamber, it seems that not very many Members hunger and thirst for more knowledge of what the committee had in mind with its recommendations.

The first few sections of the recommendations in the report have to do with the parliamentary calendar and timetable. To a great extent, that has been gone over. The parliamentary timetable is important in lending a degree of predictability to the planning of Members of Parliament. However, this does not only apply to Members of Parliament; it lends predictability in terms of timing to the political process and to the lives of everyone connected with the political process and with the life of Parliament. I think this particular reform will be beneficial and I am looking forward to seeing how it works out. The parliamentary timetable, however, is not particularly contentious.

I do want to speak about the length of speeches and the proposal within the report to curtail speeches to 20 minutes. Speeches previously were given a time limit of 40 minutes. If I use 40 minutes, Mr. Speaker, it is because I am taking advantage of my last opportunity to do so. Speeches which were formerly 40 minutes in length will now be reduced to 20 minutes, to be followed by a ten-minute question period.

The object of this change is to restore to Parliament, in a structured way, actual debate. There was a feeling among witnesses who came before the committee that the Commons was being treated to a constant string of set speeches and there was not enough cut and thrust back and forth between Members. By adding on this ten-minute exchange period Members might deliver the kinds of speeches which they could defend in a subsequent ten-minute question and answer session. We would also have the opportunity for more genuine debate.

• (1700)

This is another example of reform that will depend on two factors. One is the way Members use the debate and the custom which develops from this debate. The other factor concerns the discretion of the Chair. I, or I believe anyone else on the committee, do not foresee a Member rising to speak for nine out of the ten minutes in a rebuttal while the Member who originally spoke would only have a minute to reply. The purpose is for a Member to make a brief comment or ask a brief question, which could happen perhaps as many as four times within that ten-minute period in response to comments or questions which may have been raised during another Member's speech. I believe that that was what the committee

was considering. It was not simply to replace 40-minute speeches with 20-minute speeches that were interspersed with 10-minute speeches. The purpose was to alow time for real debate.

I also want to comment on Standing Order 43. This was a difficult subject for the committee to deal with. We probably spent more time on this than we did on the other questions. We felt that the difficulty with motions under Standing Order 43 was public perception of them, especially since the proceedings of the House of Commons are now televised. These motions are incomprehensible to many people watching. Some of the motions which are moved during that 15-minute period before Question Period debase the language of "urgent and pressing necessity". As well, the requests for unanimous consent and the denial of that unanimous consent, particularly when motions were worded in such a way as to be obviously acceptable, gave the impression that Parliament was being negative toward quite otherwise positive statements made by Members. Therefore, we felt that the entire concept of Standing Order 43 needed to be reformed.

We considered what the actual purpose of motions under Standing Order 43 was. We felt that Members needed an opportunity to bring their concerns about particular issues of the day before the House on a regular daily basis. What eventually happened on motions under Standing Order 43 was that this Standing Order became the vehicle by which these concerns were expressed. The kernel, the importance of these motions is that they allow Members the opportunity to put themselves on record on a regular basis and bring to the attention of other Members, the House, their constituents and the country their opinions on particular issues or on the Government's performance.

We hope that this period of Members' statements will accomplish this better. It will be interesting to see how it works. There will be fewer statements than motions under Standing Order 43, but I hope that these statements will be more substantial. I am looking forward to that.

Real reform will continue to occur only if this mood for reform which presently exists continues and the work of the committee continues, and the House remains receptive to its subsequent reports.

I do not think this is an experiment which is overwhelmingly in favour of the Government. I disagree with the Opposition House Leader in that respect. I believe it is a balanced report. We discussed many of the matters which were raised by the Opposition House Leader. We reviewed all of those arguments as an all-Party committee. We came up with these recommendations and agreed that it was a fair package. I hope we can approach it in that light. Since the Government bears a great deal of responsibility, we hope that it will continue in good faith and that we will be able sometime to look back at this change and see this day as the beginning of more significant reforms in the Canadian House of Commons.

In keeping with what I said previously, if there are Members who wish to ask me questions about the committee's report, I will not yield my time until it is clear that there are no Members who wish to ask questions. In that case, I will assume that I have overwhelmed them with my remarks and that no more needs to be said. I also look forward to hearing from the chairman of the committee since I understand he is next to speak.

Mr. Smith: Mr. Speaker, I rise on a point of order. Now that we have completed the first round of speakers, one speaker per Party, I believe there is an agreement between all sides of the House that we have a 15-minute time limit. This is to provide a number of Members an opportunity to participate in this debate. There was an agreement to exempt the chairman and the vice-chairman from that time limit, but they have volunteered to accept the 15-minute time limit to demonstrate their great desire for shorter speeches. I believe the House will agree.

Mr. Baker (Nepean-Carleton): Mr. Speaker, I looked over to see whether the chairman of the committee, the Hon. Member for Pontiac-Gatineau-Labelle (Mr. Lefebvre), was agreeable to be bound. He is. Therefore, I and my Party are agreeable.

Mr. Deans: Mr. Speaker, we are also quite prepared to stay within a 15-minute time limit. It is good to see such co-operation in the House of Commons.

Mr. Deputy Speaker: Subsequent speeches in this debate will be limited to 15 minutes. Agreed and so ordered.

[*Translation*]

Mr. Thomas H. Lefebvre (Pontiac-Gatineau-Labelle): Mr. Speaker, I am very proud, today, to have this opportunity of taking part in the debate on the third report of the Special Committee on Standing Orders and Procedure. I greatly appreciated the kind words spoken on my behalf by the Government House Leader and the House Leader of the Official Opposition. Instead of elaborating on the report's recommendations, I would prefer to take this opportunity to explain the Committee's approach to its mandate, to point out the general direction of the reforms and to outline the Committee's agenda for the coming months.

The Committee started its work rather tentatively, with a first meeting in July. Although all Committee members favoured reform, it was clear that Hon. Members did not have the same views on what the Committee's agenda should be. Some wondered which questions should become the focus of immediate reform, and how much time should be spent on this by the Committee. Committee members also wondered whether they should be informing the general public about the role of Canada's Parliament. Subsequently, the Committee tried to project its ideas on reform. During our initial proceedings, we held internal discussions, without witnesses, about our own perceptions of the need for reform and how we perceived the various roles that all Hon. Members and Parliament play in the daily lives of Canadians. Later, we listened with interest to a number of expert witnesses, all of whom made invaluable

contributions, although I would like to mention a few whose participation was particulary appreciated, especially in the production of the report before the House today.

Representatives of the Canadian Bar Association were the first witnesses to appear before the Committee, and they helped us to clarify our concepts of parliamentary reform. Dr. John Stewart of St. Francis Xavier University gave us the benefit of his knowledge, not only as an academic but also as a former member of this House. Justice James Jerome, former Speaker of the House, helped us to put our ideas in their proper perspective. However, we owe a special debt of gratitude to a former Clerk of the House, Mr. Alistair Fraser. Mr. Fraser appeared before the Committee and gave us such excellent ideas that we asked him if he would give us the benefit of his services by becoming Special Adviser to the Committee. The changes in the Standing Orders that will become effective as of December 22 of this year, as recommended by the Committee, reflect the quality of his advice and the appreciation of his suggestions.

I should also like to mention our Senior Clerk, Mr. Robert Marleau, who helped a great deal in planning the Committee's work and organizing the support staff, which did a tremendous job. Mr. Philip Laundy and all the Library of Parliament staff provided invaluable and very substantial assistance. Mr. Speaker, when the President of the Privy Council (Mr. Pinard) announced in June that this Committee would be formed, he was keeping his word, because I remember clearly that as soon as he was appointed Government House Leader, he came out in favour of parliamentary reform and announced that he intended to start the process during his first term. The fact that we have now approved the Committee's recommendations demonstrates that he was sincere. That is entirely to his credit, and I am pleased to offer him my sincere congratulations.

Mr. Speaker, when my colleagues on the Government side asked me to chair the Committee's proceedings, I knew I was taking on an extraordinary challenge. I admit that I thought about it for some time before I accepted, not because I was intimidated by the challenge, but because I wanted to be sure that all parties were taking seriously the need to change our Standing Orders and procedures. As we all know, Parliament is going through a very difficult period and our credibility is at stake. It was therefore not unreasonable to wonder whether it was possible to find twenty members representing the three parties in the House, a team that would be able to reach a consensus so that the Committee could table a unanimous, serious report with realistic recommendations, with the hope of gaining the approval of all parties so that the recommendations could be implemented in the near future.

Mr. Speaker, I soon realized that all three parties were serious and sincere when I saw the list of Hon. Members sitting on the Committee. My nineteen colleagues on the Committee reflect, I believe, the aspirations of Canadians from all parts of this country and include a number of former ministers, experienced members of Parliament and also newly elected members. This is a splendid team. I am very grateful to them, first of all for having elected me as Chairman of the Committee and second, I am grateful for their sincerity, their dedication and their commitment. The fact that the Committee's report has met with the approval of all parties in this House proves that Committee members have done an extraordinary job, and they deserve the congratulations of all their colleagues. I also wish to mention the invaluable assistance I received from the Committee's two Vice-Chairmen, the first being my colleague, the Hon. Member for Nepean-Carleton (Mr. Baker), former minister in the Progressive Conservative Government.

• (1710)

[*English*]

This Hon. Member showed on many occasions that he could rise above political partisanship and demonstrate his love and respect for this institution in helping us arrive at these recommendations. It was personally rewarding to me to have the opportunity of working with him.

I would also like to mention the great help brought to the committee by the knowledge of the Hon. Member for Hamilton Mountain (Mr. Deans). It was important that our recommendations reflect the concerns of the third Party and his interventions assured this to the committee. Both of the Hon. Members helped to make my task much easier. This report reflects their commitment as well as that of all the other Members.

I would like to make special mention of the constant presence and participation of the Hon. Member for Notre-Dame-de-Grâce-Lachine East (Mr. Allmand), who was not a member but attended every meeting and participated. After hearing witnesses, we spent some time allowing members of the committee to restate their concerns with regard to reform. During this process, it became evident to me that we were beginning to function, not as a committee made up of partisan MPs, but rather as Parliamentarians concerned about the health of this institution. We all had a common goal of effecting meaningful and constructive changes in an atmosphere of collegiality and based on consensus. The attendance of the members of this committee was well above the norm in all my years of experience here, and their interventions in debate always had a very high standard. Again, I wish to stress the fact that the House has benefited because the people on the committee acted as Members of Parliament and not as representatives of political parties. I am amazed at the great quantity and high quality of work which can be done when this is the case.

The first series of meetings allowed us to identify the issues of reform. We then realized in subsequent meetings that there were certain reforms which could be implemented immediately while others would require further study and perhaps the summoning of further witnesses. We determined that it was important to have a beginning to the reform process and, for that reason, submitted the report and committed ourselves to subsequent reports to follow.

The changes suggested in the report, while allowing the Government to govern, addressed the balance which must be maintained to enable a Member of Parliament effectively to represent the electorate. These reforms will enhance the role of the Member in the House of Commons debates and in the committee system as well.

I would like to mention briefly some of the recommendations. The first is with reference to the fixed dates for sittings or the parliamentary calendar. Finally we will know and, more importantly, Canadians will know when their Parliament is in session. After 115 or 116 years, the Canadian people will know. The parliamentary calendar will enable all of us, whether in Government or in Opposition, to plan our activities more rationally and effectively.

Concerning the item on the length of speeches, the committee feels that the implementation of the recommendation of shorter speeches with a short debate following will greatly help in making this forum more lively and, especially, more relevant.

With regard to the subject of committee reform, it has long been felt by most of us that the committee system needed revamping, and quickly. Our proposals point the way in helping to make the role of the PM more meaningful and important through committee work.

I would like to draw attention to the fact that, with regard to the future, we in the committee view this report as only a beginning, yet a very important and meaningful beginning. I would like to assure Hon. Members that we are still working and have committed ourselves to at least two or three further reports.

The section of the report dealing with the future does list a number of matters with which the committee will be dealing as its meetings continue. The future report of the committee will deal with the issue of accountability. Two of our Members have tabled a report on that matter and we are studying what has been referred to as the Huntington/Lachance report, which shows the quality of the work that can be accomplished within this type of committee. This will focus on the relevant aspects of ministerial, administrative and financial responsibility.

The structure of the committee system will also be studied. This will involve items such as the introduction of a panel of chairmen, administrative budgets for committees and the possibility of minority reports. While the position of the Private Member has been considerably enhanced by the present recommendations, the committee will continue to deal with this subject.

The institution of the Speakership will form the subject of a special report. Attention will be directed to the planning of the legislative agenda and non-controversial legislation.

Once again, I wish to thank all members of the committee for their excellent work, the three Party House Leaders and all Hon. Members of this House, for without their support, no matter how excellent our work, the House would not have given its unanimous approval, which it did. Unanimous acceptance was crucial in having its recommendations implemented. I recognize, as well, the importance of the support given by the Prime Minister (Mr. Trudeau), the Leader of the Official Opposition (Mr. Clark) and the Leader of the NDP (Mr. Broadbent), and this is also to their credit.

In conclusion and in keeping with the recommendation in the report, if any of my colleagues wish to question me—and I notice that the Hon. Member for Winnipeg-Birds Hill (Mr. Blaikie) made the same offer—I will be pleased to answer those questions that I am able to answer, with Your Honour's permission.

• (1720)

Hon. Walter Baker (Nepean-Carleton): Mr. Speaker, I want first of all to thank the Hon. Member for Pontiac-Gatineau-Labelle (Mr. Lefebvre) for his kind wishes and extremely kind sentiments expressed towards me and, of course, towards the other members of the committee, but I speak personally now and want to thank him very much. I want to reciprocate by saying that, under his chairmanship, this committee has for me been one of the happiest experiences of my parliamentary life which extends, as does that of many other Members, over some ten years.

I think it is fair to say that the committee was successful in many ways because its presiding officer, the chairman of the committee, was not wont to stand on Members, was able to give Members sufficient time to express themselves, did not come to his work in the chair with preconceived notions, but, more than that, brought years of experience and understanding of how this place works to bear on the work that we were given by the terms of reference.

I want to say that if we have been successful—certainly there has been co-operation among the members of the committee—it is because there has been great leadership by the chairman of the committee, and I am sure that my colleagues on all sides of the House of Commons would want to share in that sentiment.

Some Hon. Members: Hear, hear!

Mr. Baker (Nepean-Carleton): I am pleased that he mentioned the support that has been given to parliamentary reform by the Leaders of the Parties, the Prime Minister (Mr. Trudeau), the Right Hon. Member for Yellowhead, the Leader of the Opposition (Mr. Clark), and the Hon. Member for Oshawa, the Leader of the New Democratic Party (Mr. Broadbent). I think it is fair to say that the Party Leaders have given their support to parliamentary reform.

I think it is appropriate that at the beginning of my speech I pay tribute to the Leader of the Opposition. The House Leader of the Government (Mr. Pinard) paid tribute to his Leader. It was the Leader of the Opposition who, in the campaign in 1979 and in his first term as Prime Minister of Canada, indicated two commitments: the reform of the Parliament of Canada, hopefully; secondly, the question of openness in Government.

I was honoured with the responsibility of leading in the preparation of the position paper on parliamentary reform in 1979, with the backing of the then Prime Minister; and I also had the privilege of introducing in this House the first freedom of information legislation in the Parliament of Canada introduced by a Government, which I also remember with great affection. I see my friend across the aisle smiling, but I do remember it with great affection and long to return to the opportunity of introducing legislation. In any event, it was a commitment by my Party Leader to those issues that allowed that to be done very early, and I think that is important and hope the House will understand if I say that our Party has been known as the Party of reform in terms of this institution.

The next thing I would like to mention is the work of Mr. Alistair Fraser, the officers of the Table, the people from the Library of Parliament and all of the staff of this Parliament who have been so helpful to us. They have really been a strong rod and staff.

I would like to say to my own House Leader, the Member for Yukon (Mr. Nielsen), that many of the reservations that he has expressed, as House Leaders of Oppositions are wont to do—I can say that now because I am no longer the House Leader of the Opposition—are reservations that were expressed in the committee which were dealt with and put aside.

We recognized in the committee that just as the committee itself would fail if the members of that committee did not act in good faith, so the whole process of reform would fail if the Government, Her Majesty's Loyal Opposition and the third Party in the House of Commons did not act in good faith. Men can devise rules from now until the Second Coming and there will never be a set of rules that will encompass the concerns of all people on all sides of the House of Commons. I am not commenting on the validity of those concerns because those are always concerns; they are legitimate reservations that one has. But one can take a look at the rules of this House, of the British House, of the American Congress and the Australian House of Representatives and one can find gaping loopholes in those rules. They run there on good faith. If the place is to run at all, it will run on good faith. If this experiment is to be successful—because that is what it is—it will have to be carried out in good faith, and the burden of the failure will lie on the heads of those who do not act in good faith.

The committee understood that they were embarking on a bit of a new voyage in terms of this report. I want to say to the House that there was an understanding among all the members of that committee that Governments have certain responsibilities, Governments must get a legislative program through—or should get a legislative program through. The public will judge whether that legislative program is good or bad. But Members of Parliament, the Opposition certainly but Members of Parliament on all sides of the House who do not form the executive, who are not members of the Cabinet, have to have the tools by which they can examine what Governments are doing.

I believe there is more to this House of Commons than merely saying yes or no to what Government proposes. I think there is much more to this place than what is contained in those epithets that one hears—the "trained seals", the "sheep" and so on. I believe there is much more to it than that. Not only should we, in a modern democracy, be able to vote yes or no to sustain a Government or not; surely we have to have the tools to ask the questions why and why not?

If the purpose of Parliament is anything, it is to allow Members of Parliament who are not in the Government to do much more than just dispose of what Government brings to Parliament. It is much more than that. Surely it is to ask those questions, to inquire, to let Government propose on the one hand, but to be able to inquire without hindrance into the merit of what it proposes on the other. It is this sense of balance that I have tried to put to the House that occupied the work of the committee.

I want to say that we as a committee have not regarded this report as the last word in parliamentary reform. It is the first word in parliamentary reform. It is the first word that has been adopted out of the unanimous report without any changes whatsoever. That is historical, I believe at least in your time, Mr. Speaker, and your time extends back for some period. I will not say how long. I think that is something for all of us to remember. It puts a tremendous burden on all of us.

The Member for Winnipeg-Birds Hill said that the purpose of this first work is to break the ice. I say it is a log jam. It is hopefully to bring an end to what has been written about in learned journals as a crisis in confidence in the Parliament of Canada. The people are looking at our political institutions, and they are looking at them with a sense of cynicism. They say they are not representative. They say Governments can do what they want without hindrance. They say that the Member is bound by the Party line; he can never speak as he would like to speak, he must always vote the Party line. Our committee has indicated that the very fundamental matter of confidence is something that is going to be looked at in the future section of the report. We look, as a committee, at the independent references to committees, using the techniques which have been described by the Hon. Member for Rosemont (Mr. Lachance), as the way in which Parliament can get out from under the thumb of government. It seems to me that whether the government is Conservative, Liberal, or New Democratic, if the latter should ever happen, it does not make much difference in the parliamentary system. Members of Parliament have been heretofore under the thumb of government in terms of what they can do and what they cannot do, what they can investigate and what they cannot investigate.

• (1730)

I believe it is in keeping with the parliamentary system that further power be granted to the House. If Governments act improperly in granting this power, if they do not call committees, then there is going to be one devil of a political price to pay. On the other hand, in the use of that power, if Members of Parliament, in the Opposition, perhaps, or anywhere else,

act irresponsibly, then there is going to be a political price to pay. Obstruction heretofore has been the only real weapon that an Opposition has, and that is what has happened to the system. I put it to you that as we develop these rules, the Opposition will still have the legitimate use of obstruction. It is still there. But what we as a committee hope is that there will be provided some other weapons as well, the weapons of legitimate inquiry, of independence, and we hope that as our work goes forward we will have further resources.

The work of this Committee, Mr. Speaker, has just begun. Every one of us, Liberal, Conservative, New Democrat, Independent, if we believe in this Parliament we have to give this experiment an honest try. We will be worried about how it proceeds, naturally. It is an experiment, but it is the first time when we can perhaps begin to turn this crisis around.

In conclusion, Mr. Speaker, I want to commend to every Member of this House that they read very carefully the future section of this Report, and I want to say to the Government House Leader that I believe it is important that this Committee stay together for the length of this experiment. This Committee that has worked so well together, should stay together and continue to work. I believe that is important to the success of the experiment, in order to bring about the whole change which the House Leader for the Opposition spoke about. I want to thank my hon. friends for the privilege of serving on that Committee. I hope the Government will allow it to continue so that we will be able to begin the second step of bringing this institution out of some of the chaos and crisis.

Mr. Hal Herbert (Vaudreuil): Mr. Speaker, I must admit it is a great pleasure for me to participate in this discussion this afternoon, particularly to follow the Hon. Member for Nepean-Carleton (Mr. Baker). I say that in all sincerity because there have been two very pleasant experiences in my ten years in Ottawa; one was the time we spent on the Fiscal Transfer Payments Committee, and the other one was the time we spent on the committee discussing the change to the House regulations.

Mr. Blaikie: That is because I was on both of them.

Mr. Herbert: And I must admit that the hon. gentleman for Winnipeg-Birds Hill (Mr. Blaikie), who participated on both committees, made it particularly enjoyable. In all sincerity, one of the reasons I enjoyed those two committees was that the attitude of the Members was non-partisan. It was an attempt to accomplish as much as possible in a non-partisan fashion. As a result of that, the work of those two committees has born fruit. In the case of the committee studying the changes to the regulations, of course, all we have brought in at the moment is an interim report. I believe that the major work of the committee has yet to be accomplished. I say this because, and I see across the floor of the House, the Hon. Member for Capilano (Mr. Huntington), I believe that the tough stuff, the difficult work, the discussions of how we are going to change the rules as they relate to accountability, are still to come. I know this is not likely to result in the same consensus as we have had up to date. However, my purpose is not to speak of what is to come, but to speak of what we have done so far.

I must admit that, as do all Members of the Committee, I have certain reservations on some of the items on which we have reached a consensus. I did say, for example, in a somewhat lighter vein, that I was concerned about what we were going to be doing with our evenings in the future when we were not working in the House or on Committees, although I have been assured the Government is going to find something to keep us out of mischief. Nevertheless, there were certain other aspects on which individual Members were not necessarily in agreement. I wondered if we were wise to devote Wednesday afternoon entirely to Private Members' Business. However, it is on this particular subject that I want to address my remarks this afternoon.

We have not yet come to the stage of discussing how best to use the amount of time that is allocated to the individual Members of this House of Commons, and I do want to express my opinion that this is one of the decisions which the Committee is going to have to reach at a fairly early stage, a recommendation on the basis on which the Members will be able to bring their representations to the floor of the House for decision of the Members. I say this in all sincerity. It is not the decision of the Government, it is the decision of the Members. We have to be able to bring our representations forth in a fashion in which we can have what I would term a "free" vote. Thus I proposed to the Committee, through my own brief, as most Members submitted their individual briefs, that we find some means by which we can make Private Members' Hour more meaningful. As many Members will be aware, I have a habit of standing up here at five o'clock on a Thursday afternoon and attempting to use up one hour or part of one hour of Private Members' time. I do not do this with any great pleasure. I must admit I do it because I have some representation to make, but I also do it because we do not have a mechanism at the present time by which we can come to a decision on an issue without putting the Government in a difficult position. In other words, the Government has to suggest to its Members that they have to vote against a particular motion when the public might assume that it would make a lot more sense to vote in favour of the subject matter.

My suggestion, for what it is worth, is that we should find some mechanism by which representations of individual Members can go to a special committee for study. The committee would then report back to the House, not necessarily in the same form as the Hon. Member's original representation, but would report back to the House in a fashion that has been well considered, possibly after the calling of witnesses, and at that stage, the report would be subject to debate. The report itself would then probably lead to a vote. Since the vote would not be binding on the Government, I see this as probably one of the easiest ways to get a free expression of opinion amongst the Members of this House.

• (1740)

Now, I have talked on this particular point to illustrate, as my good friend, the Hon. Member for Nepean-Carleton (Mr. Baker) said, that the work of the committee has only just started. We have a long way to go, and this is one of the items discussed briefly and put aside because it will mean lengthy discussions before we arrive at a consensus. But it must be abundantly clear to everyone who looks at the new rules that putting together three Private Members' Hours on a Wednesday afternoon does not resolve the present difficulty of private Members' representations being generally of little value except for putting in a mailer to illustrate to the Member's constituents his own point of view on a particular subject. At some point we must face the need to bring the issue to the floor of the House for decision by all Members.

The same applies in many other areas. I spoke of accountability, but everyone knows we have also discussed amongst ourselves the personal issues, personal to Members of Parliament, as to how we should govern our own affairs. In other words, we have discussed the manner in which the choice of the speaker should be decided. These are things on which we have to reach a decision and on which, I hope, the consensus of Members of the committee will be sought in future reports.

As is generally known, it is our intention to look at the operation of other legislative bodies, particularly Westminster, which is essentially the pattern on which we operate here. We hope to gain from them some additional wisdom from which to make further recommendations to the House. It is not my intention to delve in depth into the problems facing our committee, but only to say that I was so delighted with the attitude of the Members in the deliberations so far that I am encouraged, probably for the first time in my nine years here—maybe I should say for the second time because I was also encouraged by the non-partisan attitude on the committee concerned with transfer payments—because I saw 20 individual Members who were able to pursue a consensus through freely expressing their point of view in a non-partisan fashion. We had an objective. We all recognized that the House as it is presently operating is not functioning satisfactorily. We recognized that the public had an image of the House which made us less than proud of the part we were playing in its operation. With that objective in mind, we decided that we had to bring forth some meaningful changes which would encourage the public to have a little more confidence in their legislative body.

I will conclude, Mr. Speaker, by saying how pleased I was to participate in the discussions, and how happy I am that we were able to come to a consensus on so many wide and different subjects, and present to the House a unanimous report. I think that in itself was a tremendous achievement. I hope and pray that in future deliberations of this committee which, as the Hon. Member for Nepean-Carleton says, must continue—and I hope this point has been well made to Government; no matter what happens when this session ends, no matter what time this session ends, we honestly believe that committee must continue in the same spirit in order to ensure our legislative body is able to convey to the public that, apart from the normal partisanship which must exist between the Government and Opposition, there is a spirit on the part of all Members of this House to ensure that it makes some sense and that it is something of which we can all be proud. We want the public to feel that this is a good body of people they have sent to Ottawa to do their job, and in that regard they are satisfied with the way in which we operate.

As I have set out to convey, Mr. Speaker, we have a lot of work to do. I feel a lot has been accomplished. I would like publicly to express my appreciation to my colleagues on the committee for the enjoyable meetings we had, and the fact that we were able to reach a consensus. It is also my hope that the same spirit will continue in our future deliberations.

Mr. Pat Nowlan (Annapolis Valley-Hants): Mr. Speaker, I am very honoured to participate in this debate, in particular because I am not a member of the committee concerned, yet I have read the third report of the committee and its nine recommendations for fundamental change. While I quite approve of the concerns expressed by my House Leader on some of the implications of these changes, as only time will tell, I certainly do agree with my friend, the Hon. Member for Nepean-Carleton (Mr. Baker), the Vice-Chairman of the committee, that this is certainly an historic day when the report of a committee on procedure is to be unanimously adopted by this House. My House Leader is here and can well reflect on the last committee concerned with the change of rules, which is referred to briefly in the report. It was a tremendously different mood then compared to what it is today, because the last changes were forced on the House by closure brought on by the now resurrected Mr. Macdonald, Chairman of the Royal Commission on the Economy. I well remember the prolonged debate, and in fact closure was invoked in a hot July. I agree with all Members who have spoken today about the tremendous difference in attitude today when this experimentation in effect is agreed on by all Members with the full knowledge that there may be some imperfections or dilemmas not fully seen by the committee, but at least it is a first step.

I agree completely, Mr. Speaker, with something said by the Hon. Member for Nepean-Carleton. It certainly has been my experience around here, that is, that you can pervert and prostitute any rule or procedure you want if you do not have good faith and a little understanding of each other's point of view. I think that is one of the things which affected, adversely, the work of the last committee on procedure, of which I was happy to be a member and which was chaired by Mr. Sharp, the then Government House Leader. We travelled to England, we did everything that all committees do, and we came up with many interim reports, and of course nothing was ever adopted because we got bogged down in a real partisan atmosphere where the work of that committee went for naught. I think we had some type of report in 1976 and nothing ever came of it.

In this case, Mr. Speaker, I am bemused and frankly amazed that this committee, with its 20 members, could come up with an objective report and get agreement on recommending to their respective caucuses agreement on the report so that

it could come before this House as a unanimous recommendation of the three Parties. I do not know really what the reason for that is, whether we are prepared to agree on an experiment because we know we are more than half way through this session and change for a year will not affect too much as long as it is provisional and experimental; or whether it is the reading of the polls, Mr. Speaker. Perhaps it is the more willingly receptive nature of Government Members to experiment with rule changes. The idea could be that after another election the positions could be reversed. They could be sitting to the left of the Speaker, wanting certain changes. Frankly, no matter on which side of the House one sits, there is agreement that the rules do constipate Members in the discharge of their duties.

• (1750)

Regardless of the reasons for this, Mr. Speaker, I am very happy to participate in the debate in the 15 minutes allocated to me, recognizing the admonition of my House Leader that in the next session the good faith exhibited by members of the committee be continued. It has to be continued, Mr. Speaker, and I think it can be, because of the calibre of members of that committee. I think they can influence their House Leaders.

As has been indicated in the speeches we have heard today, I firmly believe that the changes to the rules of the House of Commons are not changes to the rules of a House Leader or the rules of a Party, but to the rules of the Members.

I was disappointed that I was not a member of that committee but unfortunately, all the Members from this Party were very diligent in their attendance and their contribution, so I could not sneak in the back door. I will remedy that on another day. Because of their diligence I hope that we succeed with this experiment. It is a first step, a break in the logjam. We all know that although one can break a logjam, that still does not get the logs to market; there can be many back eddies or rocks and obstructions before the logs get to market.

I hope against hope that the good work of the committee and all the interesting experiments that will take place in the next year, will end in the adoption of these changes.

Even more fundamental than the good work that has been done on the issue of accountability, is the matter of votes of confidence in this House. This was touched upon by the Hon. Member for Vaudreuil (Mr. Herbert) and the Hon. Member for Nepean-Carleton. We can tinker around with the rules with all the goodwill in the world, but we must meet the issue of accountability, which is the reason the House of Commons was created all those years ago. Indeed, the reason for this Chamber being green is to represent the meadow in which the barons met behind the bullrushes, so that the King could not see them meeting and planning to resist his authority. All that is history, but accountability is fundamental today when even the Auditor General says that spending is out of control.

Speaking as a private Member, something that I think is even more fundamental than accountability, is a change in the rules as they relate to votes of confidence. There are many reasons why this change is forced upon us. It is overdue. One element has not been touched upon today, although it was perhaps part of the deliberations of the committee, and that is that before another election there could be 28 new Members in this House. I will not get into the pros and cons of that issue, but I believe that the larger this institution becomes, the more fundamental is its reform. It is important that through Private Members' Hour, or through Members acting collectively or acting privately but without Party Whips, it should be possible to influence the legislative process.

It is as clear as it is that the sky is blue over Nova Scotia all the time, and as it is that it is sometimes foggy in Vancouver, that as the base of the legislature is expanded—be that in England with 485 Members, be it Russia with the Soviet Socialist Republics and Members coming off the steppes, the Urals or Siberia—the larger the institution the more powerful the executive becomes, regardless of its political stripe.

It is for that reason that I am glad we are discussing some of the nine changes. I will not go into detail on all of them as we will have a chance to experiment with them and get into the details in the next session.

I could talk about the paradoxes of this place, Mr. Speaker. As I said in the brief that I sent to the Committee, never have there been more people coming to the House, never have more people been able to see the House through the means of television, but also never has the House or its Members been more out of the touch with the public.

Another paradox should force change, and if it does not, then this place is terminally ill. I think Members of the Committee recognized that because they came up with some changes, but not the one with which I want to deal now. The other paradox which forces change is that it is now a full-time job to be a Member of Parliament. I come from the East, other Members come from distant places in the West and from Central Canada, but regardless of where we come from, this is a full-time job. I am very happy to consider some type of parliamentary timetable. Jesus Christ taught in parables but I like to teach in paradoxes.

This institution is supposed to organize the business of Government and the business of the country but until a parliamentary timetable was suggested, we could not even organize our own time. That was an ironic paradox, I think. We are paid on the basis of a full-time occupation. Even though we may be pseudo-celebrities because of television and may have some status in our ridings, because of the different lifestyle necessitated by travelling back and forth to Ottawa, there are difficulties.

No matter how many improvements have been introduced since I became a Member—and I give full credit to the Government for the improvement in research facilities, constituency offices, technological change and travel privileges—there is no substitute for the physical presence of the Member in the House. That is a fundamental lesson that I have learned since becoming a Member. Members must be able to have a focus in their ridings so that their constituents can feel they have an opportunity to contribute to the legislative process and are not just taking part in a charade.

In many ways we are nobodies, Mr. Speaker. I believe that is a philosophical question which could be debated. I certainly believe that Members of the British Parliament are nobodies, unless they sit in Cabinet or in the shadow cabinet of the Opposition front bench. That is England.

My time has almost expired, Mr. Speaker. I am very glad that everyone complied with the 15-minute rule, after the opening round. The most fundamental question that Members who speak later could touch upon is the matter of votes of confidence. Ironically, the issues of the day have already caused us to experiment with that. There are some issues that carry no Party label—capital punishment, marijuana, abortion—and are social issues, matters of conscience. When Mr. Pearson was Prime Minister he experimented with a vote of confidence in theory and it was basically carried out in practice—a free vote.

This question should not be put off, Mr. Speaker. The Committee brought in a third report, but it will fail this House and the public if in its next mandate it does not address the question of a two-tier system of votes of confidence. I submit that if a Government loses a vote on the Throne Speech, a Budget or on tax Bills, it should then definitely fall. The Prime Minister should tell his Members they must support the Government or else take to the hustings. No Member likes to go out on the hustings; there is a possibility of being stricken by a terminal disease. On the other hand, on Bills such as those affecting unemployment insurance, medicare, Canada Day, Dominion Day, the railways or air transport, if the Government loses the vote, the next statement made by the Chair should be to the effect that "Bill so-and-so has been defeated. Has the Government lost the confidence of the House?" In 999 cases out of 1,000 the Government would not have lost the confidence of the House, but there would have been a clear direction from all Members for the Bill to be amended and then brought back to the House where it would get the support from all Members. That is as it should be.

Mr. Prud'homme: Agreed!

Some Hon. Members: Hear, hear!

Mr. Nowlan: Why should we continue to vote as was done in the days of John A. Macdonald? We are being paid a good salary and are given benefits, yet the vote is conducted as it was 100-odd years ago.

There is much more that I would like to say, Mr. Speaker, but I will conclude by saying that I believe this first step for procedural reform could become the proverbial procedural leap for the Canadian Parliament.

• (1800)

Mr. Collenette: Mr. Speaker, I rise on a point of order. I was wondering whether the Hon. Member for Annapolis Valley-Hants (Mr. Nowlan) would clarify a point that he made in the first part of his speech. He said that the last major rule changes in the House of Commons came about as a result of the implication of Standing Order 33. I was under the impression that it was only one part of those changes which applied to Standing Order 33, and that the rules changes report was accepted unanimously, with the exception of the change proposed to set up the time allocations proposals under Standing Order 75.

Mr. Nowlan: Mr. Speaker, I would be glad to respond to the Hon. Member who I know at that time was a very valuable member of the committee. He will also know from his work in the committee that he is quite correct. I was here during the whole debate and I believe, if the Hon. Member really wants the history, that it was the first speech of the present Prime Minister (Mr. Trudeau) wherein he invoked closure to get some closure under Standing Order 75A, 75B or 75C, but I can tell him that the temper in the halls and the temper in the House of Commons was nothing like the temper here today.

Mr. Deputy Speaker: It being after six o'clock, I do now leave the chair until eight o'clock.

At 6.02 p.m. the House took recess.

AFTER RECESS

At 8 p.m. the House resumed.

The Acting Speaker (Mr. Blaker): The last Hon. Member speaking before eight o'clock was the Hon. Member for Annapolis Valley-Hants (Mr. Nowlan). I understand he has completed his remarks. Seeing that we have a quorum in the House, I am delighted to recognize next the Parliamentary Secretary to the President of the Privy Council (Mr. Smith).

Mr. David Smith (Parliamentary Secretary to President of the Privy Council): Mr. Speaker, I am very pleased to participate in this debate. I consider it an honour to have served on this Special Committee on Standing Orders and Procedure. I wish to outline a few brief points and make some observations about the report we have before us today. However, before doing that I would like to pay tribute to the good leadership that we have had on this committee. In particular, I would like to mention the Chairman, the Vice-Chairmen, Mr. Alistair Fraser and also those connected with the Table who helped us in many ways.

I think this report is a good one. It is an objective and a balanced report. I think it will help to make this place function better and work more efficiently. I have a few points that I would like to make but I will try to follow the example we hope to set in the next little while and give a short speech.

First, it is important to bear in mind that Members on this committee approached their task as parliamentarians. They did not come with the mind-set of an Opposition Member or of a Government Member. Perhaps at our first three meetings there was an inclination on the part of some people to do that. I may have succumbed to the temptation to do that myself, but any attitude that Members had along that line evaporated fairly quickly.

The committee made a wise choice in deciding to go out of town on two occasions. We went away for three days on one occasion, and on another occasion for two days. We worked together, we ate together, we set Party differences aside, and I think we developed some camaraderie. I believe the report that we have before us here is proof and evidence of the fact that parliamentarians, regardless of Party, can in fact work together to help make the House function better. The first point to bear in mind is that this report is the work of parliamentarians who worked together as parliamentarians.

Second, what we have here is a balanced package. I suppose the temptation is always there to go through a report like this and say that I like this and I do not like that. We will support this but not that because this will help us and that does not. That sort of thing leads to people picking and choosing. I have to commend the House Leaders and the Leaders of all Parties in the House because they did not succumb to that temptation. They accepted to advice of the members of this Committee that this was a balanced package.

Let us take an example. I suppose some people could argue that when the time limit for speeches is reduced, considerably in some instances, that will in the long run perhaps help the Government in that it will speed up the pace with which legislation is dealt. I suppose to some extent that is true. But, on the other hand, by having the Government agree to a fixed annual schedule it loses what has traditionally been a very important tool, one which governments of both Parties have used in the past. For example, when it is near Christmas or early summer the Government can say to the Opposition, "We will not give you a specific date, but here is a list of a certain number of Bills." The Government can say to the Opposition that when those Bills have been disposed of in a reasonable way, the House will adjourn. That is an important and powerful tool for the Government. The Government has given up that tool, and I am pleased it has. In return, however, we will have shorter speeches. That is an example of the way in which this report is balanced.

Third, I think this report will go a long way to making the role of a Member of Parliament more meaningful. Smaller committees will mean that a Member will serve on fewer committees, but the individual will be expected to become more familiar with the subject matter with which the committee deals. By having annual reports automatically going to standing committees, Members of Parliament will be able to get their teeth into the whole question of policy development in a way which they really have not been able to do in their review of the Estimates. Perhaps a lenient chairman might allow that under the current system, but I suggest that does not happen too often. We will find this is something that can and will happen, and it is a good thing.

To some extent we are going in the American direction, but not in a way that will allow fishing expeditions. We are going in the American direction in a way that will help bring the Government and the bureaucracy under greater scrutiny by elected officials. In my opinion, that is good.

Fourth, the adoption of this report will make Parliament more practical and more readily understandable to the public. Let me give a few personal examples, of which a quorum is one. I suppose that I will not be able to close down an Opposition emergency debate any more, as I once did on that famous night you will recall, Mr. Speaker. But that is fine. I am happy to see that surrendered. I do not think that it was—

• (2010)

Mr. Nielsen: Sneaky.

Mr. Smith: It was not sneaky. I was just using the Standing Orders.

I believe that these recommendations are practical and desirable. Another personal example involves motions under Standing Order 43. I will not be called "Dr. No" any more.

Mr. Baker (Nepean-Carleton): You will not be called "Dr. Yes" either.

Mr. Smith: I think that the motions under Standing Order 43 have really become a charade. The whole rule of urgent and pressing necessity was rarely adhered to. The question of unanimous consent which is necessary to allow a motion to be put but not carried was something that I think many Members did not really understand. That was frequently displayed by the fact that when Members wished to speak on a motion under Standing Order 43 that had been allowed to be put, had received the unanimous consent, they would regularly stand up at the wrong time. This tells us that Members did not understand the process. If Hon. Members do not understand the process you can rest assured that the public does not understand it either. I believe it is a positive step to abandon that practice and proceed with this new system where we have a daily period of 15 minutes which, in my view, acts as a safety valve to allow Members to stand up and sound off on matters of concern. Since we do not have to get into the business of consent for putting motions, I think it will help make this place more understandable.

There is, as well, the question of parliamentary *Journals*. There are some recommendations which suggest that the Order Papers should have an index. That is desirable. Mr. Speaker, have you ever tried to find something in Monday's Order Paper? It can be pretty difficult sometimes.

Mr. Nielsen: You have to understand it.

Mr. Smith: That is right. I have worked hard at it. I have a pretty good grasp of it. I suggest that if we can improve those *Journals* to the point where they become readily comprehensible and understandable it will be of great help. Those are three examples from the recommendations of the report which will make this place more understandable and practical.

Finally, I believe the members of this committee have a positive attitude which is spilling over into the entire House. That is a good effect. This positive attitude means that this experiment will quite likely work.

I suggest that this is a balanced report. It is interesting to note the eagerness with which members of the committee are looking to the remainder of their work. They are anxious to get their teeth into questions such as a review of the Estimates and into major Constitutional issues, such as what constitutes a motion of confidence. Hon. Members are enthusiastic about these subjects and they have built a head of steam in a positive way because they are approaching it from the viewpoint of parliamentarians instead of Opposition or Government Members.

I think that the mood of Hon. Members is healthy. Ironically, this mood is probably in direct contrast to what the public perceives the mood to be. I suggest that the public believes that we fight like cats and dogs in Parliament constantly. If they understood what has been happening on this committee I think they would applaud, welcome it and ask for more of this kind of co-operation. This co-operation has been brought about by many Members making a genuine attempt to make this place better. I think that we will succeed because Members want to make the House work better and they are approaching this change with that parliamentary attitude.

I believe that we will accomplish a great deal next year by proving that notwithstanding the fact that we may have very fierce partisan differences and notwithstanding that the struggle to form the Government will continue, that struggle will continue in a form that is more efficient and one in which the public interests are better served. As a result, I think this country will be better served in the long run.

Hon. Alvin Hamilton (Qu'Appelle-Moose Mountain): Mr. Speaker, I feel somewhat out of my depth in speaking on this matter. It is the first time that I have ever spoken about the rules of this place. I do not apologize for that because the first thing I learned when I became involved in activities, which were admittedly somewhat more physical than politics, was what my coach told me: "Never mind the rules. If you do not know them, the referee will always give you a break." I have worked on that assumption and have functioned quite well here.

I realize that the motion which is before us today involves taking a step toward what I think are necessary changes, even for those of us who make no pretense of knowing the rules and thereby rely on the smarter Members to direct us. I do believe, however, like the Member for Annapolis Valley-Hants (Mr. Nowlan) and the Hon. Member for Yukon (Mr. Nielsen), that there are certain things which we should keep in mind.

What we are witnessing today, in my crude analogy, is a group of undertakers preparing the body for burial. Everyone is praising everyone else. I see the jacket put on the deceased. I see the tie being tied. I see the rose put in the lapel and the cheeks being rouged. Everything is being done so nicely that all I can say is, heaven help us all if we do not get down and grapple with some of the real issues about the rules of this Parliament.

With respect to rule changes, everyone of those suggestions made during the experimental period, should be considered as a small step forward. However, these changes are only cosmetic, unless, as several Members have indicated, the feeling of trust which seems to be surrounding this committee is maintained and supported by those who actually carry out the rules.

For instance, it means nothing whether speeches are 40 minutes or 20 minutes in length. If we want a more effective way to have shorter speeches, I suggest that we will not achieve it by artificially controlling the time. We only have to follow the rules that exist now, and simply insist that the speaker apply what the rules say, that a Member of the House shall not read his speeches. It is as simple as that. We would cut out 90 per cent of the oleaginous type of remark that politicians are wont to make. I am not suggesting that it will work, but perhaps it is a rule we might return to. We can simply return to the old-fashioned principle that if someone has something to say they do not have to read it. A Member may have two or three words written on a piece of paper, but if he speaks his mind, even if poorly expressed, we will understand him. When we allow many Members to read their speeches, it only deadens the whole debate. We cannot have a true debate when we hear a series of prepared speeches.

I am interested in the cosmetic techniques, as I call them, which were advanced that would allow Members to speak for only 20 minutes, with 10 minutes left for questions and answers at the end of their speeches. It will be interesting to see if those Members who have read their speeches can answer the questions. It may be a very wise experiment to see what happens to those Members who think they can appear knowledgeable by reading a written speech. They will be on their own when they are questioned on their remarks.

• (2020)

I am suggesting that the committee, which has assured us in the House today that it has achieved a consensus, a complete unanimity of trust amongst its members, will seriously consider the paper prepared by Hon. Members from eachside of the House, the Hon. Member for Rosemont (Mr. Lachance) and the Hon. Member for Capilano (Mr. Huntington). I have read that paper and I wholeheartedly agree that the heart and depth of what we must do is to give back to Parliament what it once had before 1968. We must do more, as well.

Whether we like it or not, there are many Hon. Members in the House, and there will be many more in a few years. I would like to think that one of the quickest ways to facilitate the functioning of the House is to give Hon. Members every opportunity to speak. The committee should give very serious consideration to what I call the Manitoba system, and I had nothing to do with developing it. At one time there was an NDP Government in Manitoba and a Conservative Opposition, and there was continual fighting in the Legislature. One Member from each side, a fairly senior Member and one who had been a federal Minister, got together and said, "Let us make this thing work and give the Government the chance to legislate and govern, but let us give the Opposition the chance to speak as well". They set up a system where the Legislature was meeting and, simultaneously, in another room, like in our

Railway Committee Room, another meeting was being held. If we had such a system, we could wander back and forth between two meetings so we could be in attendance at both places and have more opportunities to speak. There would be a little more freedom concerning the rules in speaking in the other place, which would usually be a committee of a very important sort.

This system introduced in Manitoba ten years ago has brought relative peace and harmony, and there has been very constructive work in that Legislature. I think we should call these two men as witnesses to our committee. They are both practical politicians, and I do not believe either of them is a lawyer. They could present their practical experience to our committee, and perhaps we could keep quite a few of our Members busy here and in another place at the same time, yet they would be free to come back and take part in votes and various functions. I put that proposition forth without saying anything more about it.

The second proposal is a longstanding one. To take care of the worry of the Conservative House Leader, the Hon. Member for Yukon, and it is legitimate, we must adopt the principle, on certain important matters, of setting up standing committees as statutory committees as opposed to the procedure carried out now whereby the Government decides to set up a committee and decides when the meetings are to be held, and so on. It should be put into statute. It would be preferable if the head of the committee were always a member of the Opposition and, second, if it had its own staff and were paid any sum of money to get the very best results. Such committees could do the job they are supposed to do but cannot do under our present system no matter how the amount of available time or number of speeches are juggled.

I do not know what the final choices will be concerning statutory committees, but I would suggest, first, that Public Accounts look at the expenditure of moneys. Second, before we spend the money Estimates should be prepared, which would put an end to the farce that we have been living under for the last 14 years in Estimates. Third, transportation should be considered. Two or three years ago a motion was presented by the Hon. Member for Wetaskiwin (Mr. Schellenberger) concerning transportation safety and related matters. These matters should be dealt with by a statutory committee which is always sitting, which is free to call witnesses, and which has sufficient staff to handle this very difficult situation. For instance, I do not think there is a single person in Canada who can cope with railway accounting. We are always seeing ridiculous episodes where the railway says it is losing money and it is always disobeying the laws of Parliament, but we do nothing about that.

The situation became so bad some years ago that all Parties in Parliament agreed that the Department of Transport was not competent to handle railways, airlines or any transportation-related matters. We set up a giant Canadian Transport Commission and gave it all the powers of Parliament, putting it into statutory form. What was the result? The CTC was just ignored by the Government. Under the laws of this land, only Parliament could change the rates on the railways, yet it was turned over to a man who wandered up and down, getting agreement from certain groups that the rates should be changed without the participation of Parliament. I refer to VIA Rail. Only the Canadian Transport Commission, under statute, has power to deal with something like VIA Rail, yet we had a Minister who simply ignored the CTC.

Parliament sits here, helpless. Until we can get these matters before a statutory committee which has power, not only to decide the facts, but also to take action on them, then all that we are discussing, designed to give us a chance to work together, is nothing but a sham or cosmetics.

From the temper of the speech of the Hon. Member for Yukon, I get the feeling that God help us all in the House if this committee does not come through with something substantive this year. All sorts of controversial matters have been listed, and we are told that this is what will be done in this year of grace. Many people will be interested to hear what will happen to several of the institutions here. We must trust that this committee will seize these matters and come to some conclusion, even though they are very sensitive matters.

I will refer back to the five statutory committees, and there may be others. There cannot be too many. It might not be possible to put others into special statutory form for several years, but I would suggest that those five would be a good start. I have listed Public Accounts, Estimates and Transportation, and the fourth and fifth are Statutory Instruments and Crown Corporations.

I want to end the second part of my conclusions. The Statutory Instruments Committee simply considers all our regulations. In many cases, not in the hundreds but rather in the thousands, evidence has come forward that the Civil Service has made regulations which have never been passed by Parliament. This is done through a certain little technique, and not a thing is done about it in this Parliament even though we have known about such occurrences for years. To everyone's disgrace in this Chamber, hardly anything has been done by us, with the exception of two or three of us, to protest this action. Let me give a couple of examples.

With reference to the power given to National Revenue, Parliament says that there will be no more succession duties, but regulations come through. A person dies and all of that person's property is deemed to have been sold at the date of death, and succession duties are collected without any approval of Parliament. For eight years I have tried to help orphans. The Minister has admitted, and Parliament says, that all orphans should receive family allowance, but the regulations state that orphans are not to receive it. The same applies to teenaged girls who become pregnant. These things make me annoyed.

I am staying here and I intend to win this battle, this war. Sooner or later, Parliament must back me up. There is no use in any of us coming down here, believing in certain things, if we know our rights, but not being able to do anything about them because of procedures. To the Minister's embarrassment, she stood up and said, "I cannot do anything about it, even

though I have admitted it". My request is, please, God, ensure that these people do their job and consider some items of substance under these rule changes next year.

• (2030)

There are many ideas in the Huntington-Lachance report and many more ideas will be coming forward, I am sure. This trust that has developed in the committee, which is what the success of this report is based on, will it be maintained during this year and will it stand up to the serious changes that have to be made, the simple but serious changes to our rules? If they come through, they will have made their mark and served this country well.

Some Hon. Members: Hear, hear!

Miss Aideen Nicholson (Trinity): Mr. Speaker, I, too, would like to extend my congratulations to the members of the Special Committee on Standing Orders and Procedure. They worked for long hours all during the summer; they also worked wisely and productively, which is perhaps more important.

I think they were very wise in recommending to us a package. I was here in the thirtieth Parliament when previous attempts to modernize our rules failed and they failed for a number of reasons, among them the fact that Members tried to improve on a little here and a little there, and the result was that there was no agreement.

The committee members clearly profited from this experience. They recommended a package, and they have asked all Parties to deal with the package as a whole.

The committee should also be congratulated on having brought in an unanimous report. Some of the best moments in this House and in committees happen when Members put aside partisan differences to work constructively on a project together. Putting aside differences does not mean failing to respect them or failing to take into account the realities of our democratic process, but it means working for compromise and consensus in a way that is as fair and as effective as possible. Those are some of the best moments, but they are rare moments.

The system seems to have put a premium on fireworks and on aggressive behaviour rather than on thoughtful, careful examination of issues. As a result, Members with more taste and talent for negotiation and compromise than for confrontation find the House a less satisfactory place to work than caucus or committees or other fields of endeavour.

Because I had a committee meeting this afternoon I was not able to hear all of the speech by the Hon. Member for Nepean-Carleton (Mr. Baker). If I understood him correctly in the brief excerpts that I did hear, he was saying that perhaps it is frustration with the system that leads Members to be less than constructive and that if offered a better and more satisfactory way of operating, Members would be glad to take it. I think he is right; and I think we have here a very useful beginning.

The committee members reminded us in their report that the purpose of parliamentary procedure is to enable a democratic assembly to operate effectively and fairly. The recommendations should lead to a much more effective use of time and more opportunity for knowledgeable, conscientious Members to participate publicly.

Members of Parliament on the Government side sometimes find that they may have influenced the development of a policy, but may not even speak in the debate in the House either because of the conflicting demands of committees or because they are very conscious of the need to get the legislation through. They feel that if there are going to be many long speeches from the Opposition they should keep their interventions to the absolute essential, so as not to delay the vote. But our constituents should not have to take it on trust that we are working for them. They should be able to see in the House some public evidence of what they hope and trust we are doing privately.

Some of the proposed recommendations that I think will be particularly helpful to all of us, on all sides of the House, include the recommendation that committees would be free to meet in the evening but that the House would rise at 6.30. This removes one source of time conflict, that is a committee sitting while there is a debate in the House that one would like to hear or participate in.

The second is the question of the parliamentary calendar. The proposal of fixed sittings, and particularly the committee's suggestion that the Government prepare a legislative program before each semester, certainly allows Members an opportunity for orderly planning and preparation. I hope that is an opportunity that will be well used.

Shorter speeches are clearly an advantage, but, as the Hon. Member who has just spoken has pointed out, a shorter speech in itself is not the answer. What is particularly useful, I think, is the proposal for a ten minute question and answer period at the end of each speech. That will certainly put an end to the practice indulged in by only a minority of Members of reading speeches prepared by their researchers but, more important, it will encourage us to listen to each other's speeches and it will provide an opportunity for questions that do advance the argument. Hopefully, knowing that there is that ten minute opportunity we will see fewer of the spurious points of order that are sometimes interjected now by people wanting to get in on the debate, but who are prevented from doing so. The suggestion that is also in this report that the interventions in that ten minute period be relevant and add a constructive element is perhaps an interesting suggestion for the speakers, and one that we hope will be acted on.

I think we will all be glad to see the end of Standing Order 43 which has ceased to serve any useful purpose and is certainly not understood by the public. The proposal instead to allow Members to make statements for one and one half minutes on matters that they do wish to draw to the attention of the House seems a much better replacement for it.

The report gives a lot of attention to the role of standing committees, and all of these recommendations can only help,

that is, the smaller numbers and fewer substitutions, which should add very much to the quality of committee work, and the fact that committees will have the power to initiate inquiries. I am also pleased that the committee is recommending the continuance of special committees and task forces. These short, sharp task-oriented committees have proved their value in the last two years.

Finally, Mr. Speaker, the committee recommended that examination of this procedure be ongoing. I think we can all agree that it is important to keep it contemporary and relevant. We have been given a very useful package here and I think it is important to give it full and fair trial for a year, as proposed.

Mr. Bob Ogle (Saskatoon East): Mr. Speaker, I am very happy tonight to be able to speak for a few moments on what I believe to be a historic movement taking place in the House of Commons. I am happy also from the historic point of view to be in a discussion following almost immediately after the Hon. Member for Qu'Appelle-Moose Mountain (Mr. Hamilton), who spoke quite eloquently a few moments ago. He happened to be the first person I met who was a politician. Actually, he was a candidate. That was at the end of the Second World War when I was a high school student in Rosetown, Saskatchewan, and he had been brought back from Burma where he had been a pilot in the Air Force. I remember his campaign was quite different from those of today. I think he actually campaigned from an old J-3 Piper Cub and long-range on the rural telephone line. It is an interesting factor that the Hon. Member for Qu'Appelle-Moose Mountain has been in this House for many years since and he is also speaking tonight on the question of renewal of the House. I believe what is really taking place is the first solid, concrete step in a renewal which I hope will be for the good, not only of this House of Commons, but for all of Canada. I would also like to join with the other Hon. Members from all Parties in congratulating the members of that committee which prepared the study which we are going to use as a trial effort in the House of Commons next year. The NDP House Leader, the Hon. Member for Hamilton Mountain (Mr. Deans), is going around today with a very happy smile on his face. Probably the Hon. Members on both sides believe the smile indicates that he is only happy with this legislation before the House, but I want to tell you, Mr. Speaker, the House Leader for the New Democrats has become a grandfather today for the first time, so he is taking on a sort of other aura of zeal, or whatever happens when you become a grandfather for the first time, and I would like to pay tribute to him and to his daughter, and particularly to his granddaughter, Melissa Folino, on her first day of life in Hamilton. I hope she lives to see this House of Commons become a much more effective place to operate.

• (2040)

Some Hon. Members: Hear, hear!

Mr. Ogle: The particular reason why I believe the legislation is so important tonight, Mr. Speaker, is the fact that I believe the House of Commons may find, through this new legislation, this new practice, a higher level and degree of credibility, because I think the Members of this House have experienced with Canadians a frustration. Because they are Members of the House they are challenged over and over again by people who ask them what they are doing here. "Why do you act like that? Why are you not serious?" Again, as I have said in other speeches in this House, I have not met a single Member of Parliament who I feel is not serious. People do not come here unless they are serious, unless they really have the good of Canada at heart. I hope that through these steps that are being taken today under this motion everyone will benefit, and I thank those who have done the hard work over the past summer in bringing it about. I do hope the final result will be that there will be a new image of credibility arising from all of us who are Members of this House of Commons.

Basically, the problem is that it is very difficult to have a large group of people do anything properly. My experience has been that if you put enough people together to do something, they will always do it poorly. That is not to say they are not trying. It is just simply difficult to have any large group of people do anything at the same time and do it well. Because we are all human beings, we do not do things perfectly.

This reform which we are working at now will not be the last reform. It is only a step. We will find it is imperfect, and something else will be needed down the road. However, the step is the important part, and that is why I rejoice with other Members in the House today who are so willing to accept this new effort. I am sure this motion will bring about progress and through it we will find a way in which the wisdom, knowledge and experience of the members who are here now, the future Members of the House of Commons and future Canadians, will be refined and directed in such a way that it can truly be a directive for the good of our country and for the good of the world, because we are part and parcel of the family of nations.

What I would like to speak on particularly is the length of the speeches. I feel that the short speech will be a much more effective speech. Anyone who has ever preached a sermon will know it is very easy to preach a long sermon and very difficult to preach a short one. The simple fact is that if we are going to say something concisely, it is necessary to work much harder preparing it. For that reason, I believe that speeches limited now to 20 minutes in the House, with the debate period afterwards in which the speaker can be challenged on his facts or presentation, will make for better speeches. I do not have any doubt about that at all and I am looking forward to it.

In the same light I would like to think that perhaps other modes of debate could be found which the committee can study. For instance, in the Congress of Brazil, which I am partly familiar with, the speaker speaks from the front. He speaks down toward the people in the House of Commons, which is a much easier way to speak. But at the same time there is another person from the Opposition who stands there also with a microphone, and the Speaker of the House can interrupt the debate at anytime to let the other person make his point. It turns into a real debate in which a point is made, which can be challenged by the other side. This is something

that could be looked at by the committee because there just has to be a better way to engage in debate than the way we do now.

I would also like to speak about the size of the committees. I really believe that bringing these committees down to a smaller size will be for the betterment of all. One of the best experiences I have had in the House of Commons was working on the North-South Task Force. I think the members of that task force, and other task forces that worked last year, will all relate a similar kind of experience. Working with a small group on a specific project, there was a kind of a friendship that grew between all three Parties. There was respect. The task force members were not changed, the attitude was, you were responsible, you were there and you did it. Therefore, I am happy to see we are going to try seriously to work with smaller committees, which I feel will do a lot more good down the road.

Something else I would like to speak about is the system of voting, and I hope the committee, as it continues its studies, will look at that problem. I call it a problem because so much time, to my mind, is wasted in the House waiting for the vote. As all Members of Parliament know, when the bell rings there is a kind of great vacuum which starts in the life of a Member of Parliament while he waits for the vote. That can be 15 minutes or 16 days. You just do not know when the vote is coming. Last week we had a vote here which was called at about six o'clock. The vote was finally taken at 7.15 in the evening. For that hour and 15 minutes I felt really frustrated, along with everyone else in this House. I really believe that has to change. I would suggest that the Committee look at modern voting techniques like that which is used at the United Nations. It is an electronic voting device, with buttons on the desk with which the Member can indicate his vote. There are buttons for yes, no, abstain and absent. That is all you can do with this kind of a voting system. It should be possible to have an electronic voting system. We could keep the traditional vote for six or seven times a year to make sure that Hon. Members could stand up and be counted. That has some reason to it. But not for all the votes. If some of the votes could be, let us say, on a 30-minute bell, or the vote would be scheduled for eight o'clock, I say that it should be possible for a Members of Parliament to vote anytime prior to that, and it should be done electronically. It could be done in any part of the House of Commons, Confederation Building, West Block, wherever. If we each were issued a card which had an electronic code on it, we could put in a slot some place and our vote would be recorded. At 7.30 or eight o'clock the Speaker could indicate the vote was counted and the results would be listed on a board. The count would be there and the press or anyone else could print it in the newspaper the next morning. I think people might be more interested if they had a vote count everyday.

An Hon. Member: They'd think they were at a hockey game.

Mr. Ogle: No, they would not. They would have a feeling they knew what was going on. I do not know how many people in Canada know when we vote or what the votes are, but I think that kind of system would make it much easier for all the people of Canada to know how their Member voted. They would know whether he or she were there, yes, no, or whatever, it could be reported and printed in the paper every day after a vote.

• (2050)

I believe, Mr. Speaker, that what is happening today is a good thing but it is just the beginning. We have not done many of the things that could be done. I think the life of an MP, having talked to some of the older Members, is more difficult today because of the speed of a lot of things, transport being one. Members go home to their ridings every Friday night, like myself, spending six or seven hours on the plane each way. In the old days Members came down in September on the train, a nice slow ride down, stayed in Ottawa till Christmas, when they might go back. It was very different then. Interestingly enough—and all the Members can speak to this—everyone finds one or two or three constituents on the plane every trip we make. It is a great place to get information, but the work keeps on because the constituent finally has his or her Member belted down. You cannot get up, they will tell you exactly what they want you to hear. It is great.

In any event, Mr. Speaker, I am very happy to have had the chance to say a few words on this motion tonight. I do not see a great light shining yet, but there is a little glimmer down at the end of the tunnel, and I believe with this step and others which will come, the knowledge, experience and wisdom of the people in this House will be directed more clearly and exactly in the direction Canadians want it to be directed.

Mr. D. M. Collenette (York East): Mr. Speaker, as a member of the Committee, I welcome the opportunity to take part in this particular debate for a number of reasons. As has been stated by people on all sides who served on this committee, this was without doubt one of the most significant experiences in my parliamentary life. It was a model of parliamentary courtesy and it restored my faith in the ability of Canadians to get together to work something out. Indeed, it restored my faith in the system itself. Credit for that should go of course to our chairman, the Hon. Member for Pontiac-Gatineau-Labelle (Mr. Lefebvre), and the two Vice-Chairmen, the Hon. Member for Nepean-Carleton (Mr. Baker) and the Hon. Member for Hamilton Mountain (Mr. Deans). But I would be remiss in not mentioning the work done over the years by the Hon. Member for Winnipeg North Centre (Mr. Knowles), a man who has served this institution well for nearly 40 years, and for whom many of us have the greatest respect, and in whom many of us see the repository of every procedural wisdom. It is my regret that because of his recovery from his illness he could not take part in that particular committee, but his spirit was very much with us and I know I discussed the proceedings of the Committee with him on an ongoing basis, as I am sure did other Members of the committee.

This report is only the beginning, Mr. Speaker. In a sense we have just tinkered with the rules, but in such a way as to mark a beginning in the real reform of this House. Let us focus on three things: the parliamentary calendar, which is going to make it more rational for the Government to get its program through Parliament; the parliamentary timetable, which will have the effect of making the House a more humane environment in which to work; then there is the enhancement of the MPs role. So this report is only the beginning. Some may say it is too modest, but it took a lot of discussion and soul-searching. After the report was tabled it took a lot of soul-searching on the part of the Parties to accept it. In particular I would like to pay tribute to our House Leader, who has just come into the House, for having facilitated the easy passage of this report through the Government. I believe that was no mean feat, because there were reservations on the Government side, as I am sure there were reservations in the other two Parties. But the fact is that the Government and the Opposition have shown their faith in the members of the committee. That in itself is a significant fact. It is significant for those of us who have participated in that committee.

Where do we go from here? The Hon. Member for Qu'Appelle-Moose Mountain (Mr. Hamilton) made an excellent point. There is some responsibility with the Chair, Mr. Speaker, and I am speaking to you and your colleagues in the chair directly. There are some things we cannot do in changing the rules. We can only have faith in you and your colleagues that you will apply the rules in the best spirit. The point made by the Hon. Member for Qu'Appelle-Moose Mountain was indeed a very salient one, that the rules in effect now should be enforced. I am talking about the rules of relevance and the basic courtesies of the House in the Standing Orders, which should be observed and enforced by the Chair. I hope this debate will in a sense make you, Mr. Speaker, feel obligated to deal with this matter very seriously.

The thing I want to dwell upon, Mr. Speaker, is the third point I raised, the enhancement of the role of the backbenchers. In the last 25 years the Government has come to dominate the House. Indeed, it is in the last 100 years, both here and at Westminster. This cannot be helped because society has become more complex, the demands on Government more stringent; but the power of the executive must be checked, not only for the sake of the country and the institution but for the sake of the government itself. A hundred years ago, Mr. Speaker, in Westminster and in this House most of the legislation which came forward was private Members' Bills. Now, most of the time it is government time. Private Members' time is relegated to three hours a week. I would hope in our next round of discussion in the Committee that we will look seriously at bringing private Members' motions and Bills to fruition so that there is division on these questions, so that a private Member can regularly have the opportunity of saying "I brought this piece of legislation to the House and I had it accepted by my colleagues." Let us not be so naive as to think the only repositories of wisdom in Parliament reside on the Treasury benches, with all respect.

Some Hon. Members: Hear, hear!

Mr. Collenette: Spending power must be brought under more effective control. My colleagues, the Hon. Member for Capilano (Mr. Huntington) and the Hon. Member for Rosemont (Mr. Lachance) have brought forward a report which warrants detailed scrutiny and which is being looked at by the Committee right now.

The rule of the Whip should be examined. I see my good friend, the chief Government Whip here, and I would say to him, through you, Mr. Speaker, that this will be the last Parliament where any Government is able to enforce the Whips no matter what. The nature of Canadian society is changing and Parliament is changing, as evidenced by this committee's report, and government must change. I am heartened because the Government has accepted this report and it will take the lead from members of the committee.

Some Hon. Members: Hear, hear!

Mr. Collenette: But there are times when a backbencher may wish to break ranks with his side. There must of course be matters of absolute confidence. We must ensure that any move to a Congressional style system is not allowed to go too far—some people want more of a Congressional system here, and we are getting that with the innovations in the committee system which are being accepted—and we have to be very careful that the very notion of responsible government in the parliamentary context, where the government gets it power from the House of Commons, is not diminished. We must make sure that the spending power, the Royal prerogative, rests with the executive. We as backbenchers can demand more power but we cannot usurp the basic responsibility of the government to initiate spending and taxing legislation. If we do, we are undermining the whole system of British parliamentary democracy.

Before closing, Mr. Speaker, I suppose I should say that my concept of the role of a Member of Parliament is that I have an obligation to my Party. There is no doubt that I would not be standing here today if it were not for my Party. I have an obligation to my constituents—not only those who voted for me, but all of them. I must serve all of them once I am elected, no matter who voted for me.

• (2100)

I have an obligation to my conscience. Members of this House who sat in the Thirtieth Parliament had to look to their consciences on the subject of capital punishment. There was a lot of pressure, both inside the House and outside. We have to answer to our own consciences. All Members have an obligation to their conscience.

Those obligations mean nothing to the final obligation which, I submit, is that every Member of this House has the obligation to the institution of Parliament. If the institution of Parliament, as it has developed in the last 800 years in Great Britain and in this country, is diminished in any way, then the very foundations of democracy will be weakened.

We are but an island in a sea of tyranny in the latter part of the twentieth century. The reason we are that island of sanity in a sea of tyranny is because of the parliamentary system and because this committee has come forward with a report which will be accepted by the House. To me, that means that the parliamentary system is alive and well. At a moment when people were writing it off as being irrelevant, at a moment when Canadians were questioning the value of their institution, we have shown that Parliament can still work, that there is a way to go, that there is a future for this institution.

With my colleagues, I look forward to the resumption of our work in this session and in the new session. Within the next year we hope to bring a new meaning to the words "parliamentary democracy."

Mr. Donald W. Munro (Esquimalt-Saanich): Mr. Speaker, I followed with a great deal of interest the comments of the Hon. Member for York East (Mr. Collenette) as he made his trip to Damascus. He has seen the light. I cannot help but wonder how it is that the Government came to the point where it was prepared to bring together Members from all sides of the House to examine the position to which the House had been brought by the Government and its method of governing and to come forward with a report, even as helpful as this one is.

The Hon. Member for York East mentioned our obligation to this House. I do not deny that obligation. But we also have an obligation to Canada, Mr. Speaker.

When we decided to put ourselves up for election and seek the support of Canadians it was because we believed there was something fundamentally wrong with the way the country was being governed, and perhaps with the institutions through which it was being governed.

I take full cognizance of the admonition of the Hon. Member for Qu'Appelle-Moose Mountain (Mr. Hamilton) that we must not just pat one another on the back about this; we must bring to it a critical eye. We should bring to this a fair amount of skepticism, because of the manner in which the Government has handled the country's business.

I ask myself why the Government agreed that the committee should meet. For three or four years there have been opportunities for the Standing Committee on Procedures and Organization to meet, but the Government has not responded to demands for meetings, so I approach the whole issue with a healthy skepticism. Aside from that, Mr. Speaker, my comments this evening will be confined to two or three areas.

One area relates to committees. This is dealt with in Section (5) on page 18 of the report of the Special Committee on Standing Orders on Procedures, Issue No. 7. This deals with Committees in a variety of ways. In certain cases the size of the committee has presented difficulty, but this problem has been settled. I think we should be prepared to accept the figures that are given. There may have to be exceptions in one or two committees, as has been the case with the Standing Committee on Agriculture and the Standing Committee on External Affairs and National Defence. It may be that the latter will have to be divided into two committees. That possibility has not been mentioned but it should not be excluded from the committee's review.

Substitutions within a committee is another matter that concerns me. I am glad we are not being inflexible about membership of this committee or that. When an issue arises which is of prime concern to a particular Member at a particular time and is coming up in another committee, that Member should have the opportunity to find a place on that committee, on 24 hours' notice. In that way the Member can represent the views of constituents much more easily than can be done in the House or, if the Member has certain expertise, it can be made available to the committee. I think there has been an attempt to remove inflexibility, and the 24 hours' notice required is a good move.

To my way of thinking the provision for automatic referral of annual reports and other reports to committees, will make the committee system work. It has not worked in the past, Mr. Speaker.

There are a couple of other matters dealt with in Subsections (c) and (d) on page 19 of the report which deserve comment and study, which I hope they will receive in the Committee. The automatic referral of the annual reports of Departments, Crown corporations and their subsidiaries and other agencies to the appropriate standing committee immediately after they are tabled in the House, is important. Even more important is that such tabling should initiate sessions of that committee. There is no reference whatsoever to having the committees meet to consider the reports. That is an oversight which I hope will be corrected.

I am certain that this report is going to be accepted, and I am glad to see that there will be a continuing review of the Standing Orders. I hope that all recommendations that cannot be put into the Standing Orders in the years ahead can be reviewed, and if approved in committee can immediately be instituted with the procedures of the committee. One way of achieving that would be that any five Members of the committee could go to the Chairman with a request to meet to discuss the matter in committee and to report within a week. There should be an opportunity for Members to take that action. It could be five members representing two Parties. There are instances today of very, very important issues that do not receive study because the Fisheries Committee cannot meet on two matters. There is a report of the Fisheries Committee on the West Coast and a report of the Fisheries Committee on the East Coast. We have tried to bring a meeting about in the House, we have tried behind the curtains and we have tried with the Minister, but he says it is not his business and he cannot order the committees to meet.

There should be provision in the regulations to permit any committee that has a report in front of it, to meet in order to consider that report, or even to write its own terms of reference. It has to be an agreed reference so that the four or five Members, or however many it needs, can insist that the meeting take place within two days. So much for the automatic referral. This is a shortcoming in Section (5)(c).

• (2110)

Turning to the Government response to committee reports, I notice that the House Leader on our side commented about it earlier. He said that it shall be at the request of the committee that the Government table a comprehensive response. Frankly, that is not good enough. I think the Government should be required under the Standing Orders to reply to every recommendation that any committee makes. If the committees are to have any meaning whatever, the Government must respond to their recommendations. If they do not make any recommendations, it is unfortunate and perhaps the committees are falling down on the job. But if they do make recommendations, each one should have a response from the Government, yes or no. There may be questions of policy, money or ideology which would prevent the Government from adopting this or that recommendation, but it should be required to say so within a certain length of time, be it 120 days or six months.

I believe that item by item, recommendation by recommendation, the Government should be required to reply to the reports of committees, whether they be departmental reports, reports on Crown corporations, their subsidiaries or other agencies. I think this is vital, to give those who sit on committees the feeling that they are getting some feedback from the Government for the work they have done.

Another matter on which I think it is worth commenting is Private Members' Business. There is no provision for Private Members' Business to be voted on, except when there is no quorum. Apparently that can be done in the House in those circumstances, for which we should all be ashamed. In the normal course of business there must be some provision in Section (6) so that there is an opportunity for a Private Member's Bill to be brought to a vote, either for the subject matter to be referred to committee or for it to be rejected. Otherwise, it is just a matter of having an hour of debate as provided here and it goes to the bottom of the list, which is 438 or whatever, and there is no vote. I believe we should have a provision in here for a vote. I see that the provision in the Standing Orders has to be rewritten. It indicates that the proceedings on any Bill or motion in the name of a private Member shall be interrupted one hour after being taken up and considered. That is just an airing of an idea. Surely there is a means, even on a Wednesday afternoon, of having a vote on a matter which is in a private Member's Bill.

Section (7) of this particular report deals with a continuing review of the Standing Orders. If I understand correctly, the committee will more or less be in permanent session. I hope to call on a number of Members of the Committee to examine and obtain reports on how various recommendations are working out in the House and to be able to modify them in the course of the year. I hope this is not a document written in stone for 12 months. If, as I suggested, there could be agreement on the requirement to have a vote on a private Member's Bill or to have the Government reply item by item or recommendation by recommendation to reports of committees, and if the committees could agree on those matters, I hope it could be brought back to the House between December 21 this year and December 21 next year and instituted in our order of proceedings. I think we could probably manage to live with that sort of thing.

It was never quite clear in my mind, except that we were coming to the end of the calendar year and the requirement to have a debate, why the committee brought its work to an end at this particular stage of the proceedings. I am not sure why other matters were not considered and brought forward. Therefore, I feel that a continuing review of the Standing Orders by the committee should be of a nature to permit it to come to the House with modifications based upon experience.

Another matter which is not clear in my mind is what will happen on December 21, 1983. This has been referred to as a package deal. It is an all or none proposition. What will happen on December 21, 1983? Do we have to buy all that is here, all that has been modified during the year, or will there be a seriatim vote on elements which have improved the House of Commons and a rejection of elements which have proven themselves to be unworthy of the House of Commons? I hope it is a matter the committee will consider, that if we are not committed to this package there will be no package at all. Some of it is experimental, we agree. I hope it will go on for a year, but do we have to buy the whole report as it stands?

Some Hon. Members: Hear, hear!

[*Translation*]

Mr. Maurice A. Dionne (Northumberland-Miramichi): Mr. Speaker, I am pleased to participate in this debate this evening.

[*English*]

I have been a member of the committee. Although my name does not appear on the list of members in the report, I am still a member of the committee. I recognize that I have not attended all the meetings, but this was because they conflicted with my duties and obligations to the Standing Committee on Transport.

This has been one of the finest debates I have heard in the House since coming here. Until just a few minutes ago, it was a debate which one could term to be all sweetness and light. The Hon. Member for Esquimalt-Saanich (Mr. Munro) seems to have some grave misgivings about the report, and I should like to take a minute to answer a couple of his concerns.

First, he seemed to indicate by the tenor of his remarks that the committee will be a dictator to the House of Commons, which of course is not the case. The new proposed rules will be tried for a year. Surely it follows that at some point during the year the House—not the committee, not the Government, not the Opposition—will make a decision as to whether the rules need to be modified and, if so, in what manner. Also it will decide at the end of the year whether or not they should be adopted as more or less permanent rules of the House, to be modified from time to time by the proposed committee, which the procedural committee recommended be established for the purposes of having a continuing study of the rules and procedures of the House.

I associate myself with all the remarks which have been of a congratulatory nature to the Chairman and the two Vice-Chairman of the committee. I have a great deal more confidence in the ability of the House to act, as a result of having served on the committee and having seen all its members work in close harmony. Very often the most strenuous arguments were among Members of the same Party rather than among Members of different Parties. I think this is very good for the future of this institution.

Because of a reference from the Government a few months ago, I had the privilege of dealing with the domestic air carrier policy in the Standing Committee on Transport. We had the same experience then in the Standing Committee on Transport as we had in this committee on procedure reform. It seems to me that is a time when Members of Parliament are, in fact, serving the interests forwhich our constituents sent us here, when we are being Members, not only for an electoral district but Members for the country as a whole, and when we are proposing policy or passing legislation that deals with the good of all Canadians and not just making representations for a particular area of the country. I want to deal very briefly with three areas.

• (2120)

First, I would like to say that there are four things that give me a great deal of encouragement. We unanimously presented a report that deals with the hours of sitting. Already I have heard some concern expressed about what Members are going to do with their evenings. I do not have that concern and I do not believe that it should be the role of a committee on standing orders and procedure to try to devise rules that will protect the morality or ethics of the Members of this House. Surely to God they established their ethical conduct before coming here. If they have not, it is something for their constituents to deal with and not a committee of this House.

The fixed timetable, to which other Members have spoken, is something that I think is of vital importance to all of us so that we can order our lives in such a manner as to be able to spend an appropriate amount of time in the capital of the country and yet have sufficient time to deal with our constituencies and with our families.

Third, I think the reform of the committee system is vitally important to the survival of this institution. I do not have the concerns expressed by the Hon. Member for Esquimalt-Saanich. I am not prepared, at this moment at least, to bring to the committee the idea that every report from a committee must be responded to by the Government. There are some reports from committees to which a response is not appropriate, Mr. Speaker. Surely it is within the wisdom of members of a particular committee to make the decision as to whether or not there should be a response to the Government. I think the wisdom of the committee in making that recommendation is a strength and not a weakness.

What of the future of the committee? There are many areas that have been dealt with today by other speakers, and I do not want to be too repetitive but I do want to deal with three of those areas. The first is non-confidence votes.

It is very important that we change the manner in which we conduct non-confidence votes. This point was brought up first this afternoon by the Hon. Member for Annapolis Valley-Hants (Mr. Nowlan). There is a good deal of wisdom in what he said. We must get away from this idea that every vote is a vote of confidence. Surely by now we can progress enough so that Members of Parliament on both sides of the Chair can make a determination as to whether or not a proposed piece of legislation is worthy of passage by this House without having the whips applied. I think we would have better legislation and more carefully thought out legislation and we would have a much better functioning House if there were not a vote of non-confidence attached to the vote on every Bill. I believe it is absolutely essential that the regulations formulated under a Bill be brought back either to the House or to an appropriate committee of the House for study because many things can be done by regulation, as the Hon. Member for Qu'Appelle-Moose Mountain (Mr. Hamilton) pointed out, that were not intended to be done by the House when it passed the legislation. That should come under the scrutiny of Parliament, just as the enabling legislation does. I hope the committee will deal with that point. If we 5566;-1 deal with that, we will provide backbenchers with much more freedom of action and with more adequate representation, not only of their constituents but of the country at large. We will have a much more vibrant and lively institution here. We will have a much greater sense of worth on the part of the individual backbencher that he will have some power and will be able to call the Government to account, that the Government must listen to the elected representative of the people and not just to the advisers of the Government and of the bureaucracy. That, to me, is of vital importance.

I hope from what I have heard here today that the expectations of this House for the work of the committee will not become too exalted. With all of the nice things that have been said about the committee today, it must be remembered that we are 20 members, none of whom are infallible, and we will not solve every problem of this House in the course of our deliberations. Not everything we do will be perfect. We will have to do some of it over. Mistakes will be made on the committee, and I think that should be accepted as a fact. We will not be able to come in with a perfect set of reforms. Reform is an ongoing procedure.

We do, indeed, have an obligation to this House, an Hon. Member said. I forget who it was, unfortunately. In my opinion, parliamentary democracy is probably the noblest institution of Government ever devised by mankind. It will only be noble as long as it is relevant. Those of us who serve in Parliament are finite mortal creatures who will wither and die. While we are here, if we do not work to revitalize this institution it, too, will become finite and mortal. It does not have to be so. It does not have to be a finite institution. It can be an institution with some immortality, with a great, long life, much longer than that of any human. It has already had a life much

longer than that of any human. We must make sure with these reforms that the Parliament of Canada remains a vibrant, lively institution that serves the needs of Canadians, not only for today and tomorrow, but for many future generations.

Mr. Blaine A. Thacker (Lethbridge-Foothills): Mr. Speaker, it is a pleasure to be able to rise and speak to the third report of the Special Committee on Standing Orders and Procedure. Hon. Members might expect, having served on the committee, that I am a bit biased in favour of the report. I must confess that is true.

This was a wise report, and I hope the future will show that to be so. The basis for my conclusion about it being wise is not simply because I am a member of the committee. Like other members, I try to reserve the right to say no, the right to say that I do not agree with something that is going on, whether within my own Party or within the Government. I believe other Members have approached the task in that same vein. Therefore, I believe the report does have a balance with which we can live.

I consider myself still to be a new Member in terms of Standing Orders, even though I was elected to this House in 1979. I suppose in many jobs after a few years you feel you have mastered it and it is time to move on. But I am just beginning to realize and to understand how this place works, its inadequacies and how it could be made to work better. I can remember during the first nine months being on the Government side the absolute frustration at what seemed to be pointless opposition from the Liberals then in Opposition. I can remember my anger at realizing in 1978 that the then minister of justice had brought in a budget and our Party in Opposition opposed it. That was its state in the 1979 elections. When we returned to the government side, we put those same budget proposals, as if we were supporting them, and the Liberal Opposition was opposing them. This continued for some time. The further absurdity happened when we were defeated in 1980 and not all of those finance provisions were put through. Here were the Liberals, back in the government, putting those same proposals forward and we opposed them. As a new Member of Parliament, that had to be the crowning irony for me as to how absurd things were here.

• (2130)

And there is no doubt that being elected does not mean one must become a eunuch or someone who becomes immediately dumb and can only stand or sit when the Party says. I certainly do not intend to give up my right to speak out, and I hope other Members do not give up that right either. There is no doubt that Parliament itself will be an adversary process. One of the recommendations of the committee report is to allow that debate, because there is no doubt that we are locked into a battle for the hearts and minds of Canadians. Government is the exercise of power, including the power to take away the lives of its citizens. That is how much power governments have. The Liberal Party on one side, the NDP and our Party on the other side are locked into a battle for the hearts and minds of Canadians. We hope to win and they do as well.

The House will always be an adversarial place. Undoubtedly, there is no reason why the committees, the task forces and the special committees from which this report is a product, can become much less adversarial, because the purpose of these bodies is to group people around a problem. If they can address the problem and have experts express their views on it, a solution to the problem can be found, irrespective of the various philosophies in terms of the exercise of executive power and how the country should be run. With a little goodwill in these committees, free of the public television which exists in the House, surely we can come to a wiser result. That is what has happened in task forces, since 1980.

I had the privilege of being a member of the Committee of Fiscal Federalism. That committee got around the problem of how this nation should operate fiscally with the huge wealth and different views of its different regions. A report was issued from that committee which was also unanimous. While the Government did not accept all of the recommendations of the committee, several were adopted. Speaking for my own Province of Alberta with respect to that fiscal federalism report, the people of Alberta who I spoke to were very pleased with the parts of the report that reflected their view. I was thankful to the Members opposite and those in the NDP who agreed to including those views. I was able to return to my region, as a federal Member of Parliament, and say that Parliament is working for them, and I was able to produce the hard, cold facts.

I was pleased to be asked to serve on this Special Committee on the Standing Orders. Once again, the process was good. We argued about some subjects, shared a few drinks and had special meetings until those problems disappeared when we realized that we were facing a common problem.

One of those common problems was that which an elected Member faces with the power of the bureaucracy. There is no doubt that there has been an enormous growth in the bureaucracy federally, provincially and municipally since the Second World War. While individual civil servants are very fine people who work well within their jurisdictions, the Civil Service collectively has taken on a life of its own which is getting out of hand.

I believe that the same argument applies to Crown corporations. There is nothing inherently evil in the operation of a Crown corporation, but at the federal level where there are almost 600 Crown corporations and where there are almost as many at the provincial level across the country, there is no doubt that there is not enough fiscal control of that sub-level of Government.

I hope that we have taken steps to bring this under control as a result of our third report. However, I believe we must go even further in the future. Some Members have been concerned about the report. All that I can say to them is to let us try it. If it does not work we will change it. If that again does not work, we will change it again. If it is totally inadequate by

next December we can revert back to this antiquated procedure where we can have four or five changes of Government which will be proposing and opposing something in the same absurd way.

In the future our committee will deal with Supply. I think this will be a relief to many Members. We will deal with the role of the Speaker and with votes of confidence. As I have come to know Members opposite, and even a couple from the NDP, I have no doubt that we can come to an agreement.

The question of private Bills was a critical issue which we dealt with in the report. As you know, Mr. Speaker, we have so far received over 100 submissions from individuals and groups. Those people feel unquestionably that the role of the private Member of Parliament is important. Yet, when we look at our parliamentary timetable, we do not see much time for private Members' Bills to be handled. I believe that switching consideration of private Members' Bills to Wednesday is a very good idea. We have some other ideas which will make that process much more solid.

With no disrespect to the Prime Minister (Mr. Trudeau) I believe absolutely contrary to what he said about our being nobodies once we get 50 yards away from the Hill and being somebodies only on the Hill, I have found the opposite to be true. I find that I am nobody on the Hill because I am locked into a system where the bureaucracy has much more power. When I return to my riding, my constituents are pleased to see their Member of Parliament and speak with him. Therefore, I think that I am somebody when I am more than 50 yards away from the Hill, and I am not as important here.

I hope that Members will support the committee report so that we will have their critical analysis to make this a better place when future reports are tabled.

Mr. Roger Simmons (Burin-St. George's): Mr. Speaker, I am also a member of the committee which has its interim report before the House tonight. I have had ample opportunity to state my views in committee, so I will just take a minimum of time in the House tonight. I understand that one of the two Vice-Chairmen, the Hon. Member for Hamilton Mountain (Mr. Deans), intends to speak, and perhaps we can use the remaining 20 minutes.

I would first like to thank the House and the Government House Leader (Mr. Pinard) for the opportunity to be on this committee. It was an exciting undertaking and one of the more pleasant aspects of my parliamentary career which spans some nine years, counting the years spent in the Newfoundland House, which was better. At the outset I would also like to congratulate the Chairman of the Committee, the Hon. Member for Pontiac-Gatineau-Labelle (Mr. Lefebvre) and the two Vice-Chairmen, the Hon. Member for Nepean-Carleton (Mr. Baker) and the Hon. Member for Hamilton Mountain, as well as the members of the committee, for doing an excellent job to date.

I want to draw particular attention to the speed and dispatch with which the committee members, under the leadership of the Chairman and the two Vice-Chairmen, used in establishing a rather productive working relationship from the very outset. The fact is that the work of this committee is not an indictment of this institution, of Parliament. This institution has survived over 700 years over some very difficult periods, periods which were so dramatic that, by comparison, the now famous bell-ringing incident just pales into insignificance. The institution has seen some rather dramatic periods and has survived them and been all the better for them. This committee is not in any way an indictment. Therefore, it is incorrect to question the validity of the institution. Rather, it is proof of the strength of this institution which has evolved over the years to the point at which it requires new rules to meet changing times. This is not the first time the rules of this institution have been changed and it will not be the last.

• (2140)

The interim report, as significant as it is in many respects, is really only the tip of the iceberg. As Hon. Members know, an iceberg is eight-ninths, or almost 90 per cent, below the surface, and so it is with the work of the committee. The real impact, the real substance, I suggest, lies ahead. The full impact has not yet surfaced.

There are other issues we want to address. They have already been mentioned by Hon. Members, such as the issue involving the MP and the bureaucracy, which I want to see the committee address, as I believe it will. The issue involving the several aspects of accountability is already receiving the attention of the committee and of a sub-committee, in particular, and the House has already heard about that today. The issue of the Speakership is one which we want to consider. The issue as to how we should vote in the Chamber, as to whether it is the most efficient method or, even more important, whether it is the right method for this particular time, is also one which I should like to see addressed and one which I know we will.

A few moments ago the Hon. Member for Esquimalt-Saanich (Mr. Munro) raised a number of important questions about this experiment. He is not in the Chamber at the moment, but I am sure he will have the opportunity to hear my response to his questions so far as I am capable of responding. I want to say in particular to him, and to the House, in case someone may not be aware, that the committee, of which I am a member and whose report we are considering right now, has no implementation function. Its mandate is to investigate and report. Therefore, one should avoid thinking of the committee as some kind of administrator or implementation structure which would sit in judgment of the actions of the House to decide just how well a rule is being implemented or if it suits or satisfies the intent of the committee. I submit that the committee's work is done once it has reported to the House and once it has made its recommendations, either on an interim or on a final basis, so that the real adjudicators of the experimental package are the Hon. Member for Esquimalt-Saanich and the Hon. Member for every other riding in the country. Only he and the other Hon. Members of the House can answer this question.

I am sure that over the experimental period of one year we will all come to some conclusions as to which items in the

package have improved the functioning of the House and which items we could well do without. I have no doubt, I say to him, that over the year we will find a consensus emerging about which parts of the package we ought to retain on a more permanent basis and which parts we ought to throw out before they do any further damage.

The same gentleman raised the question as to why the committee brought in an interim report at this particular time. I want to say to him that there was no magic reason why it was done at this particular time, except to say that the committee found reasonably quickly that there were a number of items on which it was fairly easy to get a ready consensus. We decided that we would recommend them to the House as an experimental package. That is something of an oversimplification, but that is basically the answer to the question raised by the Hon. Member. We have come forward at this time because we have identified some items concerning which we foresaw the possibility of a consensus. We were apparently right, given the rather rapid fashion in which the three caucuses accepted the recommendations in the interim report.

The real spirit of the report was summed up a few minutes ago by the Hon. Member for Lethbridge-Foothills (Mr. Thacker). He is also a member of the committee, and he said, "Let us try it". This is an experiment. None of us are particularly married to it. We naturally feel some favour toward it or we would not have come to the House and recommended it. We feel it has a reasonable chance of success. However, the only way we will know whether what we put on paper will work in practice is to give it a try. So, in the spirit of the Hon. Member for Lethbridge-Foothills and, I believe, of every Hon. Member in the House, let us try to see if it will work. I believe it will. If it needs some honing, refinement, so be it. In the meantime, while we try this package, I am rather encouraged that the committee work will continue in depth on some of the other issues I have mentioned. Other Hon. Members of the House and of the committee, in particular, have mentioned some. I would even suggest that there may well be an issue or two we have not really focused on yet, of which we have not seen the significance. Certainly, I have not, and I bow and defer to people on the committee who have been in the House much longer than I and who have been involved in other reform exercises such as this particular one. However, for my part, I have the distinct feeling or impression that we will come across a whole area that we have not addressed in any depth.

Therefore, I say, let us get on with the experiment. I believe that we have unanimity on this point, pretty well. I also say, let us get on with the larger task of the committee because if we are to measure, with any accuracy, the validity of having set up this committee in the first place, I ask Hon. Members not to measure it in terms of tonight's exercise but, rather, to wait and see what comes forward insofar as the larger issues are concerned, the issues to which we referred in our various speeches.

Mr. Nielsen: D'accord!

Mr. Simmons: This is really an historic night when my good friend, the Hon. Member for Yukon (Mr. Nielsen), and I are saying "Aye, aye" to the same point.

Mr. Nielsen: Never! You go too far!

Mr. Simmons: It gives me reason to ask if we really do not have a good thing here. It is so good that he can accept it and I can accept it with absolute agreement. It is absolutely amazing.

I am glad to be associated with the report and I look forward as a member of the committee to continuing the work which has been so well begun. This work could not go forward without the very active collaboration and understanding of every Hon. Member of the House, and that is not a buttered up way of saying that people have been in agreement with everything we have done. There have been some volatile arguments on aspects of this report involving items that we are now considering. That is not the point I make. The point I make is that I feel, irrespective of Party lines, a willingness and almost an anxiety to find rules which will serve us and this institution better. It is that spirit which is making tonight's exercise possible. It is that spirit which gives me confidence that we will come up with an over-all report, a final report as a committee, which will serve this institution and the people of Canada very well.

Mr. Bill Clarke (Vancouver Quadra): Mr. Speaker, I am glad to say a few words at the close of this debate on the motion of the President of the Privy Council (Mr. Pinard) concerning the subject matter of the third report of the Special Committee on Standing Orders and Procedure. I, too, congratulate the movers of the motion and the members of the committee who brought us to this historic point in parliamentary life. As a ten-year Member and a three-year president of standing committees of the House, I welcome these changes and I want to comment on just a few of them.

The idea of planning on a semester basis will be an excellent discipline for both the Government and the Opposition. The Government will be forced to think a little further ahead than they now do, and the Opposition will be able to plan in a much more orderly fashion. They are now only able to learn the business of the House the week before it begins.

• (2150)

As far as the parliamentary calendar is concerned, and rising for the summer recess on the thirtieth of June, I note that the calendar will give us 175 sitting days a year instead of 165 days. I think that is good because, if it is needed, we should have that, knowing the ending date should end the brinksmanship that we see at practically every end of a session in the House now. The Government is always wanting to push through more things before the end, and the Opposition is always threatening to hold things up. Then there is a threat to make us sit longer. The idea of never knowing is very hard on the personal lives of Members, and very hard on the families of Members. Family life should be improved for all Members by the installation of this new calendar.

Previously, the summer recess coincided roughly with the academic school year. The children got out of school on the thirtieth and the MPs got out of the House on June 30 and they could all go to their ridings and their homes for the summer recess, and that was fine. In the last ten years only once, in 1978, did the House rise on June 30. In other years, excluding two years in which the House did not sit because of summer elections, the House rose in late July. I would just like to read out these dates, Mr. Speaker, July 27, July 30, July 14, July 25, July 23 and July 17, and this year, 1982 set the record when the House adjourned on August 4. I am sure we all remember that long, hot summer.

On the daily timetable aspect, I think that would be good for families as well. As I analyse the changes, I see that they really have only shifted the 8 to 10 p.m. sitting to 11 in the morning on Mondays, Tuesdays and Thursdays, and the Adjournment Debate has been moved from 10 p.m. to 6 p.m. That debate is generally sparsely attended. I suppose the only effect of that is that it will keep a few Parliamentary Secretaries busy through part of the dinner hour. I said that this daily timetable was good for families as well. That is assuming that the Members take advantage of the close of debate at 6 and go home to their families, if they have them here. Other suggested uses of that evening time is other meetings, or travel, or study in your office or office work, et cetera. I think one or two Members may have alluded to it, but it may be the "et cetera" that will prove to be the problem. Long ago, I am told on good authority, night sittings were introduced for the very purpose of keeping Members of Parliament busy at night, and keeping them off the streets and out of the night spots and other dangerous places in the national capital region.

An Hon. Member: Speak for yourself.

Mr. Clarke: I say that only half in jest, but on a very serious note I do hope that the evening time from 8 p.m. to 10 p.m. is not taken up immediately by extra committee meetings. My committee, the Public Accounts Committee, traditionally sits at 11 a.m., so if we continue to sit then we will miss the 11 a.m. to 1 p.m. period of the House. Furthermore, the benefits that might accrue to the Members will certainly be lost to the staff who have to service that committee, if they have to come back here and work until ten o'clock.

We have been considering the size of the committee in the Public Accounts Committee for some time. I judge from the report that we will be getting ten Members instead of the current 20. That is not a problem as some of you know who have attended Public Accounts Committee meetings in the last number of years. We have to make a special effort, in the Public Accounts Committee, to get a quorum for conducting votes in the committee because our quorum is 11 and our normal attendance is usually in the seven range. We will be better organized with having only ten. I do not know what the quorum will be, probably six. We will probably have at least six most of the time.

The limitation on substitution will also be good for most committees. As I analyse how it might apply to Public Accounts I can see that it will eliminate the very few occasions that we have had where a lot of Members have come in order to achieve some special end that the Government might have wanted to achieve in one of those meetings. I think it might also prevent substitution of so-called experts, in subjects which the members of Public Accounts Committee are not expert. When these Members come in, although they are expert on their subjects, they are not experts on the proceedings and methods of the Public Accounts Committee. We very often find that their visit, while pleasant, has not been as useful to the committee as we all thought it would be.

One very important aspect of the committee's recommendations, Mr. Speaker, is the response to Committee reports. I suppose the Public Accounts Committee makes more reports to the House of Commons than any other. We get no official response from the House on these reports. The President of the Treasury Board usually replies, at least the last one did—I am not sure as I have not filed a report since the new one was named. He always replied to our reports by letter to let us know whether the Government agreed or did not agree. Again, in my memory, only three times have we had concurrence with the committee report, and then it was without debate.

So having examined all of the changes and made remarks on a few of them I just want to add that I think the acceptance of the proposal will benefit us all. It has shown the spirit of co-operation that can exist in this House, and I hope that during the year of trial it will all work out, and that the pitfalls which will undoubtedly be discovered will not be too great.

Some Hon. Members: Hear, hear!

Mr. Ian Deans (Hamilton Mountain): Mr. Speaker, I will of necessity be brief. I want to thank the Conservative Party for the generosity which they have shown this evening. It is that spirit of co-operation that I know will keep the House operating on an even keel.

I was going to say that I found the debate this evening in keeping with the deliberations of the committee. I thought that the suggestions that were put forward on all sides were suggestions that, even in some cases critical, were intended to improve the report and improve the operations of the House of Commons and intended to support this new venture that we have all agreed to undertake.

Why did we undertake it? Because it became apparent that the Members of the House of Commons were either unable or unwilling to operate within the existing rules. It was a general opinion that the existing rules did not accommodate the new House of Commons in the sense of the new dynamics of the House of Commons, the new problems that had to be solved, the new methods that had to be found and the new initiatives that had to be taken.

The rules that we have offered can work. The question is, will they work? The rules that we had could have worked. They did not work.

This interim report of the committee will work provided that the Members of the House believe that it should work, believe that it is important that the House of Commons not only be able to act appropriately but that it be seen to be acting appropriately, which is equally important. Not only should we understand that what we are doing is correct, within the general structure and rules of the House, but the public should be able to understand how we are operating so they do not think that the House of Commons is in fact a circus. I believe that what we have before us is the first step, and in the course of the next few months we will see a number of reports which will further encourage the development of the Members' participation, and in so doing it will make the House of Commons much more relevant, and as we make it more relevant, the people of Canada will benefit substantially from it.

• (2200)

The Acting Speaker (Mr. Blaker): One of the oddities of our system of Government is that he or she who is designated as Speaker is denied the right to speak in debate. I can only briefly note that it has been a pleasure for me to have served in the chair listening to this debate tonight. I might say that that pleasure has been marred for me personally by the mechanism of my system of arrival, and I would hope that the committee and all Members of the House would give some thought to the mechanisms of the mandate for those who occupy the chair so that we can the better serve you.

Is the House ready for the question?

Some Hon. Members: Question.

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

Some Hon. Members: Agreed.

Motion agreed to.

* * *

BUSINESS OF THE HOUSE

Mr. Nielsen: I rise on a point of order. May I say, off the record, that the Government House Leader was kind enough to inform me last Thursday that the order of business has changed to Bill C-131, I believe, tomorrow, followed by Bill C-132, then Bill C-136; is that correct?

Mr. Pinard: Yes, Mr. Speaker.

The Acting Speaker (Mr. Blaker): May I proceed?

Adjournment Debate

PROCEEDINGS ON ADJOURNMENT MOTION

[*English*]

A motion to adjourn the House under Standing Order 40 deemed to have been moved.

GARRISON DIVERSION—REPORTED APPROVAL OF PROJECT BY UNITED STATES. (B) INQUIRY WHETHER STEPS TAKEN TO DETER ACTION IN U.S. CONGRESS

Mr. Dan McKenzie (Winnipeg-Assiniboine): Mr. Speaker, in light of the latest statements made in Grand Forks last week by Robert Wefald, the Attorney General for North Dakota, I find it imperative to stand this evening and call upon the Secretary of State for External Affairs (Mr. MacEachen) to make an immediate appeal to Washington to curtail any further construction of the Garrison Diversion Project. Mr. Wefald, it appears, intends to totally disregard the affirmation of the International Joint Commission that the project would result in violation of the 1909 Boundary Waters Treaty between Canada and the United States.

The Attorney General for North Dakota is resolved to have the construction of the Garrison Water Diversion Project completed, despite opposition by the Canadian Government and the International Joint Commission, if the United States Government determines the project is in its best interests. Mr. Wefald is under the impression the potential contaminating effect of pumping water from the Missouri River across the continental divide into the Red River watershed "was blown all out of proportion". Obviously, the threat to the environment, that is, Manitoba's waterways, and particularly the threat to Manitoba's fishing industry, is being treated with indifference. Evidently, Mr. Wefald has not been made aware of, or has not had the opportunity to properly assess the various environmental studies and evaluations which have been done on the effects of water flowing north into Canadian waters.

All the evidence compiled by the scientists involved in the sutdy of this proposed project points to the disastrous effect it would have on Manitoba's agricultural and fishing industries as a result of flooding agricultural areas and disturbing the ecology in Manitoba's waterways. In light of the Attorney General's statements, it is quite apparent that the Manitoba New Democratic Party's office in Washington is having no effect at all in relaying our fears and concerns in regard to the Garrison project.

I call upon the Secretary of State for External Affairs to make clarification of the Attorney General's statements. As the NDP lobbying team seems to be inconsequential in blocking the continuation of the project, I repeat my call upon the federal Government, and the Secretary of State for External Affairs in particular, to launch a new and stronger protest to the Governor of North Dakota and to the appropriate people in Washington concerning the Garrison project.

When we read statements such as those of the Attorney General of North Dakota, it is easily discernible that the endeavours of the NDP Office which was specifically set up to defend Manitoba's interests have been to little avail. Only 34 of the 435 members of the House of Representatives support the Canadian stand on the project. What have the lobbyists been doing all this time? The NDP does not appear to be particularly involved with, or have a commitment to establish the Canadian position on the Garrison project. If the NDP concerns were real, it would not allow the ruling of the International Joint Commission to be ignored. Representation should be made without delay to the proper officials in Washington to investigate the present state of affairs on the Garrison project, and to obtain verification of the intent of the United States on this issue.

• (2205)

Mr. Jean Lapierre (Parliamentary Secretary to Deputy Prime Minister and Secretary of State for External Affairs): Mr. Speaker, in response to the Hon. Member I would like to point out that the long-standing Canadian position on the construction of the Garrison Diversion Unit remains that Manitoba waters and fisheries can only be adequately protected from serious damage or degradation resulting from the operation of the project if the Diversion Unit is modified in such a way that it does not result in water transfers from the Missouri River Basin into the waters of the Hudson Bay Basin flowing into Canada.

The U.S. administration is fully cognizant of this position which has been conveyed to them on numerous occasions in recent years. The U.S. Government has assured the Canadian Government that it will honour its obligations to Canada under the Boundary Waters Treaty not to pollute Canadian waters. The U.S. Government has also accepted the International Joint Commission Report on the Garrison Diversion Unit which recommended that the operations of the project which could affect waters flowing into Canada not be built at this time.

As Members may know, the U.S. administration has proposed the appropriation of $4 million for the Garrison project in fiscal year 1983-84. Although this amount is quite small in comparison to the $1.1 billion price tag of the entire project, Canadian authorities believe that the Garrison Diversion Unit should be re-designed before more money is spent on a project that will, as now designed, permit foreign biota to enter Canadian waters. Federal and Manitoba Ministers, as well as senior governmental officials in Ottawa, have stated this view very clearly to the U.S. administration.

In addition, Canadian officials have ensured that Members of the U.S. Congress are fully aware of Canadian views on this appropriation. Indeed, Members of Parliament and Senators have spoken directly to many Members of Congress earlier this year, reminding them of the significant Canadian interest at stake in this appropriation. All of these efforts, including those by anti-Garrison groups in Manitoba, have ensured that Canadian views on the Project have been heard loud and clear on Capital Hill In Washington.

Regardless of the outcome of the appropriation vote, Canadian authorities will continue to insist that measures be taken by U.S. authorities to ensure that Manitoba waters and fisheries be protected from any injurious effects of the Garrison project. The Canadian side has a solid case on the Garrison issue and the Canadian Government will continue to strongly defend the interests of Canada and Manitoba in this project. We are counting very much on the support of the Hon. Member.

The Acting Speaker (Mr. Blaker): Should the Hon. Member for Burnaby (Mr. Robinson) come in I will recognize him out of the normal order. For the moment, the Hon. Member for Ottawa-Vanier (Mr. Gauthier).

[*Translation*]

CONVENTION CENTRES—FINANCIAL CONTRIBUTIONS TO DEVELOPMENT OF RIDEAU CENTRE

Mr. Jean-Robert Gauthier (Ottawa-Vanier): Mr. Speaker, this evening I would like to explain the circumstances of a recent event in my riding which attracted considerable attention and was widely reported in the press. I am, of course, referring to a decision by Eaton's to change the name of the Rideau Centre to Rideau Eaton Centre. As we all know, this decision was fiercely challenged by a number of local groups and by the population in general. On November 26, last Friday, Viking Rideau and Eaton's announced that they had decided to reverse their decision, and that the project would continue to be called the Rideau Centre or Centre Rideau. This evening, Mr. Speaker, I would like to give a short overview of this question to explain why local reaction to the change was negative. First of all, however, I must publicly congratulate Viking Rideau and the T. Eaton Company who demonstrated that a corporate citizen can be a good listener and a good citizen. Companies and corporations have a social role to play, and one can certainly say that the T. Eaton Company has taken this role seriously. I should therefore like to congratulate them once again for their attitude in this matter. My thanks are also directed to Messrs. David Howard and J. J. Barnicke, who are partners with Eaton's in the company that is developing the Rideau Centre.

Now for a look at the facts. First of all, we should remember that the Rideau Centre project is a joint enterprise which for over ten years has involved the public sector, represented by the Federal Government, the Department of Public Works, the National Capital Commission, the City of Ottawa and the Regional Municipality of Ottawa-Carleton, while the Government of Ontario was also involved in the Convention Centre. On the private sector side, there was Viking-Rideau, Westin Hotels, The Bay, Ogilvy's, Caplan and a number of other merchants. Since the project was initiated, co-operation among the various parties has always been excellent.

It was therefore a surprise for everyone when we learned in the press last November 10 that the T. Eaton Company wanted to change the name of the Rideau Centre to Eaton Rideau Centre. This unilateral decision made without any consultation was justified according to the company since Eaton holds 40 per cent of the shares in the Viking Rideau Company, which owns the Centre, and this makes it the major shareholder. Eaton believed that its name would add to the business potential of the Rideau Centre. The press was quick in spreading the news. This elicited an immediate reaction. For my part, I telephoned Mr. Eaton, the mayor of Ottawa, Mrs. Dewar, and the Chairman of the National Capital Commission, Mr. Drury. The Minister of Public Works (Mr. LeBlanc) was also involved, as was the MP for Ottawa East, Mr. Albert Roy. On November 16, I also presented a motion under Standing Order 43 in the House about this matter.

There are many reasons to oppose the change in name. First, the Rideau sector project involves much more than the Eaton store. In fact, it concerns the whole centretown area of Ottawa, including Rideau Street, the Byward Market, Sandy Hill, Lower Town, and so on. At the time of its inception, the project had a rather wide-ranging objective, namely to upgrade the centre-town of Ottawa where the activities and infrastructures had been on the decline for many years. The Rideau Centre Project would bring new life to the area. However, the Eaton store alone will not bring about these changes. Other stores and many shops will open in the Rideau Centre, as well as hotels, restaurants and other businesses which will also be involved in the commercial upgrading of this sector. Therefore, while Eaton is a major business partner, it is not alone.

Another important factor is probably our cultural heritage. In the National Capital Region, the name "Rideau" designates part of our history. We have only to think about the Rideau River, the Rideau Canal, Rideau Hall, Rideau Street, and so on. Rideau is synonymous with Ottawa.

• (2210)

[*English*]

The Acting Speaker (Mr. Blaker): I regret interrupting the Hon. Member, particularly as I have made several signals to him indicating that I would have to do so. I should explain that on the adjournment motion the Chair has absolutely no latitude. The time allotted to Hon. Members is three minutes; that time has expired, with perhaps some additional time.

I propose to make a rare exception; perhaps the Hon. Member would like to use ten seconds to finish his remarks. The Chair would accept that.

[*Translation*]

Mr. Gauthier: Mr. Speaker, I want to point out that I am entitled to seven minutes, not three. I am entitled to speak.

[*English*]

The Acting Speaker (Mr. Blaker): The Hon. Member may not understand; it is three minutes for the Member who poses the question and seven minutes—I apologize to the Hon. Member. I have reversed matters. He has a total of seven minutes and accordingly, has a full four minutes in which to complete his remarks.

• (2215)

Mr. Gauthier: I was wondering, Mr. Speaker, why you were gesturing to me. I know we discussed new rules in the House today but I did not think they would be applied so quickly.

[*Translation*]

If I may come back to my topic, it is of course the change of name of a very important development centre in my constituency, the Rideau Centre. There was a proposal to change its name to Eaton Rideau Centre. As I said, Mr. Speaker, it soon became apparent why so many business groups and citizens reacted negatively. For that reason, on November 22, 1982, the management of the T. Eaton Company came to Ottawa to discuss the name change with local authorities. That meeting probably convinced the Eaton management, because they announced on Friday last, November 26, that they had changed their minds because of the representations made to them.

To conclude, Mr. Speaker, I would like to thank everyone who took part in the debate. Thanks should also go to the businessmen, citizens, the electronic and printed media who lended their support. Thanks to collective input, the voice of the people in the area could be heard. As I said in my opening remarks, we should also thank the management of the T. Eaton Company for responding to and understanding our objections and finally accepting that the common take precedence over their own interests.

Mr. Speaker, I would like to remind the House that I received a number of letters and telephone calls on that subject. Even if this might look unimportant, for us in Ottawa it is a matter of heritage, of preserving our legacy.

We are going through a development stage, Mr. Speaker. Downtown Ottawa must preserve its Rideau heritage—Rideau is synomous with Ottawa.

That question of the name change for the Centre shows that the people in the National Capital area are interested in that major $200 million project. We are all proud of it, and I would conclude by wishing every success to the promoters of the Rideau Centre on behalf of the people in my constituency and the National Capital area.

Mr. Jean-Claude Malépart (Parliamentary Secretary to Minister of Public Works): Mr. Speaker, in reply to the question asked by the Hon. Member for Ottawa-Vanier (Mr. Gauthier), I would like in the first place to congratulate him for the excellent work he has performed with respect to that

matter as to most others relating to his constituency. I am quite pleased to announce that the project is now being carried out after several years of hard work devoted to planning and negotiations. I would like to point out to the members of this House how this Government, my Department and the National Capital Commission can co-operate with other levels of government and with the private sector in modernizing the core of some of our cities and improving the social and economic climate of our communities. The need for that project was first identified in the early sixties and the Cabinet gave its approval in principle in July 1973. The planning activities were spread out over a number of years because of the extent and complexity of that development project and the need to secure the participation of many interested parties of both the public and private sectors.

Our aim was to revitalize the eastern section of the National Capital, create permanent jobs and opportunities for the construction industry, as well as promote the use of vacant land belonging to the federal Government. I am convinced that the Crown will derive financial returns from its share of the gross revenue of the project.

Mr. Speaker, the project includes a 500-room hotel scheduled for completion next fall, about 650,000 square feet of retail store space, including a major Eaton's department store expected to open for business next summer, and a large convention centre which will be available in the fall of 1983. There will be parking facilities for 1,500 vehicles, a street reserved for buses and pedestrians as well as a pedestrian mall. What matters, Mr. Speaker, is that the project will have created approximately 2,000 jobs in construction operations on Canadian Government land between 1981 and 1983, 1,000 jobs in the general building industry in the National Capital Region, and additional jobs in the service industries. Some 1,500 people have found permanent jobs through the implementation of this project.

Mr. Speaker, the participation of the Federal Government is as follows: Department of Public Works, $19 million, and National Capital Commission, $11 million; the very significant participation of the private sector and the other levels of government is approximately $173 million.

• (2220)

[*English*]

CUSTOMS AND EXCISE—EVASION OF DUTIES BY AMWAY CORPORATION. (B) REQUEST FOR DETAILS OF POSSIBLE SETTLEMENT

Mr. Svend J. Robinson (Burnaby): Mr. Speaker, the corporate personification of the "American Way" is on trial both criminally and civilly today in Canada. On Wednesday, November 17 last, I asked the Minister of National Revenue (Mr. Bussières) for an assurance that one of the largest direct sales companies in the world, namely Amway Corporation with sales last year of over $1.5 billion, would not be allowed to make a quiet deal with the Canadian Government to settle four outstanding civil actions. That same day the Company was charged by the Ontario Attorney General with defrauding the Canadian Government under the Criminal Code. The trial date was set for tomorrow, Tuesday, November 30, 1982. I understand the Company announced today that it did not intend to put in an appearance. This, of course, shows complete contempt for the Canadian judicial process.

Amway, short for the American Way, was in fact found guilty in 1979 by the American Federal Trade Commission of fixing retail and wholesale prices and misrepresenting the profitability of Amway distributorships. The Company is headed by a Mr. Jay Van Andel and Richard M. DeVos, two of the five largest contributors to Ronald Reagan's campaign and the owners of the Mutual Broadcasting System, which is the largest radio network in the United States. Mr. Van Andel was from 1979 to 1980 the Chairman of the United States Chamber of Commerce and a good friend of Gerry Ford. Mr. DeVos, until he was fired in August, was the National Chairman of the Republican Fund Raising Committee. Amway as well, I might add, is an important supporter of the National Right to Work, Legal Defence and Education Foundation. We have here a classic case of free enterprise getting greedy and going sour in an attempt to maximize its profits by duping Canadian officials.

Revenue Canada has alleged that for 1977 to 1980 alone, Amway dramatically undervalued its goods entering Canada. Apparently this procedure has been going on since 1965. The claim for this three-year period alone is some $148 million covering over 1,700 separate entries. I understand that a Canadian customs broker blew the whistle on Amway.

Some of the internal documents which I have seen constitute a searing indictment of the attempts by Amway Corporation, this American corporate giant and its largest subsidiary, Amway of Canada, to avoid the payment of literally millions and millions of dollars in Canadian customs duties and thereby defraud Canadian taxpayers of millions of dollars. I intend to quote in the short time available to me some of the salient extracts from those documents.

Dummy invoices apparently were prepared, and in one of the documents dated December, 1975, an internal company document, it is stated:

> No actual transactions take place between Amway and the contract warehouses.
>
> The invoices are never sent to the contract warehouses and never paid by them. The contract warehouses are not aware of the existence of the invoices.

It continues:

> A sharp auditor could request proof that the invoices were actually paid by the contract warehouses. No such proof exists.

In a document from the Vice-president, dated 1978, it is stated that the prices at which Amway of Canada has purchased products from Amway Corporation have been supported for purposes of Canadian customs duties as being proper by means of false representations, both oral and written. Canadian counsel has confirmed that the conduct practised constitutes fraud.

In a document relating to an attempt to set up another scheme with an Hawaiian corporation from Amway's accountants, we read:

• (2225)

—it is our opinion that the Hawaii warehouse exercise is a contrived situation serving no business purpose but to support what is inherently an unsupportable position when all of the facts are on the table.

Finally, in a letter to the Vice-president from the customs broker:

As you have explained, back in 1965 an Officer of your firm made false and misleading statements to Ottawa where an additional discount was granted on a Customs ruling.

The broker urged that full disclosure be made. However, the company did not choose to take that advice. It is essential, therefore, that the Canadian Government make no deals whatsoever with Amway Corporation or Amway of Canada. If the Company does not choose to appear before Canadian courts on the criminal charges it is facing, we must proceed to extradition on all outstanding charges in the very near future.

With respect to civil actions pending, I do not believe that these should be limited to three years. Where there is evidence of fraud we can go right back to 1965. The Government must make no deals. It must take the company to Canadian court, pursue the action and recover full interests on the claim.

I understand that in negotiations this past summer there was a suggestion of settlement by a Canadian official for some $105 million. This was stated by an Amway individual. I have also had this confirmed by a source within Revenue Canada. Such a settlement would represent a complete sellout of the interests of Canadians. Above all, there must be no secret dealings.

Recently, one of the spokespersons for Amway was quoted as saying, "The figure in terms of any settlement between Revenue Canada and any party will be kept confidential in accordance with departmental policy." This was said by François Filion, a Revenue Canada spokesman. That attitude is completely unacceptable. Canadian taxpayers have a right to full openness and full disclosures in the dealings with this Amway Corporation. They are quoted as having said that they have a cordial relationship with Canadian officials. I urge the Government on behalf of all Canadians to fully pursue all outstanding civil actions and to ensure that the millions and millions of dollars which are alleged to have been deprived of Canadians through the undervaluing of imports by Amway Corporation are fully recovered with penalties and interest.

Mr. Garnet M. Bloomfield (Parliamentary Secretary to Minister of National Revenue): Mr. Speaker, I would like to reassure this House that at no time have information exchanges between the Department and Amway taken the form of negotiations. I repeat, there have been no negotiations and no secret deals and there will be none.

However, there have been exchanges of information between the parties to ensure that all facts relevant to the issues are clear to all. This has taken place within the normal adjudication process of the Department carried out under the Customs Act, Sections 160 to 168.

When goods become subject to seizure or forefeiture, the Department forwards to the interested party a formal notice of seizure pursuant to Section 161 of the Customs Act. This gives the party involved the opportunity to present, within 30 days of the date the notice has been issued, any information pertinent to the case. After the expiration of that period, the Department has the authority to consider and weigh the circumstances of the case and render a decision under Section 163 of the Customs Act.

In 1979, acting upon information that there might be irregularities by Amway regarding its imports to Canada, the Department immediately initiated an investigation. Shortly thereafter the RCMP was brought into the investigation.

In 1980, the Department, you will recall, informed Amway of its conclusions and filed four claims in the Federal Court, totalling $148 million. This represents the duty paid value of the goods imported. That is the value for duty of the goods imported, determined in accordance with the provisions of Canadian customs law, plus duty and taxes on this value.

In the case of Amway, the adjudication process was suspended on the advice of the Department of Justice, pending the decision of the Attorney General of Ontario concerning the question of laying criminal charges against the company, the Department having first protected its position by filing these claims.

Criminal charges were laid by the Attorney General of Ontario on November 12, 1982, and the Department is consulting with its lawyers to determine the appropriate course of action to follow respecting completion of the normal adjudication process.

• (2230)

It has been and is the normal practice of the Department to recognize that where a value for duty, albeit too low a value, has been declared at the time of entry and duty and taxes have been paid on that value, the final decision will take this amount into account by allowing it as a deduction from the gross amount claimed. Thus, Amway was advised that the final decision would probably be in the order of $105 million. Again following normal practice, the Department has continued to maintain its four claims in the Federal Court for the gross amount of $148 million.

The question has been asked whether we would ask for interest on the sum due to the Crown by Amway. Let me remind you that the Customs Act does provide for a penalty significantly greater than the duties and taxes not paid. It has not been the practice to seek interest except in some cases where the Department has agreed to deferred payment arrangements.

As you know the Department does not normally disclose information concerning penalties paid under the Customs Act. However, in this case the Department intends to disclose this

information, in the public interest, in a way which will not prejudice the interest of any of the parties involved.

The Acting Speaker (Mr. Blaker): The motion to adjourn the House has now deemed to have been adopted, and accordingly this House stands adjourned until tomorrow at 2 p.m. Have a good evening.

At 10.31 p.m. the House adjourned, without question put, pursuant to Standing Order.

HOUSE OF COMMONS

Tuesday, November 30, 1982

The House met at 2 p.m.

• (1405)

MOTIONS UNDER S.O. 43

[*English*]

COMMUNICATIONS

LONG-DISTANCE TELEPHONE FEES CHARGED TO RESIDENTS OF TOTTENHAM, ONT.

Mr. Ron Stewart (Simcoe South): Madam Speaker, the residents of the Village of Tottenham, in my riding, are being charged long-distance telephone rates for calls to the Toronto area, despite the fact their distance from the nearest switching centre is only a few miles. In light of the fact that the present long-distance charges constitute an undue financial burden to the residents, who place well over 50 per cent of their calls to the Toronto region, and because Bell Canada has waived its rules in other areas of the Province, in similar circumstances, I move, seconded by the Hon. Member for Simcoe North (Mr. Lewis):

That the Minister of Communications instruct Bell Canada to provide extended area coverage to the residents of Tottenham.

Madam Speaker: Is there unanimous consent for this motion?

Some Hon. Members: Agreed.

Some Hon. Members: No.

* * *

SHIPBUILDING

GOVERNMENT POLICY REVIEW

Mr. Bob Corbett (Fundy-Royal): Madam Speaker, in view of the precarious state of the Canadian shipbuilding industry, I move, seconded by the Hon. Member for York-Sunbury (Mr. Howie):

That this House instruct the Government to release the shipbuilding policy review it has kept under wraps for the past two years, despite the urgent need for increased protection and support for Canadian shipbuilders.

Madam Speaker: Is there unanimous consent for this motion?

Some Hon. Members: Agreed.

Some Hon. Members: No.

SOCIAL SECURITY

ELIGIBILITY OF NATIVE PEOPLE FOR OLD AGE PENSIONS

Mr. Neil Young (Beaches): Madam Speaker, I rise under the provisions of Standing Order 43. Inasmuch as many elderly native persons in Canada's North do not receive Old Age Pension benefits as most do not have birth records, speak very little English or French, or even know that this benefit may be available to them and, as a result, must rely on family members and friends to survive, I move, seconded by the Hon. Member for Vancouver East (Mrs. Mitchell):

That the House calls on the Minister of National Health and Welfare and the Minister of Indian Affairs and Northern Development to take immediate steps to correct this deplorable state of affairs by informing native persons living in isolated communities that they may be entitled to an old age benefit and of the procedure to be followed to apply for such benefit.

Madam Speaker: Is there unanimous consent for this motion?

Some Hon. Members: Agreed.

Some Hon. Members: No.

* * *

FINANCE

SUGGESTED TAX DEDUCTIONS FOR SHARE SUBSCRIPTIONS

Mr. Don Blenkarn (Mississauga South): Madam Speaker, many enterprises in Canada are suffering loss and, as a consequence, cannot take advantage of tax credit programs and tax allowances as their activities are not profitable. I therefore move, seconded by the Hon. Member for Brampton-Georgetown (Mr. McDermid):

That the House instruct the Government to follow the advice of the Economic Council of Canada and introduce legislation to provide that shareholders of a corporation that registers losses for which tax credits cannot be obtained immediately be allowed to deduct from their personal taxable income an amount paid by them in a subscription for new shares to cover this deficit.

Madam Speaker: Is there unanimous consent for this motion?

Some Hon. Members: Agreed.

Some Hon. Members: No.

S.O. 43

RAILWAYS

CANOLA FREIGHT RATE INCREASES

Mr. Blaine A. Thacker (Lethbridge-Foothills): Madam Speaker, whereas the CPR and CNR have announced freight rate increases of over 40 per cent for canola products, I move, seconded by the Hon. Member for Assiniboia (Mr. Gustafson):

That the Minister of Transport immediately take the appropriate steps to limit the rate increases to 6 per cent as per the six and five program.

Madam Speaker: Is there unanimous consent for this motion?

Some Hon. Members: Agreed.

Some Hon. Members: No.

* * *

THE ADMINISTRATION

MINISTERIAL TRAVELLING EXPENSES

Mr. Tom McMillan (Hillsborough): Madam Speaker, last year the travelling expenses of Cabinet Ministers and their Parliamentary Secretaries in the Liberal Caucus soared 70 per cent to almost $2 million, while they lectured other Canadians on the need for restraint. I move, seconded by the Hon. Member for Don Valley West (Mr. Bosley):

That those big spenders meet after Question Period today to prepare a statement for the House tomorrow, justifying how they can now slash Old Age Pensions and Family Allowances in the name of fiscal responsibility, after they themselves have made a complete and utter mockery of that very principle.

Madam Speaker: Is there unanimous consent for this motion?

Some Hon. Members: Agreed.

Some Hon. Members: No.

* * *

UNEMPLOYMENT INSURANCE

SUGGESTED EXTENSION OF BENEFIT PERIOD

Hon. Edward Broadbent (Oshawa): Madam Speaker, yesterday the Minister of Finance (Mr. Lalonde), in a callous disregard for the well-being of thousands of Canadian men and women who have been unemployed for a year or more and will be unable to obtain unemployment insurance benefits, refused to extend the benefits program for such people, saying that they should be forced to go on welfare. This is a policy that this Party categorically rejects. In view of this, I move, seconded by the Hon. Member for Winnipeg-St. James (Mr. Keeper):

That the Minister of Finance reconsider this decision and announce that the Government will extend unemployment insurance benefits by a further 26 weeks.

Madam Speaker: Is there unanimous consent for this motion?

Some Hon. Members: Agreed.

Some Hon. Members: No.

* * *

TRADE

UNITED STATES HEARINGS ON IMPORTED CANADIAN LUMBER

Mr. Nelson A. Riis (Kamloops-Shuswap): Madam Speaker, I rise under the provisions of Standing Order 43 on a matter of urgent and pressing necessity, and trust that all Members of the House will see fit to support this motion. Recognizing that Canadian lumber shipments to the United States last year amounted to $1.8 billion, recognizing that the forest industry is a critical component of the Canadian economy, and recognizing that the United States is presently considering the imposition of a countervailing duty on imported Canadian lumber products, I move, seconded by the Hon. Member for Skeena (Mr. Fulton):

• (1410)

That the Canadian Government demonstrate its concern by having Canadian officials at the hearings presently taking place rather than an embassy staff person and, in addition, by encouraging provincial Governments, expecially British Columbia, to do the same.

Madam Speaker: Is there unanimous consent for this motion?

Some Hon. Members: Agreed.

Some Hon. Members: No.

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PENITENTIARIES

LOCATION OF PROPOSED WOMEN'S PRISON IN NORTH BURNABY, B.C.

Mr. Svend J. Robinson (Burnaby): Madam Speaker, in view of the fact that the British Columbia provincial Government has proposed the construction of a federal/provincial maximum security prison for women in North Burnaby and that this decision was made without any consultation whatsoever with the residents of the community, I move, seconded by the Hon. Member for Vancouver East (Mrs. Mitchell):

That this House call upon the Solicitor General to refuse to co-operate in the construction of any federal/provincial maximum security prison for women in North Burnaby pending the outcome of such consultations and only in the event that the citizens of Burnaby agree to such construction.

Madam Speaker: Is there unanimous consent for this motion?

Some Hon. Members: Agreed.

Some Hon. Members: No.

CANADIAN TRANSPORT COMMISSION

RAIL LINE ABANDONMENT HEARINGS

Mr. Stan J. Hovdebo (Prince Albert): Madam Speaker, I rise under the provisions of Standing Order 43. The Canadian Transport Commission has continued to make decisions on rail line abandonments, even if it does not have any idea of how much income the railways will receive from the movement of grain. Therefore I move, seconded by the Hon. Member for Humboldt-Lake Centre (Mr. Althouse):

That, since the Minister of Transport lacks the insight or courage to do so, this House instruct the Canadian Transport Commission to stop having rail line abandonment hearings.

Madam Speaker: Is there unanimous consent for this motion?

Some Hon. Members: Agreed.

Some Hon. Members: No.

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SOCIAL SECURITY

SUGGESTED REFORM OF TAX SYSTEM

Mrs. Margaret Mitchell (Vancouver East): Madam Speaker, I rise on a very urgent matter, under the provisions of Standing Order 43. Inasmuch as children are Canada's greatest resource, and present family allowance cheques do not pay even enough for the price of a pair of jeans, I move, seconded by the Hon. Member for Vancouver-Kingsway (Mr. Waddell):

That the Liberal Government stop eroding family allowances by six and five cutbacks, allowances which are the right of all Canadian children, and that it concentrate instead on reforming the tax system to pay for essential social security programs.

Madam Speaker: Is there unanimous consent for this motion?

Some Hon. Members: Agreed.

Some Hon. Members: No.

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NATIONAL SECURITY

REASONS FOR NOT PROSECUTING CANADIAN PROFESSOR

Hon. Ray Hnatyshyn (Saskatoon West): Madam Speaker, in view of the fact that the Minister of Justice (Mr. MacGuigan) today tabled a letter written by his predecessor explaining the reasons why they did not proceed with the prosecution of anybody with respect to conclusions arrived at by the McDonald Commission, and in light of this precedent by the Minister of Justice, I move, seconded by the Hon. Member for Cambridge (Mr. Speyer):

That this House direct the Minister of Justice to table the legal opinion as to why the officials in Canada, in the Solicitor General's Department in particular, did not proceed with the prosecution of the alleged spy, Hugh Hambleton.

Madam Speaker: Is there unanimous consent for this motion?

Some Hon. Members: Agreed.

Some Hon. Members: No.

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PARLIAMENT BUILDINGS

INSTALLATION OF LIGHTING IN MEMBERS' OFFICES

Mr. Jim Fulton (Skeena): Madam Speaker, I rise under the provisions of Standing Order 43. In view of the fact that fluorescent lighting has now been linked to cancer in both working men and women, and that the Department of Public Works has refused to instal incandescent lighting in some Members' offices in the Parliament Buildings, while the Minister of National Health and Welfare (Miss Bégin) has had the Department of National Health and Welfare pay to have alternate lighting installed in her office, I move, seconded by the Hon. Member for Regina East (Mr. de Jong):

That all Members who wish to have alternate lighting installed in their offices have it paid for by the House of Commons.

Madam Speaker: Is there unanimous consent for this motion?

Some Hon. Members: Agreed.

Some Hon. Members: No.

ORAL QUESTION PERIOD

[*English*]

NATIONAL SECURITY

TRIAL OF CANADIAN PROFESSOR IN BRITISH COURT

Mr. Chris Speyer (Cambridge): Madam Speaker, my question is directed to the Solicitor General. Yesterday we learned in a British courtroom, not a Canadian one, that Hugh Hambleton, who is charged with offences under the U.K. Official Secrets Act, was a Soviet spy for more than 30 years in constant touch with Soviet agents, that he had had dinner in a Moscow apartment with the head of the KGB, and that he was found with the most sophisticated Soviet-built espionage equipment in November, 1979.

Mr. Nielsen: In Montreal.

Mr. Speyer: This morning in that same courtroom we learned that he had not only turned over to the Soviets thousands of NATO documents but that he turned over 80 of the most top secret documents classified as "Cosmic", to the

Soviets. In light of the fact that there are thousands of Canadian troops stationed in Germany, has Canada gone out of the business of prosecuting spies?

• (1415)

Hon. Bob Kaplan (Solicitor General of Canada): Madam Speaker, that is a rhetorical question. Of course, in a proper case where the evidence was there, where the Official Secrets Act would be effective in obtaining a prosecution, there would be a prosecution brought. I would remind my hon. friend that the evidence to which he is referring has been led by the prosecution. There is a case under way now. One assumes that the defence will want to put in evidence as well. I would urge all Hon. Members not to make statements in the House or to characterize evidence in a way which could, if communicated to Great Britain, jeopardize a fair trial. There will be time for discussing matters like this after decisions have been reached by courts in Great Britain.

Mr. Speyer: Madam Speaker, this is the Government that will prosecute the Toronto *Sun* and Peter Worthington, but will not prosecute a true spy.

Some Hon. Members: Hear, hear!

MINISTER'S STATEMENT

Mr. Chris Speyer (Cambridge): Madam Speaker, on May 23, 1980, in this House, in answer to a question directed by the late Hon. Member for Leeds-Grenville, the Solicitor General said:

—there is a question as to whether any official secrets at all were obtained to be given to foreign governments. Second, there is a question of whether any of the information that was given, secret or not, was damaging to our country.

That was May, 1980. In light of the statements made by the Attorney General of Great Britain this morning that 80 of the most secret documents which NATO had, were conveyed to the Soviet Union—

Mr. Nielsen: From Canada.

Mr. Speyer: —was the Solicitor General ignorant of those facts when he gave that answer on May 23, or was he just not telling the truth?

Hon. Bob Kaplan (Solicitor General of Canada): Madam Speaker, I am not going to confirm any facts in the matter for now, but I can tell the Hon. Member that I was fully informed about the basis on which the decision was reached by the officials in the Department of Justice and by the law officers of the Crown. As I indicated before, there will be a time when I will be prepared to be more forthcoming about the evidence which we had and the way in which the decision was made, but I urge my hon. friend not to press me to do that now.

STATEMENT MADE BY RCMP OFFICER

Mr. Chris Speyer (Cambridge): Madam Speaker, yesterday in answer to questions that I posed, the Solicitor General said that there was the highest degree of co-operation between the British authorities and those of our Security Service. I would ask the Solicitor General to confirm reports that appeared for the first time, to my knowledge, in July, 1982, that a Frank Pratt of the Special Services of the RCMP told Mr. Hambleton not to go to London or he might be in for "a hostile reception". Is that accurate or is it not?

Hon. Bob Kaplan (Solicitor General of Canada): Madam Speaker, it is true that the Security Service had a continuing contact and exchange of information with Mr. Hambleton from the time that the decision was made that there should be no prosecution, and that he was told that if he did go to Great Britain he could meet a hostile reception. But Mr. Hambleton was determined to go, and decided on his own that he would.

EXPLANATION SOUGHT FOR GOVERNMENT DECISION

Hon. Erik Nielsen (Yukon): Madam Speaker, the Government of the late Mr. Pearson decided that it had sufficient prima facie evidence to strike the Spencer inquiry to look into the activities of a postal employee. The Government also thought it had sufficient prima facie evidence under this Prime Minister to prosecute one Peter Treu. Can the Solicitor General explain to the House why in this case a spy, self-confessed, had been operating for some 30 years, much of that time in Canada, travelling on a Soviet passport, seems to be immune from arrest and prosecution in this country?

Hon. Bob Kaplan (Solicitor General of Canada): Madam Speaker, one of the factors is the difficulties with the Official Secrets Act.

Mr. Hnatyshyn: That's nonsense.

Mr. Kaplan: My friend has mentioned two cases. I ask him to look at the opinions expressed by the courts about the Official Secrets Act in both of those cases.

The Department of Justice has revisions of the Official Secrets Act under consideration. They have not been brought forward—or were not brought forward—at the time of the Hambleton decision because the McDonald Commission was sitting. It was anticipated that the McDonald Commission might produce recommendations which ought to be taken account of in any amendment or improvement of the Official Secrets Act. That is one of the reasons.

• (1420)

BACKGROUND TO GOVERNMENT DECISION

Hon. Erik Nielsen (Yukon): Madam Speaker, is the Government conducting any inquiry into the circumstances of this case in order to determine why Hambleton was able to function for as long as he did in this country, and is the Government looking particularly at the Gouzenko files to see whether or not this man was identified at that time? Did the Government receive any information from any other security service, particularly the CIA, identifying Hambleton and, if so, when?

I would also like to know when the opinion was given by the Department of Justice that there was insufficient evidence to obtain a conviction, because that is what I take the Solicitor General to mean, not insufficient evidence to support a prosecution, a prima facie case against Hambleton?

Hon. Bob Kaplan (Solicitor General of Canada): Madam Speaker, the decision was made during the month of January, 1980. The Hon. Member asks if we know a great deal about Hambleton's activities in the country. We do know a great deal about his activities.

As I indicated yesterday outside the House, we learned a great deal more about his activities after the Security Service informed him of the decision reached by the Department of Justice about prosecution. That information was communicated not only to the British but to other friendly intelligence services, one of whom took advantage of the opportunity to come to Canada and interrogate Hambleton further.

Indeed, the Security Service has produced information about Hambleton, has communicated it to the British, and in fact a member of the Security Service is in Great Britain, ready to provide assistance to the prosecution that is under way now.

NATURE OF DECISION

Hon. Erik Nielsen (Yukon): Madam Speaker, I have one brief supplementary question, if the Minister of Justice will allow me to interrupt his discussion with the Solicitor General for a moment. When the Solicitor General says that a decision was made in January, 1980, was that in the form of an opinion from an official in the Department of Justice to the officials of his Department, was it in the form of a recommendation, or was it an outright decision by the Government at that time?

Hon. Bob Kaplan (Solicitor General of Canada): The event in January, 1980, was a meeting between officials of the Ministry of the Solicitor General, the Security Service, and the Department of Justice.

Mr. Nielsen: Officials?

Mr. Kaplan: Officials.

QUERY RESPECTING PROFESSOR'S ACTIVITIES IN CANADA

Hon. Edward Broadbent (Oshawa): Madam Speaker, I have a supplementary question for the Minister on the same subject. As he knows, Mr. Hambleton is being charged in Great Britain for activities that he undertook in part before 1961, and in part for activities that went on from 1961 to at least 1979. We know that he left NATO's employment in 1961.

Since the RCMP discovered all kinds of interesting spy equipment in his possession since then, what precise kind of activities was Mr. Hambleton involved in after 1961 while he was here in Canada? What information does the Government know was being passed on to the Soviet Union in that period?

Hon. Bob Kaplan (Solicitor General of Canada): Madam Speaker, I have information on that subject but I would prefer to discuss that information after the trial is concluded. The Hon. Member is asking for the evidence that will be adduced or might be adduced in the case. I think it should come out in the case.

EVENTS BETWEEN 1979 AND 1982

Hon. Edward Broadbent (Oshawa): Madam Speaker, I will try another tack which has everything to do with the Government's decision either to prosecute or not, and something to do with the efficacy of the RCMP. We know that the spy equipment, which was clearly identified as being Soviet made, was found in his quarters. We know that he was a self-confessed KGB agent for 30 years. We knew that a couple of years ago. The Minister said at the time that there was insufficient evidence to prosecute, in the opinion of the Department of Justice, but he said in the House yesterday that, by the time more evidence was acquired after 1979, Hambleton had left the country. I would ask the Minister what happened in the three-year interim. What was discovered between 1979 and the time that he left that was not discovered before? Why was effective action not taken earlier?

• (1425)

Hon. Bob Kaplan (Solicitor General of Canada): Madam Speaker, there is an answer to that question but, again, I would prefer to give that answer after the trial in Great Britain has been disposed of.

REQUEST FOR MINISTERIAL REASSURANCE ON CANADIAN SECRET INFORMATION

Hon. Edward Broadbent (Oshawa): I would like to ask another question, Madam Speaker, and I hope the Minister will be a little more forthcoming in his answer to this one. He did not say in 1980, when questions were raised in the House, that there were no official secrets obtained by Hambleton, nor did he deny that such official secrets were passed on to the Soviet Union. Today will the Minister, in the House of Commons, at least reassure Canadians by saying that the Government does not believe that any official secrets were obtained in Canada, and does not believe that they were passed on to the Soviet Union? Will he at least reassure us of this?

Miss MacDonald: He cannot.

Hon. Bob Kaplan (Solicitor General of Canada): Madam Speaker, that is another question that I cannot answer today.

Some Hon. Members: Oh, oh!

REASONS FOR RCMP ACTIONS

Hon. Ray Hnatyshyn (Saskatoon West): Madam Speaker, my question is also addressed to the Solicitor General, who will understand, as one of the law officers of the Crown, that the

sub judice rule does not apply to proceedings in the United Kingdom, or in Russia, or in the United States, or in any other country.

Why did the RCMP try to prevent Mr. Hambleton from going to the United Kingdom when they had all this information about him? What were the reasons the RCMP interceded and told him not to go or he would get a rough time in the U.K.?

Hon. Bob Kaplan (Solicitor General of Canada): Madam Speaker, a basis of co-operation was established between Mr. Hambleton and the Security Service after Hambleton was informed by the Security Service that the Department of Justice had advised against prosecution. That co-operation resulted in a considerable additional amount of information being given by Hambleton which would probably not have been given if the relationship had been a hostile one.

An Hon. Member: Given to whom?

Mr. Kaplan: The Security Service considered that, in view of that relationship, it woulld be appropriate for them, knowing that he was determined to go in any event, to warn him that he might encounter a hostile reception. Therefore I think that the Security Service behaved entirely properly in the matter but, at the same time, the Security Service co-operated fully with British authorities and, I would insist, during their surveillance of him in Canada, were acting very much to assure effective national security in Canada.

ADVICE GIVEN BY DEPARTMENT OF JUSTICE

Hon. Ray Hnatyshyn (Saskatoon West): My supplementary question is directed to the Minister of Justice, whose officials gave the legal opinion with respect to the failure to prosecute Mr. Hambleton in Canada. I want to inform the Minister that our Official Secrets Act, which has been under such criticism by his colleague, the Solicitor General, is far broader than that of the United Kingdom and allows for prosecutions "for any purpose prejudicial to the safety or interests of the State", with respect to any foreign power, and that of the United Kingdom relates to an enemy of the United Kingdom. I would like to know what was the basis of advice given to the Solicitor General's Department and the police not to prosecute Mr. Hambleton.

Will the Minister of Justice, in the precedent that he set this morning in releasing his predecessor's letter with respect to the failure to prosecute people as a result of the McDonald Commission, table in this House a full explanation and written opinion as to why the prosecution did not take place?

Hon. Mark MacGuigan (Minister of Justice and Attorney General of Canada): Madam Speaker, various comments which have already been made from the Opposition side indicate an awareness that the law has not been interpreted in the same way in Canada as it has been in B itain. The British Government has been very successful with prosecutions under its Official Secrets Act.

Mr. Nielsen: Yes, they would at least try!

Mr. MacGuigan: The law involved in the two cases is different. Obviously, the facts that are involved in the two cases are different and, in light of the fact that this case is sub judice in the courts of—

Some Hon. Members: It is not here.

Mr. MacGuigan: Hon. Members opposite say that it is not here, Madam Speaker. It is not, technically speaking, here, but this is a country with which we have the friendliest relations, it is a country with which news is freely transmitted back and forth, and I suggest that hon. gentlemen can restrain their curiosity, to enable a fair trial to take place in the United Kingdom.

Mr. Nielsen: Curiosity? It is absolute astonishment!

ALLEGED SOVIET OFFER OF ELECTION FINANCING

Hon. Walter Baker (Nepean-Carleton): Madam Speaker, I would like to ask the Prime Minister a question with respect to this matter. Has the Canadian Government requested any explanations from the Soviet Government concerning the alleged offer of Mr. Andropov to finance the election of an alleged spy to this House of Commons, given the fact that that allegation is contained in a statement—and assuming that it was a voluntary statement—given the accused in London? Has there been any explanation for this, and has there been any investigation conducted with the Soviet Government about this allegation?

• (1430)

Right Hon. P. E. Trudeau (Prime Minister): Madam Speaker, I had no knowledge of this allegation. Therefore I do not know if an explanation has been requested. I will inquire.

POSSIBILITY OF ELECTION CONTRIBUTIONS

Hon. Walter Baker (Nepean-Carleton): Now that the matter has been raised in the House and the Prime Minister has knowledge of it and will make the usual inquiries, does the Government have any evidence of any contributions made by the Soviet Government to the election campaign of any Member of the House of Commons in the last decade? This is an isolated case, apparently, the only case that we know of that has come to the surface. Are there any other cases where the Soviet Government has attempted to intervene, and would the Prime Minister extend his inquiry to that?

Mr. Nielsen: Fred Rose, probably.

Right Hon. P. E. Trudeau (Prime Minister): Madam Speaker, I am not aware of the allegation having been made or sustained, but I will make inquiries.

PROVISIONS OF OFFICIAL SECRETS ACT

Hon. Allan Lawrence (Durham-Northumberland): Madam Speaker, my question is directed to the Solicitor General. The Solicitor General will remember that the very earliest opinion emanating from the Department of Justice about the Hugh Hambleton matter was the preposterous proposition that, because Canada's national interest was not in any way abrogated by this man, even though he clearly admitted giving away secrets of both NATO and the United States to the Soviet Bloc, this did not infringe upon Canada's Official Secrets Act. I now ask the Solicitor General, in the two and one half years that he has had that office, has he done anything to attempt to rectify this alleged gap in the Official Secrets Act.

Hon. Bob Kaplan (Solicitor General of Canada): As far as giving away secrets are concerned, or the expression in an earlier question about being a "self-confessed spy", it is true that Mr. Hambleton did indicate publicly that he had been giving information to the Soviet Union, but he indicated that it was open source information, and that is normal. That has happened in other cases.

Mr. Nielsen: Like the Spencer case.

Mr. Kaplan: It is not something that the Government would want to encourage, but if open source information is given, as Hambleton claims he was doing, that would not have brought him under the Official Secrets Act, from the definition of what a secret is.

Mr. Nielsen: Exactly the same as the Spencer investigation.

Mr. Kaplan: As far as the security of Canada is concerned in the Official Secrets Act, that is a matter that the Department of Justice is dealing with in considering revisions to the Official Secrets Act, based on the cases that have been fought and lost in Canada before, and based also on the recommendations of the McDonald Commission.

QUERY RESPECTING POSSIBLE ARRANGEMENT WITH ACCUSED

Hon. Allan Lawrence (Durham-Northumberland): If the Solicitor General will review his files, of course he will find that there is not only evidence in Canada but there is evidence emanating from an American source as well as to the alleged traitorous activities of this man.

Obviously some deal was struck by the Security Service with this man. Some commitment was given by the Canadian law enforcement agencies to this man in order to extract more information from him, so the British could proceed. Would the Solicitor General mind telling us now what that commitment was?

Hon. Bob Kaplan (Solicitor General of Canada): I can assure the House that there was no deal but what did happen, as I indicated, was that the individual was informed that the Department of Justice had formed the conclusion that no prosecution could be founded against him. He was told about the state of mind of the Government in relation to a prosecution.

Some Hon. Members: Oh, oh!

Mr. Kaplan: On that basis a relationship of confidence was established, for which there were no other considerations.

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GOVERNMENT EXPENDITURES

INCREASES IN DEPARTMENTAL BUDGETS

Mr. Nelson A. Riis (Kamloops-Shuswap): Madam Speaker, Canadians of all levels of income, but especially lower and middle income Canadians, are experiencing difficulty as they find their costs increasing very quickly. My question is directed to the Minister of Finance. While he requires most lower and middle income Canadians to restrict their increases to 6 per cent and urges all Canadians to follow suit, it is interesting to note in his own Department he has allowed increases of 16 per cent, and in the budget of his Minister of State for Economic Development he has allowed an increase of 150 per cent this year.

Would the Minister explain why he expects lower and middle income Canadians to restrict their increases to 6 per cent while he is prepared to accept a 16 per cent and a 150 per cent increase, for the Department of Finance and the Department of Economic Development, respectively?

Hon. Marc Lalonde (Minister of Finance): Madam Speaker, I want to point out quite clearly and categorically to the Hon. Member that no official in the Department of Finance has got more than a 6 per cent increase for next year and 5 per cent the year after, according to the law passed by this Parliament. That applies to all public servants and all Crown corporations that are subject to the rules. There has been no increase in favour of any official in excess of what has been the criterion adopted by this Parliament, and that has been supported very widely across the country. My hon. friend is not comparing apples with apples. I would like to add that there have been reorganizations and reassignments inside the Department. I have also requested that there be an increase in the number of people in the Corporate Financing Branch and also in the Economic Analysis Branch. I have appeared before the Parliamentary Committee to provide all of the information in this regard.

Mr. Riis: Madam Speaker, as the minister of hypocrisy, that is the kind of statement one would expect. While the rates have been restricted to 6 per cent for various agencies, the budgets for the Minister of Finance and for the Minister responsible for economic development obviously have not been restricted to 6 per cent; quite the contrary.

Oral Questions

BANK OF CANADA

CHANGE IN MONETARY POLICY COURSE

Mr. Nelson A. Riis (Kamloops-Shuswap): My next question is for the Governor of the Bank of Canada but, unfortunately, he is not here, so I will have to direct it to the Minister of Finance. It would appear that Governor Bouey has changed his course and has now abandoned M1 as a serious aspect of his monetary policy. He has now admitted that he is going to tie interest rates in Canada, in order to regulate Canadian exchange rates with American currency.

Will the Minister please explain, when the American deficit is expected to be nearly $200 billion, which will obviously drive up American interest rates, why he is agreeing to tie Canadian fiscal policy more closely with that of the United States?

Hon. Marc Lalonde (Minister of Finance): Madam Speaker, I would urge the Hon. Member to resort to a little more intellectual honesty in his analysis of the situation.

Some Hon. Members: Oh, oh!

Mr. Lalonde: As far as the second part of his question is concerned, I will be very pleased to send him a copy of Governor Bouey's speech of yesterday. It is all spelled out there. I hope when he reads it he will come to the right conclusion.

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NATIONAL SECURITY

DECISION NOT TO PROSECUTE CANADIAN PROFESSOR—ROLE OF RCMP

Hon. Bill Jarvis (Perth): Madam Speaker, I wish to direct a question to the Solicitor General. May I ask him whether or not the RCMP Security Service recommended that the Government proceed under the official Secrets Act to prosecute Mr. Hambleton?

Mr. Nielsen: Yes or no.

Hon. Bob Kaplan (Solicitor General of Canada): Madam Speaker, it is not the responsibility of the Security Service to recommend prosecutions. That is the responsibility of the Attorney General's officials.

Mr. Nielsen: Did they or did they not?

POSITION TAKEN BY RCMP

Hon. Bill Jarvis (Perth): Madam Speaker, may I ask the Solicitor General if he is asking this House to believe that that force which prosecuted Mr. Treu, Mr. Worthington, and even attempted to prosecute Tom Cossitt, sat back silently and acquiesced in another country prosecuting an alleged Canadian spy and never objected for one minute to the lack of prosecution in this country?

Some Hon. Members: Hear, hear!

Hon. Bob Kaplan (Solicitor General of Canada): I have no doubt that many members of the Security Service, many Members of this House, and many members of the RCMP, regret the limitations in the present Official Secrets Act.

Some Hon. Members: Oh, oh!

Mr. Kaplan: I know that was a factor that was much in their consideration.

Mr. Nielsen: That is for a judge to decide, not the Government.

Mr. Kaplan: Beyond that, it would be speculation for me to try to guess what particular members of the Security Service might have thought.

Mr. Lawrence: But you have not done anything about it.

LOCATION OF SOVIET INTELLIGENCE OFFICIALS

Hon. Elmer M. MacKay (Central Nova): Madam Speaker, I wish to direct a question to the Solicitor General. The problem with the Official Secrets Act is that it is too broad, not too narrow. I want to ask if any of the Soviet handlers of Mr. Hambleton are still in the country.

Hon. Bob Kaplan (Solicitor General of Canada): Madam Speaker, I remind Hon. Members that Canada has perhaps the most active policy of declaring Soviet diplomats to be persona non grata and that recently, during the period when the Members opposite were in office, a considerable number who had been cases in the works within the Security Service were persona non grata. I cannot and will not answer specifically in the House whether any of the individuals who dealt with Hambleton are still present in Canada, but I think I have said enough to show that there is an effective surveillance on members of the KGB who are here in Canada.

Some Hon. Members: Oh, oh!

• (1440)

MINISTERIAL RESPONSIBILITY

Hon. Elmer M. MacKay (Central Nova): Madam Speaker, since there is a long and honourable tradition in countries with a parliamentary government of high officials and Ministers resigning over security matters, and I bring to the attention of the House and the Minister the case of former Chancellor of West Germany, Willy Brandt, who resigned from that country's highest office because of a security problem, has anyone opposite even remotely considered that course of action in this matter?

Hon. Bob Kaplan (Solicitor General of Canada): Madam Speaker, I would like to ask the Hon. Member what particular defect, or error he considers has been made by the present Solicitor General in relation to those matters.

BANK OF CANADA

CHANGE IN MONETARY POLICY GUIDE

Hon. Sinclair Stevens (York-Peel): Madam Speaker, my question is for the Minister of Finance who has already referred to Governor Bouey's statement in Toronto yesterday, when he indicated that the Government's M1 policy is not a useful guide to policy. Will the Minister offer an explanation to the House why we have been asked to follow a policy so slavishly for many months, if not years, which has resulted in unemployment jumping since July, 1980, by over half a million Canadians, with some 20,000 concerns going bankrupt in this country, all in the name of fighting inflation, which has only gone down one-tenth of 1 per cent? That policy is now judged to be wrong. How does he explain it?

Hon. Marc Lalonde (Minister of Finance): Madam Speaker, the Governor has explained extensively the reasons why at the present time he is not going to refer to M1 as the proper criterion. M1 is not a policy. It is a criterion to which the bank refers in its conduct of the monetary policy of the country. There have been significant changes in the banking system which have made the definition of M1 quite inadequate in defining what is actually happening in terms of the currency in circulation and demand deposits. In light of this evolution, which is parallel to a similar evolution in the United States where the Federal Reserve Board has indicated that it is abandoning M1 as a criterion, the bank has come to the conclusion that it should develop broader criteria and refer to the general situation in terms of the exchange rate and the inflation rate as a reference.

As I said, this reference to M1 has been in existence since 1975, but the evolution of the last few months has shown that it is not a useful criterion. The policy remains the same. The policy of the bank is to try to encourage a reduction in the rate of inflation. We have met with considerable success in the last few months in that regard. We hope we will continue to meet with success, and reduce inflation in this country, which will lead to a reduction in interest rates, the creation of more investment and more jobs.

Mr. Stevens: Clearly this Government never learns when it is faced with the most brutal evidence that any Government could ever wish for to show that its policies are wreaking havoc rather than solving anything.

Some Hon. Members: Hear, hear!

QUERY RESPECTING NEW MECHANISM

Hon. Sinclair Stevens (York-Peel): Madam Speaker, will the Minister indicate to the House, if he expects us to accept his prattle, how he can explain Governor Bouey's statement made last February that M1 is particularly useful as a check against cumulative error in monetary policy over the longer term? What is the new check that the Governor is going to offer so as to ensure that tens of thousands of more Canadians are not ruthlessly cut down by the monetary policy of the Government?

Hon. Marc Lalonde (Minister of Finance): Madam Speaker, the Governor has indicated that, with the development of new methods in the banking system of overnight investment accounts, personal deposit accounts with both chequing and savings features, et cetera, the calculation of M1 did not represent the actual situation in terms of the money in circulation and the demand deposits. Therefore, in light of these developments which have been paralleled, as I indicated, by similar developments in the United States, the Governor has decided that it would be more appropriate to have broader references than merely M1. I hope this will help us reduce the level of inflation in this country, and create an environment where we will have more investment and more jobs.

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INDUSTRY

REQUEST THAT JAPANESE METHOD BE ADOPTED TO INCREASE PRODUCTIVITY

Hon. George Hees (Northumberland): Madam Speaker, I have a question for the Minister of Industry, Trade and Commerce. As the Japanese system of having many small groups made up of equal numbers of management and labour working together in plants to improve productivity, quality and design, has proved far more successful than the Canadian system of confrontation between management and labour, will the Government give leadership by taking steps to encourage Canadian industry to adopt the far more successful Japanese method of industrial operation, and in that way make it possible for Canada to become a leader rather than continue to be a follower in today's very competitive world?

Hon. Ed Lumley (Minister of Industry, Trade and Commerce and Minister of Regional Economic Expansion): Madam Speaker, during the past two and one-half years as Trade Minister, I have benefited substantially from the Hon. Member's advice and counsel. Thus, I want to assure him that any suggestions he makes will be considered very seriously by this Government. With respect to the specific representation that he makes, my colleague, the Minister of Labour, and I have been in consultation with labour and management in terms of setting up task forces with the Government to do exactly what the Hon. Member suggests. In fact tomorrow I am meeting with the automobile industry, both labour and management, and hope to be able to announce something with respect to a task force, with the co-operation of the three parties, as he indicated.

HEALTH

FUNDING FOR PLANNED PARENTHOOD ASSOCIATION

Mrs. Margaret Mitchell (Vancouver East): Madam Speaker, my question is directed to the Minister of National Health and Welfare. Will the Minister explain why federal funds for the Planned Parenthood Association of Canada have been slashed by 50 per cent, from $250,000 to $130,000, when we know that over 1,000 teenage girls in Canada become pregnant every week, many of them 13 and 14-year old children having children? The incidence of venereal disease has reached epidemic proportions. In view of this trend, why is the Minister reducing instead of expanding grants for Planned Parenthood for the kinds of programs that will develop responsible sexuality in young people in Canada?

Hon. Monique Bégin (Minister of National Health and Welfare): Madam Speaker, for one very good reason, namely, that this falls completely within the responsibility of the Provinces. We do not have the power to be in the business of the direct delivery of either social services or health services. Had I received notice of the Hon. Member's question, I could have checked the figures. Although the figures are of some magnitude, we are in a phase-out procedure with the Provinces, at their request, because they want full responsibility in this area. We will continue to help the national association with which we have had discussions for years, in fact prior to my time, with regard to this happening and the fact that it had to happen with the sharing of power.

INCREASE IN TEENAGE PREGNANCIES

Mrs. Margaret Mitchell (Vancouver East): Madam Speaker, I am ashamed to hear the Minister speaking this way on behalf of Canadians. Does she not realize that Canada has signed international agreements endorsing access to family planning as a basic human right, and yet we are denying this right to Canadian young people? There are many programs which the Planned Parenthood Association plans on a national level that are of federal responsibility, such as media programs. Why has the Minister ignored reports from her own Department wherein public health nurses from across the country have told her that the number one health problem in Canada is the increase in teenage pregnancies? What does she intend to do to counteract this trend, and let's not say leave it to the Provinces?

• (1450)

Hon. Monique Bégin (Minister of National Health and Welfare): Madam Speaker, my colleague opposite is telling me that I should do away with the Constitution and the existing division of powers. I am very sorry to insist that I cannot do that. There are many Canadians of good faith who wish there were no provincial Ministers of this, that and the other, but this is not our jurisdiction, Madam Speaker. I cannot provide direct services in the field of social services or health. Do not forget that the Provinces receive billions of dollars to do just that. I think the Hon. Member should put the pressure where it belongs so that the provincial Governments give priority to planned parenthood services. This is a priority.

* * *

NATIONAL SECURITY

CASE OF CANADIAN PROFESSOR—GOVERNMENT POSITION

Mr. John Bosley (Don Valley West): Madam Speaker, if I understood what the Solicitor General said today, he has said so far that he did not have enough evidence with which to charge Mr. Hambleton, that Mr. Hambleton was told that, and as a result Mr. Hambleton co-operated, and that co-operation produced new evidence which is now part of the charge in Great Britain. I ask the Solicitor General, Madam Speaker, what precisely was the commitment to Mr. Hambleton. Was the commitment that no charge would then be laid, or that no charge would ever be laid? If the commitment was not that no charge would ever be laid, why, when the later evidence was available, was he not charged?

Hon. Bob Kaplan (Solicitor General of Canada): Madam Speaker, no commitment was made to Hambleton at all. What I indicated, I repeat, is that he was told that the Department of Justice, the Attorney General, had concluded that no charges could be laid against him. On the basis of having been given that information he agreed to co-operate with the Security Service and produced considerable additional information which, as I indicated, was widely shared with friendly intelligence services.

Mr. Bosley: Madam Speaker, it at least seems possible that Mr. Hambleton co-operated because he knew he would not be charged.

NATO CONVENTION

Mr. John Bosley (Don Valley West): Madam Speaker, in addition to the earlier testimony referred to in London today, further testimony indicated that there is a 1949 Convention among NATO countries requiring each country to protect the other's secrets. Was NATO consulted on the decision not to prosecute, and if not—in effect if the Convention was ignored—on whose authority was that decision taken?

Hon. Bob Kaplan (Solicitor General of Canada): My understanding is that national security information is shared by security services directly and not through NATO.

* * *

MEDICAL CARE

MINISTER'S STATEMENT ON NEGOTIATIONS WITH PROVINCES

Mr. G. M. Gurbin (Bruce-Grey): Madam Speaker, my question is directed to the Minister of National Health and Welfare concerning the proposed Canada Health Act and its implementation. In response to a question from the Hon.

Member for Oxford on November 16, the Minister misled the House when she stated:

—negotiations are still going on between Ministers and officials.

In fact, Madam Speaker, negotiations have not been going on. There have been no meetings with provincial Ministers, with the exception of the Minister of Health of British Columbia on September 29, at which time the federal Minister of Health said she was preparing draft legislation for approval by Cabinet. In fact her press secretary, Mr. Dozier, has confirmed that there are no negotiations now. Will the Minister admit that she in fact misled the House and she is now acting on the proposed Canada Health Act in a unilateral way, without provincial co-operation or negotiations?

Hon. Monique Bégin (Minister of National Health and Welfare): The Hon. Member is wrong in his statement, Madam Speaker. I repeat, in case he did not understand what I told his colleague a few weeks ago, we are continuing the work of negotiating with the Provinces. He may not be aware of how these things take place. They are done at times between provincial and federal Ministers in an official meeting; at other times through officials; at other times between Ministers in a bilateral way as well. This is what negotiations are all about, and we are proceeding with them exactly the way I said the other day.

Mr. Gurbin: Madam Speaker, my understanding, from direct contact with provincial Ministers of Health, suggests that in fact negotiations are not proceeding according to the commitment that the federal Minister made last May.

PROVINCIAL RIGHTS

Mr. G. M. Gurbin (Bruce-Grey): Madam Speaker, is the Minister of Health aware that the changes she is proposing in the Canada Health Act will infringe on traditional provincial rights as guaranteed in the Constitution, infringe on individual rights, and will threaten the ability of hospitals and communities to care competently for the increasing health needs of Canadians? Is she aware that, on the basis of the May proposal, the provincial Ministers might take this to the courts and that she indeed might be starting another federal-provincial constitutional war, and if so, what does she intend to do about it?

Hon. Monique Bégin (Minister of National Health and Welfare): Madam Speaker, if the movie E.T. was not such a friendly one, I would ask the member if he was coming from that other planet. What he refers to is extraordinary, really. I think it would help me understand the extraordinary statements of the Member if he could name the provincial Minister he is referring to who told him these things privately, and what is exactly the problem.

THE ECONOMY

GOVERNMENT POLICY ON EXPANSION PROGRAMS

Hon. David Crombie (Rosedale): Madam Speaker, my question is for the Prime Minister who will know that yesterday in his speech the Governor of the Bank of Canada warned against the development of new expansionary economic recovery programs. He will also recall that three weeks ago at the Liberal Convention he promised Canadians that he would be announcing a five-point expansionary economic program. My question is simply this: what is the Government's policy? Are we going to have expansionary economic recovery programs or not?

Right Hon. P. E. Trudeau (Prime Minister): Madam Speaker, the Government's policy can be seen in the statement made by the Minister of Finance when this part of the session began in late October. It was to find $1.1 billion to create jobs, and to do that by reallocating money from other areas.

PRIME MINISTER'S STATEMENT TO LIBERAL PARTY CONVENTION

Hon. David Crombie (Rosedale): Madam Speaker, perhaps the Prime Minister may recall that he was not quite so modest three weeks ago when he said:

—we will put in place a national program to rebuild our communities, restore our infrastructure, and renew our industrial strength. Right across Canada in every region, in every city, in every village, there are roads to be built, sewers to be constructed, community projects to be advanced, ports to be deepened, or railway tracks to be laid.

—we will take federal dollars and use them to stimulate spending decisions—

Some Hon. Members: Hear, hear!

Mr. Nielsen: All right, where is it?

Some Hon. Members: More, more!

An Hon. Member: You said it better, David.

Mr. Crombie: Madam Speaker, there is no question that I said it better, but as to the substance of the question surely the Prime Minister must square that rhetoric with what the Governor of the Bank of Canada said yesterday, and come clean with the Canadian people.

Right Hon. P. E. Trudeau (Prime Minister): Madam Speaker, as the Hon. Member recognizes, I am indebted to him for having read, much better than I, that section of my speech. The applause from this side was an indication of that.

If the Hon. Member will look at the announcement of the Minister to which I referred, he will find in there several examples of hundreds of millions of dollars being allocated to various projects such as the ones described in my speech, and efforts made by the Minister of Employment and Immigration as well as by the Minister of Finance and other Ministers to involve the Provinces and the private sector in the spending of those moneys in ways which will get the Provinces or the

private sector to contribute. There are already several indications from Provinces that they would be willing to involve their own funds in creating jobs in the way indicated by the Minister and myself. That is the way it is done, Madam Speaker.

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NATIONAL SECURITY

CASE OF CANADIAN PROFESSOR—DEPARTMENT'S DECISION

Mr. John Gamble (York North): Madam Speaker, my question is directed to the Solicitor General who, just a few moments ago, told the House that no agreement or deal was made between Hambleton and the security forces, but rather this gentleman Hambleton had been presented with an opinion of the Attorney General's Department which indicated no prosecution would be made, after which he then released additional information.

I ask the Solicitor General did the Attorney General's Department then examine the issue of prosecution, having regard to the additional information made available to it, and did that Department then determine no prosecution should be launched?

• (1500)

Hon. Bob Kaplan (Solicitor General of Canada): Madam Speaker, at the point after the decision was made about which the Hon. Member asks, there was a focus of attention in the Departments of the Minister of Justice and the Attorney General on improvements to the Official Secrets Act, so that it would be a more effective instrument in the protection of national security. This is not to say there would not be a prosecution ever under this Statute, but as McDonald recognized and many other observers recognized, that Act is due for a major overhaul.

GOVERNMENT POLICY

Mr. John Gamble (York North): Madam Speaker, the Solicitor General has specifically avoided answering the question I posed to him. He told us that with some information the Attorney General concluded, through his office, that no prosecution should be levelled against Hambleton. He then told us that Hambleton released additional information. I asked him whether, on the basis of that additional information, the Attorney General was still of the view that a prosecution should not be levelled against Hambleton. He has not specifically answered that question and I think that throws light on the entire process. To suggest that the issue was then whether the Official Secrets Act should be amended and not whether this man should be prosecuted, must throw light on the way the Government rewards mass murderers and traitors.

I want to ask the Minister if the rule to be applied is that all these people have to do is to keep back some information that later can be handed over to the Security Service, so that they will be treated leniently by the Government.

Hon. Bob Kaplan (Solicitor General of Canada): Madam Speaker, I think that is a ridiculous question. In fact the Security Service did not return to the Department of Justice with its additional information, to seek a further ruling. It gathered that information and communicated it to other intelligence services. It was anticipated that other ways would be found to counter the activities of Hambleton, which indeed were effectively countered from the moment it was realized he was engaged in giving information to the Soviet Union.

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HOUSE OF COMMONS

FORTIETH ANNIVERSARY OF ELECTION OF HON. STANLEY KNOWLES

Mr. Ian Waddell (Vancouver-Kingsway): Madam Speaker, 40 years ago today, on November 30, 1942, the Hon. Member for Winnipeg North Centre (Mr. Knowles) was elected to this House of Commons. I understand that the Hon. Member is being honoured in Winnipeg today. I think it should be noted in *Hansard* that this is a rather important anniversary.

I note that in a book entitled "Stanley Knowles, The Man From Winnipeg North Centre" by Susan Trofimenkoff, he is quoted as saying, when first elected, that it felt "pretty good". I think we should express on behalf of the House that many backbenchers as well as other Members feel "pretty good" that the Hon. Member for Winnipeg North Centre has been a Member of this House of Commons for 40 years, as of today.

Some Hon. Members: Hear, hear!

Madam Speaker: Apart from the fact that the Hon. Member for Winnipeg North Centre (Mr. Knowles) has been in the House for a long time, I think we would all want to recognize that his contribution has been tremendous.

I would remind the Hon. Member, however, that he is not allowed to make commercials!

[*Translation*]

Hon. Monique Bégin (Minister of National Health and Welfare): Madam Speaker, on the same point of order—I do not remember whether it was a question of privilege—I would like to say that I appreciated the absence of my official critic today. However, I know he is in his riding, celebrating his forty years in politics, and we on this side of the House wish to join his party in offering him our warmest congratulations.

Hon. Yvon Pinard (President of the Privy Council): Madam Speaker, I have another point of order, but I would also like to emphasize the exceptional career of the Member for Winnipeg North Centre (Mr. Knowles) and offer him my very best wishes on this occasion.

BUSINESS OF THE HOUSE

Mr. Pinard: Madam Speaker, I just want to draw the attention of my colleagues to the business of the House. Today, as agreed, we shall consider Bill C-131, and even if the bill does not pass second reading by the end of the day, and that would be unfortunate, since I hope we will finish second reading today, but if we do not, the agenda for tomorrow will be Bill C-132. In other words, whatever the result of the debate today, tomorrow we shall be considering Bill C-132, which deals with family allowances.

ROUTINE PROCEEDINGS

[*Translation*]

COMMITTEES OF THE HOUSE

EXTERNAL AFFAIRS AND NATIONAL DEFENCE—PRESENTATION OF THIRTEENTH AND FOURTEENTH REPORTS OF STANDING COMMITTEE

Mr. Maurice Dupras (Labelle): Madam Speaker, on behalf of the distinguished chairman of the Standing Committee on External Affairs and National Defence, I have the honour of tabling, in both official languages, the Thirteenth and Fourteenth Reports of the Standing Committee on External Affairs and National Defence.

HEALTH, WELFARE AND SOCIAL AFFAIRS—PRESENTATION OF FOURTH REPORT OF STANDING COMMITTEE

Mr. Marcel Roy (Laval): Madam Speaker, on behalf of the Standing Committee on Health, Welfare and Social Affairs, I have the honour of tabling, in both official languages, the Committee's Fourth Report, and with the consent of the House, I intend to move its adoption later today.

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

* * *

[*English*]

PETITIONS

MR. DOMM—SUPPORT FOR GENERAL DISARMAMENT

Mr. Bill Domm (Peterborough): Madam Speaker, Peterborough has often been referred to as the test centre for corporations and Governments for products and programs. It gives me great pleasure today to present a petition to the House of Commons signed by 3,400 petitioners in the federal riding of Peterborough.

The petition of the undersigned residents of the federal riding of Peterborough now avail themselves of their ancient

and undoubted right thus to present a grievance common to your petitioners in the certain assurance that this Hon. House will provide a remedy.

The 3,400 signatories hereto affixed to this petition, to be turned over to the Prime Minister (Mr. Trudeau), state as follows:

We support the goal of general disarmament and mandate our Government to negotiate and implement, with other Governments, the balanced steps that would lead to the earliest possible achievement of this goal as in duty bound—

Madam Speaker, it gives me great pleasure to present this petition.

* * *

[*Translation*]

HEALTH, WELFARE AND SOCIAL AFFAIRS

CONCURRENCE IN FOURTH REPORT OF STANDING COMMITTEE

Mr. Marcel Roy (Laval): Madam Speaker, with leave of the House, I move, seconded by the Hon. Member for Hull (Mr. Isabelle), that the Fourth Report of the Standing Committee on Health, Welfare and Social Affairs be concurred in.

Madam Speaker: Does the House give its consent?

[*English*]

Hon. Erik Nielsen (Yukon): We agree, Madam Speaker, on the understanding that all the Committee is requesting is an extension of time within which to present the final report to one week. We agree to concur without debate.

[*Translation*]

Hon. Yvon Pinard (President of the Privy Council): Madam Speaker, that is exactly what the Hon. Member asked. We agree.

Madam Speaker: Does the House give its consent?

Some Hon. Members: Agreed.

Motion agreed to.

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[*English*]

QUESTIONS ON THE ORDER PAPER

(Questions answered orally are indicated by an asterisk.)

Mr. David Smith (Parliamentary Secretary to President of the Privy Council): Madam Speaker, the following questions will be answered today: Nos. 4,246 and 4,495.

[*Text*]

DEPARTMENT OF AGRICULTURE—CODE OF CONDUCT

Question No. 4,246—**Mr. Crosby:**

1. Does the Department of Agriculture have written rules or regulations governing the conduct or standards of behavior for employees of the Department

and, if so, are they embodied in a Code of Conduct or other specific document and is the Code or document available to the public?

2. In the five years preceding April 1, 1982, were any employees of the Department disciplined by way of suspension, dismissal or otherwise for violations of any rules or regulations governing the conduct or standards of behaviour for departmental employees and, if so, in each case, what was the name of the employee and the date of the disciplinary action?

Hon. E. F. Whelan (Minister of Agriculture): 1. Yes. There is a departmental Code of Conduct called the "Conflict of Interest Guidelines". This document is applicable only to Agriculture Canada employees and, as such, it is an internal document which is not normally of interest to the public. It is, however, available to the public on request. In addition, the departmental discipline policy is contained in its Personnel Manual and is accessible to all employees.

2. Employees were disciplined for breach of the Conflict of Interest Guidelines and pursuant to the principles outlined in the departmental discipline policy. The details are as follows:

	Employees Reprimanded	Employees Suspended	Employees Discharged
April/77-March/78	6	9	none
April/78-March/79	6	8	3
April/79-March/80	13	10	none
April/80-March/81	6	14	none
April/81-March/82	6	5	3
Total	37	46	6

To be consistent with the provisions of the Canadian Human Rights Act we are not providing names.

UNVEILING OF PLAQUE IN MAJOR'S HILL PARK

Question No. 4,495—**Mr. Siddon:**

1. What amount did (a) Parks Canada (b) the Historic Sites and Monuments Board of Canada (c) the National Capital Commission spend on the ceremony marking the unveiling of a plaque commemorating Sir Edmund Walker Head in Major's Hill Park in Ottawa on September 19, 1982?

2. (a) How many program booklets were (i) printed (ii) distributed (iii) discarded by Parks Canada or the Board commemorating the plaque unveiling (b) what was the total cost of the (i) design (ii) production (iii) distribution of the booklets?

3. How many ceremonies, receptions and other public functions were held by the Board since January 1, 1980 in (a) the National Capital Region (b) each of the ten provinces and two territories?

Mr. David Smith (Parliamentary Secretary to President of the Privy Council): I am informed by the Department of the Environment and the National Capital Commission as follows:

1. (a) $3,907,50. (b) None. (c) $200 for erection of stand and placement of plaque thereon.

2. (a) (i) 300. (ii) 175. (iii) None. There are 125 booklets in stock which Parks Canada will distribute over the next year. (b) (i) $100. (ii) $202.14. (iii) $30.

3. (a) Seven.

(b)	New Brunswick	5	Manitoba	7
	Newfoundland	12	Saskatchewan	3
	Nova Scotia	11	Alberta	4
	Prince Edward Island	1	British Columbia	7
	Ontario	21	Yukon Territory	2
	Quebec	12	Northwest Territory	1
				86

[*English*]

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

[*Translation*]

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

Some Hon. Members: Agreed.

GOVERNMENT ORDERS

[*English*]

OLD AGE SECURITY ACT (NO. 2)

MEASURE TO AMEND

The House resumed from Thursday, November 25, consideration of the motion of Miss Bégin that Bill C-131, an Act to amend the Old Age Security Act (No. 2), be read the second time and referred to the Standing Committee on Health, Welfare and Social Affairs.

Mr. Donald W. Munro (Esquimalt-Saanich): Madam Speaker, this Bill has been before us on more than one occasion. There have been interruptions in the debate and therefore I think it is worthwhile, as we begin another round on the matter, to recall the import of the Bill.

Those of us who are taking part in the debate no doubt started out by reading Clause 1 of the Bill. In the massive verbiage on the first page we find Clause 1, which reads as follows:

● (1510)

Notwithstanding anything in this section, the amount of the full monthly pension that may be paid to any person for a month in 1983 shall be the lesser of (a) the amount that, but for this subsection, might have been paid for that month—

It goes on, but basically the explanatory note tells us what is the effect of the Bill. We should all recall that the amendment would limit the indexation of the pension to a maximum of 6 per cent in 1983 and 5 per cent in 1984 and that it is an amendment to the Bill on Old Age Security.

Some facts which are worth recalling at this stage were brought to my attention during the summer recess. I refer to the *Times-Colonist* of August 28, 1982 in which some interesting extracts from the report of the National Council on Welfare appeared. The article dealt with poverty, which is basically what we are talking about today. People who rely on the old age pension as their only income are in many cases very close to the poverty line. Part of the article indicated that a family of four was poor if it was surviving in a big city on less than $18,243 annually, and that the same family in a rural area was poor with an income below $13,419. Also it indicated that couples in big cities were poor if their income was less than $11,800 and, if they are in rural areas, less than $8,669.

We are talking about poverty, and I think that must be made clear at the outset. The 1980 figures provided by Statistics Canada show that there were 3,475,000 Canadians under the poverty lines. This is a disgraceful situation, and we are talking about reducing the indexation of the incomes of many of these people.

A further piece of information which I think is worth putting on the record appeared in the same article. A CP report from Ottawa indicated that these 3,475,000 poor Canadians represented 15.1 per cent of the total population of Canada. They have been singled out by the Minister of National Health and Welfare (Miss Bégin) to receive less than they would be receiving if the six and five rule were not imposed upon them, as the Bill intends to do.

Further in the article it was indicated that the Council reported that most poor Canadians lived on incomes which were hundreds and often thousands of dollars below the poverty lines. Also it indicated that 80 per cent of poor families are 10 per cent to 20 per cent below the poverty lines and that 75 per cent of poor single persons are more than 20 per cent under the poverty lines.

One of the reasons people are in this dreadful situation is inflation, which is a component part of the debate. The Minister is intending, for those people who are old and on pensions, that we should ignore inflation and impose upon them the six and five formula which would provide them with increases in their income well below the inflation rate.

My final reference to the article is this. It indicated that incomes have been eroded by an inflation rate of 12.5 per cent in 1981 and will be eroded by 11.5 per cent in 1982. We now have the context in which the debate is now being set.

There is a scheme afoot in the Bill to impose upon those with fixed incomes increases of no more than 6 per cent in 1983 and no more than 5 per cent in 1984, while I am afraid we can bet our bottom dollar that the inflation rates will be three and four points higher than that for each of those years.

We are being asked to agree in Parliament to offering those on old age pensions to accept less than the inflation rate. I think this is absolutely disgusting. Also it explains why not one Liberal, aside from the Minister, has stood up to defend the Bill. The Minister alone has had the nerve to rise and suggest the imposition of this iniquitous six and five formula on pensioners. Obviously the Liberals are staying away in droves and are counting on their overwhelming majority to do the trick for them, to impose on their mothers and grandmothers, those who gave them the opportunity to get to this place, the six and five formula. It is a disgraceful performance if ever I saw one.

Some of us on regular incomes and still in the work force can afford the six and five formula. There are promotion prospects for some, but pensioners are on fixed incomes with little prospect of bettering them. There are limits if they receive too much in the way of incidental income. They lose one part or the other of that income. It will be a great deal tougher for them.

It is worth looking at some other facts or trends in the aging of our population to indicate how the problem will be aggravated in terms of numbers. I hope it is not for this reason that this shoddy Government is hoping to save money, but the population of Canada is aging. There are almost 700,000 fewer Canadians under the age of 20 than there were ten years ago, but there are 800,000 Canadians over the age of 60. That is the group which the Government is attacking. If we want to project even further into the next century, it is estimated that by the year 2020 there will be only two or three workers in Canada to support every non-worker. These are the ones who will have to pay the taxes to provide assistance for those who have retired from the work force.

• (1520)

Is this the reason the Government is trying to save money today, in order to look after those people 40 years down the line? I wonder if this also has something to do with those public servants who manage to arrange for themselves a posting to Paris to live on $170,000 a year, or those who manage to arrange to be sent to the French Riviera to learn French at almost as iniquitous a sum? These disgraceful misplacements of priorities, these iniquitously, wasteful public expenditures, make it more difficult, I would have thought, to defend a Bill of this sort. It certainly must have a bearing on the attitudes of those on the other side of the House who are afraid to stand up and say something, although I see some of them are making notes. I hope they will stand up when the time comes to defend. I would rather see them fight the proposal that is made by their Minister. I wonder whether there is a single one of them who has the courage to do that.

I think it is worth looking at poverty levels. I have been looking at them and we have been talking about poverty levels. In essence, we have been dealing with poverty levels at this time because the Government is thinking of imposing—I will not be a party to it—on those who are within the poverty range its six and five formula. But what about out there in the harsh world? The inflation rate from one year to the next will go up. I suspect it will be 9 per cent or 10 per cent next year. I do not think, and I am sure there is no one on the Government side who in his right mind believes, that the six and five formula will bring the inflation rate down to 6 per cent and 5 per cent in the next two years, especially when this formula is going to

be imposed on those who cannot afford it. With inflation stalled at 11 per cent or 12 per cent—maybe even 10 per cent—the 6 per cent imposition will hurt. Do you know whom it is going to hurt, Mr. Speaker? It will hurt our parents, our grandparents and our uncles, those who have provided a good life for us. Those are the people who will be hurt, and this is the Government that will follow the leader and try to impose this formula on that segment of the population.

I think it is worth putting a few figures on the record. I am going to deal with couples. I could deal with a family of four, but by the time people have reached retirement age it is normally a couple—hopefully a couple and not just a single person, lonesome, by himself—a couple who have reached the age when they are relying on the Old Age Security payments. The OAS payment for two, according to current levels, is $246.92. This would produce a grand total of $5,924 in a year. In addition, if that were their only income, they could perhaps draw on the Guaranteed Income Supplement, which would give them another $4,587; together with the $5,924 that would give a couple a total of $10,511. Let me repeat that figure: a couple would get a total of $10,511. The poverty level has been variously calculated by a variety of institutions, the principal of which is the Senate report on poverty.

I would draw your attention, Mr. Speaker, and that of those who are planning to vote for this Bill to a recent publication which came to me on November 8, compliments of the Senator in charge of the Committee on Poverty. The poverty lines in 1981, according to the Senate committee poverty line criteria, amounted to $12,300. According to the StatsCan revised low-income cut-off, the amount is much lower, but let us take the higher figure of $12,300 as the poverty level. If your annual income is below that figure, you are in want. I think that is what poverty means. In 1981 if you received $12,300, you were in need.

I think it is also worth drawing to the attention of Hon. Members that in 1971 the poverty line stood at $4,040. If we put those figures side by side, we will find that between 1971 and 1981 the poverty level has trebled. Inflation has managed to triple the poverty line. The level at which people are in dire need is an amount of $12,300 today. What about the figure I have just quoted, the maximum that two people both drawing Old Age Security and the GIS can get, of $10,500? There is a difference there of some $2,200, which gives a percentage variance between what they are drawing and where the poverty line is of 11 per cent, the percentage of inflation. These are the people on your right-hand side, Mr. Speaker, who propose to impose the six and five formula over the next two years upon those who will be $2,200 below the poverty level.

How is that trend of tripling inflation in ten years to be contained for those on fixed incomes? The six and five formula will not do it. The six and five formula will not do it for those on fixed incomes at all. There will be pressures elsewhere on society to inflate—to ask for more—because of the inflationary factor that I have suggested will be 10 per cent and 11 per cent.

Furthermore, savings have been discouraged by this Government by making fulsome and false promises which are now being somewhat hedged. There was an indication that the just society—just for the Liberals, I suppose—of "Don't worry, we will look after you" will have to be reneged. The Liberals will have to qualify that promise.

• (1530)

Investment has been discouraged by this Government over the years by interfering unduly in the marketplace. Let us see where that interference has taken place. For example, Pacific Petroleums was acquired not because there were resources and futures in the ground, but because it gave a storefront image to the Government. Merit in British Columbia was also an outlet for refined products. To my recollection, Petrofina will cost $1.5 billion without producing one single drop of new oil, let alone a barrel, just to provide another storefront in eastern Canada for Petro-Canada. We were recently told that it would cost approximately $300 million to acquire BP Canada. That original figure has now risen to almost $600 million.

This total amount gives us an indication of where the Government's priorities lie. They do not lie with those who have provided us with what we have today. They are the people who are being affected by this proposal today through the six and five formula. They are less able to shield themselves from its effects than the rest of us are.

I have spoken in the House previously about the current consumer price index. I have suggested previously and I will suggest again that there should be a new index for those to whom the old index does not really apply. I would like to go through this index and explain which areas I believe are completely unsuitable to those it is being applied to.

For example, food is supposed to be responsible for 21.5 per cent of the total index. Consumption of food at home represents 16.8 per cent and meals away from home represent 4.6 per cent. I ask you, Mr. Speaker, how many pensioners are able to spend a quarter of their food money at restaurants? I suggest that there are very few and, in fact, probably none. That figure makes a distortion of this aspect of the consumer price index.

Housing is supposed to represent 34 per cent of the index. The breakdown of that figure is 19 per cent for shelter, 8.6 per cent for operations and 6.4 per cent for furnishings. I wonder whether that percentage for furnishings, which is approximately 20 per cent, is really needed by old age pensioners or could even be purchased by them. They have spent their lives accumulating their treasures and their tables and chairs and other furnishings; they do not need to spend that amount of money on furnishings. Once again this is a distortion of the housing portion of the index.

Clothing represents 10 per cent of the disposable income. This percentage is then broken down among men's clothing, women's clothing, girls' and boys' clothing, infant clothing and other clothing materials and related services. This portion could probably stay in its present form.

Another segment of the CPI concerns transportation. It represents almost 16 per cent, 14 per cent of which relates to privately-owned transportation. How many of the people with whom we are concerned today—those who are living 10 per cent below the poverty line now—can afford private transportation? Only 2 per cent in this index is attributable to public transportation. Nearly all the old age pensioners I know use public transportation because they cannot afford to drive their own cars.

Only 4 per cent of the CPI is attributable to health and personal care. A greater percentage is likely needed in this area for those in this particular age bracket. I suggest there is a distortion in this area as well which should be corrected.

This distortion is evident when we see that 8 per cent of the CPI is for recreation, reading and education. That is twice as much as health care. I think the breakdown on recreation, reading and education is worth putting on the record. Of that 8.3 per cent for this item, 6.6 per cent is for recreation. What does this recreation involve? Skiing or the purchase of ski equipment? Is 6 per cent of that 8 per cent recreation for people over the age of 65? Let us be serious. This is an index that is not prepared or applicable to those old age pensioners. Reading represents 1.7 per cent of that 8 per cent. I suggest that this figure is probably higher, while a great deal of reading material, of course, comes from public libraries. Tobacco is almost 2 per cent; I hope that percentage is dropping. With respect to alcohol, how many pensioners can afford to spend 4.3 per cent of their disposable income for recreation, reading and education purposes on alcohol? That is one-half of what the amount attributed to reading, recreation and education.

Therefore, I suggest that a separate index for the elderly is required which is properly geared to the purchasing patterns of those who are in this particular age bracket. This is the type of index which should apply to the increments in the Old Age Security and to the GIS.

The whole concept that a consumer price index can be applied universally across the country is a matter of folly. Therefore, I speak up for these pensioners because they are defenceless, both financially and economically. I also speak up for them because they are our mothers and fathers and in some cases our grandmothers and grandfathers. They gave us this country and the benefits we enjoy. Why is the Government planning in this legislation to rob them of the benefits they gave us to enjoy and which they should be able to enjoy themselves in their declining years?

[*Translation*]

Mr. Jean-Claude Malépart (Parliamentary Secretary to Minister of Public Works): Mr. Speaker, I am pleased to be taking part in the debate on Bill C-131, which, Hon. Members will recall, is part of our anti-inflation measures. First of all, I have been wondering why Members of the Progressive Conservative Party were opposed to a Bill that placed restrictions on increases in old age security benefits for persons who were relatively well-off. We must remember that the Canadian government has maintained full indexation for all senior citizens receiving the income supplement and has also agreed to indexation of the basic amount for this group. I wondered why so many Members of the Progressive Conservative Party were opposed to a 6 and 5 per cent ceiling on indexation, a measure senior citizens are being asked to accept as part of the fight against inflation. While listening to the previous speaker, I asked my colleague how old the Hon. Member was. In fact, he is getting his old age security pension, and I now understand why the Members of the Progressive Conservative Party are not standing up for needy senior citizens and are taking up the cause of senior citizens with big pensions to keep them from being affected.

Mr. Munro (Esquimalt-Saanich): How do you know?

Mr. Olivier: Shame!

• (1540)

Mr. Malépart: Mr. Speaker, Hon. Members on the Progressive Conservative side should be honest with themselves. During the short time they were in power, they were ready to throw out universality of pension benefits. In fact, it was worse than that, and I feel that this House cannot afford to be hypocritical and play politics with a subject of this magnitude.

Mr. Speaker, when I realized that Hon. Members on the Progressive Conservative side were defending their own interests in connection with Old Age Security benefits, I decided that I would not give their arguments further consideration. Mr. Speaker, unlike Hon. Members on the Progressive Conservative side, this summer Members from Quebec worked instead of going on trips. I chaired a committee which included a number of my colleagues, a committee which met with senior citizens groups throughout Quebec to discuss inflation and the 6 and 5 policy, and any other subjects that were of interest to them.

Mr. Speaker, the Members of the committee were: Senator Yvette Rousseau, the Hon. Member for Verdun (Mr. Savard), the Hon. Member for Missisquoi (Mr. Bachand), the Hon. Member for Saint-Michel (Mrs. Killens) and the Hon. Member for Portneuf (Mr. Dion). Mr. Speaker, while all our colleagues on the Progressive Conservative side were probably travelling around Europe, we were working and truly defending the cause of our senior citizens. The groups we met included the Senior Citizens' Forum, the AQDR, the FADOQ and also members of senior citizens' clubs and individual senior citizens, the real people and not senior citizens who sit in the House of Commons.

Mr. Speaker, at these meetings we explained what the Government of Canada was doing for senior citizens. Both Progressive Conservative and New Democratic Party Members have told us only about incomes, and I may remind Hon. Members—since the Progressive Conservatives failed to mention this, either on purpose or because they forgot or

because they are not aware of the program—that the Canadian Government is maintaining full indexation for senior citizens receiving the income supplement. This supplement is fully indexed to the cost of living and the same applies to the basic pension paid to individuals who are eligible for the Guaranteed Income Supplement.

Mr. Speaker, I think it is also important to remember all the other programs that are geared to senior citizens—programs that are concerned with income, housing, health, recreation, cultural activities and home care. I think all Hon. Members are aware of the Canadian Government's basic pension, Guaranteed Income Supplement and Spouse's allowance programs, which are three of the most important programs to which all Canadians have access in connection with Old Age Security benefits. There is also the Canada Pension Plan, and for Quebecers, the Quebec Pension Plan. As for housing, it is unfortunate but among the people we met, I am sure that many were not aware of all the programs the Canadian Government is financing, either alone or jointly with provincial or municipal Governments. First of all, we have what is known in Quebec as low rental housing. In this area, the Canadian Government finances 50 per cent of the operating deficit for subsidized housing, and in Quebec, it is probably true that between 50 and 56 per cent of such housing is occupied by senior citizens, who are thus able to pay lower rents than they would do otherwise. Another program wholly financed by the Canadian Government—here again, there is a high percentage of senior citizens, is Co-operative and Non-Profit Housing. The program is 100 per cent financed by the Canadian Government and is allowed an annual subsidy in order to maintain interest rates at 2 per cent for 35 years, and on top of that, there are start-up fund grants for groups, which operate autonomously.

There is also another area, which provincial governments prefer not to mention, and which also falls under housing. I am referring to senior citizens' homes, which are extremely important for this age group. The housing units set aside by the Canadian Government under Section 56.1 for 2 per cent financing are very often used by the Province of Quebec—I must say I am more knowledgeable about the situation in this particular Province—for senior citizens' homes. Unfortunately, the Province of Quebec, and I suppose the same applies to other provincial governments, does not mention the Canadian Government's contribution in financing these homes.

An Hon. Member: Shame!

Mr. Malépart: Mr. Speaker, another area that is very important to senior citizens is health care, and everybody is aware that 50 per cent of the cost of operating Local Community Service Centres or other health care services is paid by the Government.

Another area is that of home care services for senior citizens. In addition, we have recreational and other activities for senior citizens. As far as home care services are concerned, I mentioned earlier in this connection the Department of National Health and Welfare and the financing of Local Community Service Centres which provide home care services. Most ridings also seem to have community development programs or summer employment projects. These projects are used by groups to create jobs and also to provide home care services for senior citizens. I know that in my riding, since I became a Member, the first two or three projects that are approved usually have been home care service projects for senior citizens.

Furthermore, Mr. Speaker, every riding, every parish and every village has its senior citizens' club. Before, senior citizens had to stay home and twiddle their thumbs. Now they have activities that are geared to their needs and especially designed for them, and this has been happening all across Canada, in every village, city and municipality, thanks to the New Horizons Program. Senior citizens groups themselves define their own programs, and the Department of National Health and Welfare, and its extremely efficient minister, are responding to the needs of these people.

Mr. Speaker, with the Quebec Caucus Committee on Senior Citizens, I would like to offer a few conclusions, since my Progressive Conservative colleague held a meeting of all Progressive Conservative Members aged 65 or over to find out whether they would go along with the 6 per cent ceiling on indexation or preferred full indexation. First of all, we received a press release:

> The Forum of Senior Citizens and the pension program

—a press release issued by this group after their meeting with the Quebec caucus members, and I quote:

> The Forum of Senior Citizens of Montreal is pleased with the anti-inflationary measures recommended by the Federal Government, and it has agreed to accept the indexing of the basic pension under the old age security program at 6 per cent in 1983 and 5 per cent in 1984.

Mr. Speaker, this is a group which truly represents the real needs of senior citizens in the Montreal area.

We also have an article from a newspaper in the riding of my colleague from Missisquoi (Mr. Bachand), which reports the conclusions of the meeting, and I quote:

> Another program was approved outright by the people at the meeting, namely, the 6 and 5 program—

Mr. Speaker, I would like to say that the Members from Quebec are not afraid to take a stand, but we are not about to stand up for the same interests as the Progressive Conservative Party. Fortunately, not all Members of the Progressive Conservative Party are defending only the interests of the very rich, but in any case, we are here to protect the interests of senior citizens, of people who are indigent. These are the people we met, and they supported us in our intention to vote for this Bill, because these people know perfectly well that the fight against inflation is going to help them. We have a very good example of this in the area of subsidized housing. Even if

we did maintain full indexing of pensions, the Government of Quebec, through its Minister of Housing, Mr. Tardif, has announced that the rates for all subsidized housing in Quebec would be increased by between 20 and 30 per cent. So of course, senior citizens preferred to take our side, not so much because they approved limited indexation but in order to convince the Government of Quebec and the other provincial governments and the private sector that they would have to do their part to bring inflation down to six per cent.

Mr. Speaker, in concluding, I wish to congratulate the Minister for the work she has done in the health sector in general and for what she has done for senior citizens. I can assure you that I shall be proud to vote in favour of this Bill and thus help those who need it most.

• (1550)

[*English*]

Hon. Walter Baker (Nepean-Carleton): Mr. Speaker, I want to say that I listened with great pleasure to the distortions of the Member for Montréal-Sainte-Marie (Mr. Malépart). It was the nature of his speech and the fact that he decided to make a speech in the House that caused me to rise.

There has been a full two days' debate in this House. It was begun by the Minister of National Health and Welfare (Miss Bégin) putting forward her proposals. As she put them forward I watched her face, and I thought that if ever I saw a Minister not convinced about the righteousness of her brief, a brief which attacked the senior citizens of the country, that she on platform after platform had said she would defend, it was on that day in the House.

Although she and I sit on opposite sides of the House of Commons, I want to say that my heart went out to her.

Miss Bégin: Where is it?

Mr. Baker (Nepean-Carleton): An indication of just how bad the atmosphere is in the Government Party is that today, well into the debate, is the first time there has been a private Liberal Member of Parliament rise to make a short speech extolling the virtue of attacking the senior citizens of the country, those people who receive Old Age Security in Canada. These people are more exposed in terms of inflation and uncertainty than any other group.

The Member for Ottawa Centre (Mr. Evans) is behind the curtain nodding his head and saying it is not true. I want to say to the Member from Ottawa Centre, come into the House, go to your place and defend this attack on the senior citizens of the country. At the same time defend the attack of your Government on the public servants of the country, on the members of the Royal Canadian Mounted Police, on those who served the country as members of the Armed Forces, and their widows and families. State the position. Do not stand behind the curtain; come into the House and state the position. Are they going to stand with those pieces of legislation, or are they going to vote against them? I have heard people say they are against this Bill as it is written; they are against another Bill as it is written. I want to know when the votes are counted where they stand.

I want to say to my friends, those who have remained silent over there on Old Age Security, that there is a power in a Government caucus if a Government caucus is prepared to exercise it. This seems to be the only Parliament in the western world where all of the discussions take place in private. I was in the United Kingdom a week ago yesterday and watched a debate and finally a vote in their House of Commons, where the Conservative Government of Great Britain was attacking a socialist program. I listened to Conservative Member after Member after Member of the Parliament in Great Britain stand up and attack the proposal by the Government. When the time came they did not scuttle into their seats to vote confidence in the Government; they abstained, and one of them even voted against the Government.

That is how Government listen. I and my other friends make speeches in this House of Commons but no one on that side listens. Those members of the Treasury benches will not listen. That is the way the system works. We can state a certain position. The Government will be accountable at the next election.

If there is real opposition to something, whether with respect to pensions for Old age Security recipients or with respect to public servants, members of the RCMP, the Armed Services, their widows or their families, and if there is an honest belief that what the Government is doing is wrong, then it is morally wrong for Members of Parliament not to stand up and vote against, or abstain, but never to use the excuse that confidence in the Government is at stake, that the Government may fall if they exercise their right of independence. Yet that is what they are saying. I say that is wrong. There is not a self-respecting person in the country who thinks about the system who does not believe that that is wrong.

The situation is this. If the Government of Canada was defeated on Bill C-133 or defeated on this Bill involving Old Age Security—of course, it is an important Bill—I will wager that they would not dare face the country on their attack on senior citizens. You bet they would not, Mr. Speaker. The next day they would be in here with a motion of confidence. That is when the Liberal Members and others who have confidence in the Liberal Government would have the chance to vote confidence. But not with respect to a piece of legislation; that is not how the system works.

The Pearson precedent has certainly affected the question of confidence in the Canadian House of Commons, but it does not only affect those who are against the Government because of where we sit in the House or because of how we feel; it also affects those who support the Government.

I want to say to my friend from Ottawa Centre and to all my friends opposite, whether we are dealing with this Bill C-131 or Bill C-133 with respect to the Supplementary Retirement Benefits Act for the broad Public Service of the country, that there is an opportunity for them to stand up and defeat their Government on the Bill. I will wager them dollars to donuts that the next day they will have a chance to stand up

and support their Government in terms of confidence. That is the essence of the Pearson precedent in 1968.

When I read stories about certain Members of Parliament changing their ground just a wee bit, I have to ask myself, why? Who is so mesmerized by the Prime Minister (Mr. Trudeau) when he says it is a matter of confidence? If it is a matter of confidence, I wonder how some of those Members would appreciate going to the country on the basis of attacking senior citizens—which is how it will be construed—or attacking those Pensioners under the Supplementary Retirement Benefits Act. That is the raw politics of it.

It goes beyond raw politics in this Bill. I hold it as a principle that those who are outside the work force, those who are making no contribution in the real sense in terms of work, in terms of making demands, those who have run their course in terms of a regular work day and ask nothing else but that they have a chance to live in a reasonable amount of peace, ought not to be the tools or the levers for Government redistribution of income. It is as simple as that.

We brought in indexing and all of us supported indexing. Why? Because we said those people were different, they do not have the levers to bargaining power that others have. They need to be protected. Whether it be a new index, a senior citizens' index, the consumer price index or whatever it is, we must protect them. It is no protection, in my judgment, for that group to see their indexing limited.

The Public Service accepts that the indexing of their wages and salaries should be limited. They do not like it. Members of Parliament do not like it when it happens to them, but they accept it. Why? Because they can bargain again and hopefully make it up. But the problem is that those people in the latter years of their life cannot do so. You just do not lose those two years; you lose the progression upwards with the index whenever it is taken off.

If the Government will not forecast anything in the economy in terms that are reliable because they say it is impossible, how can they say with certainty today that inflation will be reduced to six and five? I hope it will be, but how can they say that? Why should they leave those people exposed?

• (1600)

That is the issue of principle, pure and simple. It is not just a little matter of administration, shifting funds from here to there. Whether talking about this bill, Old Age Security, or about the Supplementary Retirement Benefits Act, there is a contract, an agreement and an understanding.

This Bill goes right to the heart of social programs. It is the basis of it. There is much more than just an agreement or contract; there is a moral obligation on society. It is becoming apparent that that moral obligation is getting greater every year. The statistics are startling. I will not trouble the House with them because I understand another Member wants to follow me and I will listen to her. However, the statistics in terms of the aging and our obligation are growing.

They are growing in a time when we have decided to undercut the elderly in terms of our obligation. That is wrong. Therefore, I intend to vote against the Bill. No amount of petty-fogging, no amount of meetings with groups of senior citizens in Quebec and no amount of meetings of any kind will stop me from doing that.

I do not say this because senior citizens in my constituency have been in touch with me. Long before I saw this Bill, I held it to be morally wrong. It is morally wrong for this Parliament to support that proposition. Parliament has a special obligation to senior citizens. They look to us to answer that special obligation. They look to this Minister to answer that special obligation. I do not know what they are saying in Quebec to the Hon. Member for Montreal-Sainte-Marie, but they are saying something different to the Hon. Member for Nepean-Carleton and, I dare say, to other Members of this House.

The Hon. Member for Montreal-Sainte-Marie said that when we, Members of Parliament, were travelling in Europe they, the great Liberal Party, were defending the Old Age Security payment. Some defence! A couple of days of debate, one Minister and one Member getting up to defend it, not on the basis of this program but on the basis of other programs the Government has put in place. We agree with those other programs. There is no argument there. The argument with this Bill is solely and simply whether it is right to cap that index in terms of recipients of the Old Age Security.

If that index was put there to ensure that those who are defenceless are defended, in the sense that we in Parliament on both sides of the House defend them, then indexing had a purpose. We ought not to forget the purpose. Those who are defenceless look to us to protect their standard of living. This is not going to be done willy-nilly in the dark of night in a budget speech of which there was no advance warning. We voted against that budget speech which contained exactly this provision.

I want Members opposite to go to their senior citizens and then get up in this House, every one of them, and tell the country that they are supporting denying full benefits to the senior citizens of this country. I do not want them to sit there silently but to get up and speak. There must be someone opposite who agrees with me. I cannot believe that the Liberal Party is so bereft of the principle it once stood for; I cannot believe that is the case.

I want those opposite to go to the Government House Leader and ask him to remove their gags so that they can get up to speak on this very important Bill. This Bill is going to be fought in the House of Commons for as long as we can fight it, using every legitimate parliamentary means. When it goes to committee, and I assume it will at some time if the Government is so determined, we will fight it there.

I say to my friends opposite that it is quite safe for them to vote against a Bill involving changes in Old Age Security. It is quite safe to vote against a Bill to change the arrangements with respect to supplementary retirement benefits. The Government will not be defeated. Does anyone think the Government would go to the country standing behind in the polls as it

is at present? Can anyone imagine going to the country on the backs of the senior citizens of Canada? I would lay dollars to doughnuts that sitting in the Government House Leader's file already is the motion of confidence that would be brought in the next day. Therefore, you can all support your Party and support your Government—and I must say I have a prejudiced view—with all its supposed strengths, but still take a stand in terms of the senior citizens of this country.

I want some Members opposite, not just one, to stand up and say they have had enough of this. That is the essence of Parliament. The Canadian Parliament is light years behind the British Parliament in terms of how it deals with matters of confidence. Every time I go overseas, I never cease to be amazed at the courage of backbenchers, whether Liberal, Labour or Conservative, and I assume members of the new party whom I have not seen in action. Their independence is amazing. The first question asked by the Prime Minister of Great Britain or the Leader of the Government is: "Will the caucus stand for this; what will the caucus say?" That is the last question asked in Canada.

This is a chance for my friends on the other side. I will ask them to do this only one more time this session, when we deal with Bill C-133, the Supplementary Retirement Benefits Act. It is one chance for them to stand up for a principle that there is a special obligation owed by the Government and Parliament as well as the people of Canada to whose who are no longer part of the work force and cannot defend themselves through unions and other things. I will ask them one more time to stand up and be counted on the side of what is morally right in terms of the people whom this Government and this Parliament pledged to serve.

I thank the House for its attention. I congratulate the Hon. Member for Montreal-Sainte-Marie for rising to his feet to defend the indefensible with the eloquence of the condemned. In the event of a vote against the senior citizens of this country, those who vote had better know that they are going to be watched by a growing constituency in Canada.

• (1610)

Ms. Lynn McDonald (Broadview-Greenwood): Mr. Speaker, as this is my first speech in the House I would like to take the opportunity to pay tribute to my immediate predecessors who served here with distinction; John Gilbert, now His Honour Judge Gilbert, and Bob Rae, now the Member for York South in the Ontario legislature who is seeking to end 40-odd years of Tory rule in Ontario and establish the first Social Democratic Government in Ontario.

Some Hon. Members: Hear, hear!

Ms. McDonald: Another of my illustrious predecessors is still a Member of this House, the Hon. Member for Northumberland (Mr. Hees). I am sorry he is not in the House at the moment. He said he would be out looking for a fist fight in the corridor, and if he could make it back he would be back for his honourable mention! I share with these gentlemen the honour of representing a very fine riding, Broadview-Greenwood, and I am deeply grateful to the citizens of that riding for having elected me in one of the more colourful, interesting and stormy by-elections in recent years on October 12.

I have chosen to make my first speech on pensions because this is a matter of utmost importance and one on which I have personally done a lot of work, both as an activist in the women's movement, a founding member of the Ontario Committee on the Status of Women, as president of the National Action Committee on the Status of Women, and as a member of the Ontario NDP Women's Committee. I regret that I am joining this debate not on a matter of pension reform but on cutbacks. Reforms are what we surely need, and Bill C-131 is one of the nastiest, stingiest and meanest pieces of Liberal legislation to come before this House.

Some Hon. Members: Hear, hear!

Ms. McDonald: It takes money away from our pensioner population, for the most part people on low, fixed incomes, the people least able to bear the load. It is unfair in the extreme and is aimed at people who have worked and raised families, survived the depression of the 1930s and lived through difficult economic times before there was unemployment insurance. It is aimed at people who have low private pensions, if any, a great number of them, especially women, with no private pensions at all or the least possible under the Canada Pension Plan.

I want also to protest the hypocritical way in which this legislation has been introduced. The principle of the Minister of Finance's (Mr. Lalonde's) economic statement was not to "abandon the victims of the recession", not to "put the axe" to the social security system which has been decades in the making. I know pension reform has been a Government concern over the past few years. The Minister of National Health and Welfare (Miss Bégin) has called it the highest social policy priority of the Government. A national pensions conference was held in 1981 at which women's organizations, among others, participated and where reform was the agenda. The Prime Minister (Mr. Trudeau) himself has spoken on the issue, I recall in the election of 1979, specifically dealing with ways to improve pensions for women. I even went to a Liberal Party function to hear the address, which will show my great devotion to duty in this respect. Then what happened? Instead of reform we have cutbacks. The Minister of National Health and Welfare even has the gall to present this legislation as an invitation to voluntary heroism and self-sacrifice for the national good. I quote from her speech of November 18:

> We are asking 1.1 million old age pensioners to help lead the way in the fight against inflation. I am very conscious of the sacrifice we are asking of them.
>
> I have to stress that it is not without reluctance that we make this request.

This, Mr. Speaker, is a very devious way to refer to a Bill which in fact has nothing voluntary about it at all. If the Minister meant what she said, she would send out a letter to the pensioners concerned and ask them if they would like to lead the way in fighting inflation. They would have the option of sending a little card back saying they wanted to have their pension cheque cut in order to fight inflation to the ground. If

they were not willing to engage in this heroic action, then their pensions cheques would be indexed fully as they would otherwise be without this legislation. That surely would be the honest way if it were truly a voluntary program.

Let us consider for a moment how this sorry state of affairs has arisen. We all know the Minister is not in fact a monster who takes pleasure in making pensioners live on less money. She is under pressure as a result of the Government's woeful mismanagement of the economy.

With regard to unemployment and falling tax revenues, the Government's job is clearly difficult. It cannot rely, as it has in the past, on selling off our resources because in a world recession the demand for these resources naturally falls too. An adequate income security system requires a healthy economy to support it and that is precisely what we do not have in Canada. That is why my Party is continuing to stress the strategic problems of our economy and the need for major reform through an industrial strategy. But in the meantime, without substantial economic reform, there are alternatives.

By the Minister's own estimate 1.1 million pensioners will lose $55 each in 1983, which would save the Government $61.5 million. That happens to be approximately the cost of Government advertising in one year. We could cut out the entire Government advertising budget, save the money, and it would spare us a great deal of propaganda.

Mr. Nielsen: That is only half the cost.

Ms. McDonald: That money is a drop in the bucket in terms of corporate give-aways and military expenditures, which the Government still plans to increase. It is the kind of money which can be made up merely by cutting luxuries like foreign embassies and other unnecessary expenditures. The NDP has been scrutinizing Government expenditures for moneys to divert for job-creation programs. We have come up with far greater success than the savings from these Old Age Security cutbacks.

Clearly with a modest effort the Government could come up with a more equitable way of finding the money. This is a sort of no-win situation. If inflation is really only 6 per cent or less, clearly we do not need the Bill at all. If inflation is around 6 per cent or a little bit higher, it is not going to save very much money, so why bother? But if inflation is really substantial, then the Bill is unconscionable. So in all three cases, we really do not need it.

Some Hon. Members: Hear, hear!

Ms. McDonald: We in the NDP feel particularly strong about pension cutbacks because it was our party and our predecessors who fought for a public pension system in the first place. A few points in this history are well worth noting because they are still relevant today. It was back in 1925 that we had the first success in establishing public pensions, long after a number of western European countries instituted them. It was then a minority Government situation. J. S. Woodsworth and A. A. Heaps, as labour representatives—because this was before the CCF was formed—made a pensions Bill a condition of their support. They offered to support either the Liberals or the Conservatives, whichever would bring in a public pension Bill. The Conservatives said no, the Liberals said yes. A Bill was duly passed but then turned down by the Senate.

Perhaps there is a lesson to be learned here because the Conservatives suffered a serious defeat in the next election. After that election the Bill was reintroduced, passed in the House and then the Senate, and thus Canada got its first public pension for persons 70 years and over, based on a means test, and it was $20 a month.

Expanding and increasing the old age pension has continued to be a priority of the CCF and NDP. Universal Old Age Security at $40 a month was achieved in 1951. Indexing began in 1966, and full indexing in 1972. But note that the only increase in real terms—that is, beyond inflation—took place in 1973 when again we were in a minority Government situation and again it was pressure from the NDP which got this real increase. The sad fact is that the amount of the Old Age Security has remained low. When introduced in 1951, it was 17 per cent of the average industrial wage, and has now fallen to about 14 per cent. Now the NDP is urging reinstatement to the level it was back in that very regressive decade of the 1950s. This is scarcely a radical demand.

Even with the Guaranteed Income Supplement, Mr. Speaker, the income of elderly couples hovers only around the poverty line, and for the single elderly, mainly women, the amount falls below. It is women who are mainly dependent on public, non-contributory pensions, for it is they who have spent most of their lives caring for children and there is no pension for doing that most important work.

As a new Member of the House I am proud of the role my predecessors in the CCF and the NDP have played in pension reform. I am proud to be in the caucus with the Hon. Member for Winnipeg North Centre (Mr. Knowles), who has been the most vigorous and successful fighter for public pensions in this country.

Some Hon. Members: Hear, hear!

Ms. McDonald: Pension reform is a subject on which I promise to be very active myself. I am glad to see the Conservatives now joining us in fighting the Government on Bill C-131, but I regret to say that it is a little bit too late.

• (1620)

We have heard stirring speeches, notably from the Hon. Member for Kingston and the Islands (Miss MacDonald), but where were the Conservatives when we needed them last summer when the Government introduced six and five? Alas, the Conservatives voted for six and five then. They are making speeches now so that they can tell their voters, especially their senior voters, that they opposed the Old Age Security cutbacks. But they did not oppose the Bill and the principle when it really mattered. It was the New Democratic Party that fought alone last summer when the Tories, with their superior

numbers, could have stopped the Government. Instead, they shamefully supported it.

Finally, let me point out that there is still much that can be done for pension reform, even with the present constraints. We could, for example, act immediately to improve contributory public pensions. The Canada Pension Plan is an excellent plan in universality and portability. Its main defect is that the pension is too low. Our object is to raise the CPP to 50 per cent of the average industrial wage. This is a long-term ambition, but we could at least begin the process now.

Another important reform is to include homemakers in the CPP, at least by instituting the drop-out provision. It is true that Ontario vetoed this measure, but Ontario has since had a Royal Commission on Pensions that recommended accepting it. When have the Prime Minister and the Minister of National Health and Welfare last spoken to Premier Davis about this? Surely now is the time to put pressure on Ontario to move.

Next, we could improve private pensions with regard to portability, vesting, survivors' benefits and the splitting of pension credits on marriage dissolution. We could end discrimination by sex in annuities. We know what is wrong with private pensions and it will not require public expenditure to put that right because these are contributory pensions. What is required is legislation, regulation and co-ordination with the Provinces. Surely this is an important enough matter to give it really high priority.

In closing, let me return to the immediate question of Bill C-131. The answer must be no, no, no! Whatever our economic problems, taking it out on the elderly on fixed incomes at the poverty line is not an acceptable solution in a decent society. If the Government cannot be progressive, imaginative, creative, or competent, let it at least be decent. I ask the Government to withdraw Bill C-131.

Mrs. Jennifer Cossitt (Leeds-Grenville): Mr. Speaker, while I do not agree with all the comments of my colleague, the Hon. Member for Broadview-Greenwood (Ms. McDonald), I want to congratulate her on the excellent maiden speech she just delivered to the House.

I welcome the opportunity to speak today on Bill C-131, an Act to amend the Old Age Security Act, because I am deeply concerned about the welfare of our senior citizens and particularly the 11,000 who live in my riding of Leeds-Grenville. This legislation, introduced into this House by the Government of Canada, is going to add an undue measure of hardship to a sector of our community that cannot even begin to find the resources with which to cope.

This morning I attended a public forum organized by the Ontario Advisory Council on Senior Citizens. The chairman, Frances McHale, had the pleasure of going to Vienna to attend the United Nations World Assembly on Aging and did a lot of work at that Assembly. My colleague, the Hon. Member for Okanagan North (Mr. Dantzer), was also a member of that delegation. In Brockville today the forum is discussing the problems faced by senior citizens. I think it is very apropos that we, too, discuss this matter today.

In the few weeks that I have been a Member of Parliament I have received a great number of representations from senior citizens in my riding. They are concerned about the effect this legislation will have on their day-to-day lives. They are becoming increasingly troubled about falling further and further behind in their never-ending battle to keep up with inflation.

The majority of senior citizens in Leeds-Grenville and indeed the majority of single pensioners have had to resort to living in senior citizens' housing because they could no longer afford the constantly increasing expense of owning and operating their own homes—homes in which they have rich and fond memories of growing up and homes to which they returned after marriage to raise their families.

We have a tremendous number of beautiful old homesteads all over Leeds-Grenville and I am appalled at the great number that are up for sale, the great number that have been converted into multiple dwellings because the elderly who lived in them for the past 60 years or so can no longer afford to pay a heating bill that runs into hundreds and hundreds of dollars per year, or the hydro bill, or the cost of putting gasoline in their car to drive back and forth to town to see the family doctor, or buy the groceries needed to sustain themselves. These people do not want to give up their homes, but they have been put into a position of having to do so because the economy of this country is in such a tragic state.

The alternative is being forced to move into senior citizen housing where they have a room or a suite with a common recreation area. Certainly this accommodation is adequate but the choice, the freedom of choosing, is an option that has been taken away from them. Surely this is not what they deserve for having devoted their lives to raising the future citizens of this country.

I have spent many afternoons talking to senior citizens in Leeds-Grenville, visiting them in their apartments, rooms and homes. They tell me time and time again that they do not want to be put out to pasture like tired and faithful old horses. They tell me they want to remain productive and useful. They want to remain an important part of our society, a society they were instrumental in building. But without the necessary income, our senior citizens will not be able to continue participating in the activities of the community.

In my riding, and I know this is the case throughout the rest of the country, the elderly try to be active year round with outings on bus trips, seminars and social events. I would hate to see them have to curtail their activities simply because they no longer have that extra dollar or two to spend on these so-called luxuries. These people have knowledge and wisdom to offer us, gained through years of experience, and they should have the opportunity to do so. Instead, they are forced to sit at home and waste away. They should be able to grow old with dignity, not with despair.

In the past, the old age pension had been indexed to the rising cost of living in an attempt to enable pensioners to keep

pace with the increasing cost of day-to-day expenses. On November 18, in an answer to a question asked by my colleague, the Hon. Member for Nepean-Carleton (Mr. Baker), the Prime Minister (Mr. Trudeau) said, as reported at page 20773 of *Hansard:*

> The Hon. Member talks of protection against inflation. It is to protect Old Age Pensions and Family Allowances against inflation that the Government introduced indexation many years ago.

Yet today we are debating a Bill the Government introduced that will take away that same protection he was so magnanimously talking about.

The Government is using this legislation as a means to get senior citizens to practise restraint. I suggest, Madam Speaker, that the Government is completely out of touch with reality because pensioners have already been practising restraint in every aspect of their daily lives. They already have to restrain themselves from buying many of the basic items of food and clothing. Yet the Government has the audacity to ask them to practise restraint and to do without that added 4 per cent cost-of-living increase they so desperately need to keep up with the continually rising price of food, clothing, transportation and shelter.

• (1630)

There are 100,000 poor and near-poor affected by this proposed legislation. I am particularly concerned about the single pensioner who will be most affected by the Bill. Women are the majority in this category and have only the old age pension to fall back on if their spouses are no longer living and they have not been employed in the labour force at any time in their lives. Single pensioners who receive only the basic old age pension of $246.92 per month will be the ones who will fall further and further behind, while those eligible for the Guaranteed Income Supplement will have their supplements to assist them in keeping pace with the rate of inflation and, therefore, will have a somewhat small chance of stabilizing their standard of living.

But what about the 50 per cent of pensioners who receive only the basic pension? They are among those who have worked all their lives to ensure, hopefully, a comfortable retirement—seniors who have scrimped and saved over the past 30, 40 and 50 years; seniors who have invested their hard-earned dollars over the years in order to be able to live above the poverty line in retirement; seniors who have sacrificed those many evenings out, a new winter coat or a new car, so that their retirement savings could grow and build for the future.

Our senior citizens of today are the people who built the country to what it is now. They are the people who are the backbone of our great nation. They are the people who defended our borders in two world wars to give us the freedom and democracy we enjoy today. They are the people who survived the bread lines and the soup kitchens of the great depression. They are the people who toiled and sweated through 10, 12 or 14-hour days so that their children could enjoy some of the luxuries of life they never had when they were young. We cannot ignore the contribution our seniors have made to Canada and to us as individuals, but if the Bill is allowed passage through the House, we will be doing just that.

The Hon. Minister of National Health and Welfare (Miss Bégin) has said time and time again that she cares about our elderly, that she cares about their needs being met and that they are being properly looked after. If she really cared, if she was really concerned, the Hon. Minister would have prevented Bill C-131 from being introduced in the House, so that seniors could still have a fighting chance to maintain their standard of living as they have tried to do in the past.

The Government is not only limiting the indexation of the old age pension through the Bill; it is also limiting the indexation of personal income tax to 6 per cent under amendments to the Income Tax Act. That means the Government is not only making our seniors pay once, it makes them pay twice; it goes back for more through the Income Tax Act. This is hardly the response one would expect from a caring Government or a caring Minister.

Instead of helping them at a time when they need it most, the Minister has gone along with the wishes of her Cabinet colleagues who have only just begun to realize that it is time to restrain the extravagant and ostentatious spending in which their Government has been engaged for the past 14 years. To save their own political necks, they pick on the most vulnerable section of Canadian society to pay for the gross mismanagement of an economy gone wild. The Government has a cold-hearted, callous attitude toward the senior citizens of the country, not the warm-hearted one it claims to have.

Our seniors deserve far better treatment for their many years of service than the Government is giving them in this legislation. They have fought for the country, they have helped it grow into a great nation, and they have raised a nation of workers who are struggling to maintain the standard of living established by their fathers and mothers. It is time the Government repaid them for so many years of service rather than penalize them for being over the retirement age.

We are all in favour of the Government restraining its spending, but surely the mistakes of the Government should not be a burden the elderly are expected to bear. Let us look at how much the Government will be saving by limiting indexation on pensions—$10 million. This is not a great sum when we put it against an increasing deficit of almost 1,300 times that amount. There are many other areas in which the Government could save this $10 million. Just to give one small example, in the last fiscal year the Government is reported to have spent $10.5 million on what it terms "hospitality", meaning food, entertainment and liquor, hardly essential items for the bureaucracy during times of advocating restraint. The amount it spent on hospitality is just over the amount of money it will save through the Bill on the backs of our senior citizens.

This is at a time when over 600,000 of our elderly are living in abject poverty. Yes, I have spoken to these people. I have seen what they put in their shopping carts in the grocery store. I have visited with them in their homes. I know their fears of

wondering how on earth they will make ends meet. The Government should be looking at itself for ways to save this sum of money. Where is the equity? Where is the fairness of saving money at the expense of the elderly who have contributed so much to the country? Where is the protection of which the Prime Minister spoke last week? What has happened to the Liberal philosophy of looking after those who cannot look after themselves?

At a time when we are faced with the worst recession in 50 years, the Government is taking money out of the pockets of those who need even more, instead of helping them when it is obvious they require all the assistance they can get. I should like to see the Government explain to all senior citizens why they should be the ones to give up so much so that the Government can save so little. This is a savings of a few million dollars pitted against a climbing deficit of over $100 billion. It will not even make a dent in this outrageous, continually growing deficit.

All the Old Age Security, the Guaranteed Income Supplement and the spouses' allowance payments put together account for only 2.5 per cent of the nation's gross national product. That is a drop in the bucket for the Government. But the money lost to senior citizens is worth much more to them. To them it means a lowering of their already falling standard of living, more and more hardships for them to face, and more financial burdens to bear for those who no longer have the strength or the determination to cope with these problems.

What about the future? What about the seniors of tomorrow? We are only too painfully aware, or should be aware, of the fact that there will be a decreasing number of workers to pay into pension funds which will have to look after an increasing number of pensioners. There will be a major drain on the old age pension, the Canada Pension Plan and retirement plans in about 30 years when those of the baby boom generation hit the age of 65. There will not be enough people paying taxes or contributing to private and public pension plans to support the drain on revenues expected at that time.

We need to prepare for the future, and we can do it in a number of ways through pension reform and re-educating the young people of today so that they will not have to rely on Government-subsidized old age pensions for their retirement. Fortunately, a switch to alternative retirement income is already beginning to happen. The number of people eligible for GIS is decreasing steadily despite the increase in the over 65 population. In May, 1978 53.9 per cent of pensioners qualified for GIS while in May, 1982 only 49.9 per cent required the same benefits. But we need to do more.

The Hon. Minister of National Health and Welfare has spoken many times of bringing in a green paper on pension reform, but we have yet to see it. I urge the Minister to consult with all Parties to bring about immediate discussion on pension reform. We can no longer afford further delay in an area where there is such urgency. We must consider areas of reform which will take us away from assuming greater public debt. There must be determination to progress and meet this challenge of the future.

In conclusion, the younger generation of today has to be given direction now to prepare itself for retirement 25, 30 or 40 years down the road. We must concern ourselves with providing incentives and direction so that those who follow will be able to provide for themselves in the future. I hope the Government will turn away from penalizing the present senior citizens with legislation to limit indexing to 6 per cent and 5 per cent and turn its attention toward preparing the youths of today for the future of tomorrow.

• (1640)

Hon. Allan B. McKinnon (Victoria): Mr. Speaker, it is not often that one has the pleasure of listening to two maiden speeches in a row in this House and to find them both very well done. I wish to compliment the Hon. Member for Leeds-Grenville (Mrs. Cossitt) and the Hon. Member for Broadview-Greenwood (Ms. McDonald). I cannot, because of the tradition of the House, quarrel with anything that was said by either one, and I would not want to do so in any case. But next time, it will be fair game.

I do not rise with pleasure to speak on Bill C-131. The remark usually made by speakers at the commencement of a speech is: "It gives me great pleasure to rise to speak on Bill" such and such. This Bill gives me a great deal of pain and anger. Bill C-131 should not be before the House. In fact, it should never have been written. Why the Government decided to introduce this kind of legislation at this time is beyond me.

We are in favour of restraint. Our Party believes in restraint, but we have never intended that restraint to be applied against senior citizens in this country. Yet here we have Bill C-131. One gets the impression that the Government looked around to see where it could make some cuts. The Government could not cut anything from de Havilland, Canadair or PetroCan, nor could the Government get a cheap price on Petrofina. The question was, where could the Government cut? It must have thought about the cheques being sent to the old age pensioners. They cannot hurt them much, so they apply their cuts to them and to the civil servants.

Let me digress for a moment. There seems to be some confusion in the House about this triad of Bills that we have in this broad area of six and five. Bill C-124, which the Conservatives supported last July, was a six and five pay raise cap. This Bill also had a provision for a pay cut Members of Parliament. Bill C-124 was supported by the Conservatives, moved by the Liberals and opposed by the New Democratic Party.

Bill C-131 now comes before us and it is to cap the indexation of old age pensions. It is not an indexation of supplementary pensions, but to cap the indexation of old age pensions.

Bill C-133 is to follow. This Bill is to cap the indexation of pensions paid to federal civil servants who have retired, Members of the Armed Forces, members of the RCMP and others. The hon. Member for Regina West (Mr. Benjamin) mixed these Bills, unintentionally I am sure, when he was speaking on Bill C-124. Votes are taken separately on each of these Bills and it is quite possible to vote yes for one and no for the other, which is what the Conservatives are doing. We voted

yes on Bill C-124, which capped pay raises for civil servants and had a pay cut in it for Members of Parliament, and we intend to vote against Bill C-131.

I like to speak on a Bill such as this because the constituency from which I come is the senior citizen capital of Canada, the retirement city of Victoria. I was pleased when in 1980 a former colleague of ours from Leeds-Grenville put a question on the Order Paper asking what constituencies in Canada had the highest percentage of senior citizens, persons 65 years af age and over. The answer tabled in due course was that the ten constituencies with the highest percentage of senior citizens, persons 65 years of age and over, in descending order were: Victoria, B.C.; Vancouver Centre, B.C.; Joliette, Quebec; St. Paul's, Ontario; and Winnipeg North Centre. If I could pause there for a moment, the Hon. Member for Winnipeg North Centre, (Mr. Knowles) unfortunately is not in the House today. I am sorry he is not here because he would not like this Bill, I can assure the House. He is well known on all sides of the House for his tremendous, indeed indefatigable, efforts on behalf of pensioners. Personally, I owe him quite a bit of gratitude for the number of times I have been able to ask for his advice and clarification on very obtuse points that one comes across in Government Bills at times. I suspect it is his presence that attracts senior citizens to Winnipeg North Centre in such great numbers.

I will continue with the list of the sixth to the tenth constituencies having the highest number of senior citizens living in them. Next comes Mount Royal, Quebec; Hamilton West, Ontario; Vancouver Quadra, B.C.; St. Henri, Quebec; and Don Valley West, Ontario.

As Hon. Members will notice, the Province of British Columbia has three of the ten constituencies having the highest percentage of senior citizens living in them, Victoria being right at the top. That, I suppose, is partly because of the salubrious climate. But the people of Victoria, of which 22,500 are old age pensioners, have grown accustomed to their presence and have found an ability in them to be a productive and an outgoing part of the community.

I might just say to the Minister of National Health and Welfare (Miss Bégin) that the New Horizon grants have been of good value in Victoria. They are well used and they do much to give a quality of life to the senior citizens which they otherwise would not have.

However, our society is now evolving differently. We have fewer people in the younger one-third of the population and even more people in the older, top one-third of the population. We will have to address the problem of life after 60. We will have to address leisure time and what to do with it. Technology is finally getting its point across that automation and the use of robots in factories will enable production to carry on without a great deal of personal effort. We will have to look at shorter work weeks and shorter work days. This in turn leads to more leisure time, yet we seem not to be looking at that. Leisure time is something that must be addressed and I hope that in future Bills we may see something in that order.

It is strange the way this Government has moved since the first old-age pension was introduced in Canada in 1926. It was a pretty meagre pension in those days. It was subject to a means test and a person had to be 70 years of age. The amount paid was $20 a month.

Then things began to improve a little for old age pensioners. I recall that my father had prepared for his own old age in a rather modest way. He found it great amusement, because he was almost a life-long Conservative, to have a Liberal Government suddenly present him with an old-age pension at age 70. In the very month that he reached 70 years of age, the means test was done away with and my father received his pension, about which he chuckled in the years left to him. We recall when the Conservative Government was headed by the former right hon. gentleman from Prince Albert, the Right Hon. John Diefenbaker, who pointed out that pensions were in no way keeping up with the inflated cost of living. His Government brought in a decent pay increase for old age pensioners.

From there we go on to Liberal times in the 1960s and eventually we come to the indexation of old age pensions, a measure suggested by the Hon. Robert Stanfield in the election campaign of 1972. The Liberals who opposed it, saying that it was impractical, brought it in shortly after the election. There was a steady effort made by the Government to improve the lot of senior citizens. But the government began to change its policy during the last five years. We saw the introduction of one small restriction and subsequently other restrictions which I will elaborate on later.

• (1650)

This particular proposal is a first. The Guaranteed Income Supplement has been established and we now see a Bill which will significantly change the complexion of the senior citizen's old age pension by having it indexed to only 6 per cent unless the pensioner is drawing the Guaranteed Income Supplement. The fact that we have two categories of old age pensioners will be even more pronounced. There are those who draw the basic pension and those who draw the basic pension plus the old age supplement. The current scale of the Old Age Security payment is $246.92 per month for a single person. The Guaranteed Income Supplement, which applies to pensioners whose income is at a certain level, which I believe is below $8,500, is $247.89. The total of these two pensions is $494.81, which amounts to an annual payment of $5,937.72. Of course, that is the current amount and it will increase as quarters go by.

As individuals approach their retirement years, they have understood and become accustomed to the fact that senior citizen pension incomes were indexed to the cost of living. Therefore, they were able to plan for their so-called golden years in the knowledge that they would have a certain amount of money. If individuals could anticipate receiving $494.81, and perhaps another small income, the old age pensioner would be able to pay for an increase in his rent, transportation costs or health care because of the indexing factor in the pension.

As well, those who are on the old age pension without the supplement also expected that their pension would be increased according to the consumer price index. It turns out that this will no longer be the case. They will have to lower their standard of living and this is extraordinarily difficult when you are a senior citizen. It usually entails lowering the cost of accommodation.

I have seen the situation quite frequently in Victoria that when a pensioner's income will no longer meet the rent they have to find a place where that pension can meet the rent. This means giving up what might have been a two-bedroom suite and moving into a one-bedroom apartment, or indeed a single room. This is perhaps the most demeaning of all the experiences one runs into as a result of this demeaning Bill.

How did we arrive at this pass under the benevolent and capable current Minister of National Health and Welfare, who has always given me a very clear impression that she favoured the welfare of senior citizens? Yet she has brought in this Bill which will obviously affect the standard of living of senior citizens, particularly those who do not draw the Guaranteed Income Supplement. I believe that an earlier speaker, the Hon. Member for Nepean-Carleton (Mr. Baker), mentioned that it is customary in other parliamentary systems for ministers to resign if they cannot look after their portfolio or department, cannot either introduce suitable policies or maintain the ones in existence. That is not the case with this Government. A Minister writes a Bill, introduces it in the House and whips everyone into line to vote for it.

I cannot avoid mentioning that only one Liberal, apart from the Minister, has stood up to give his opinion. I would particularly like to have the Member, who in essence is my MP when I am in Ottawa, the Hon. Member for Ottawa Centre (Mr. Evans), stand up and tell us why he thinks it is fair that the retired citizens in his riding should be receiving less disposable income in the future than they are at the present time.

The Minister said in April, when speaking about this possibility: "We have no intention of changing the rules of the game; we want to maintain indexing of the Old Age Security pension and the supplement every three months".

There is another statement which I think shows what the Minister used to say. She seems to be no longer following the same course. On November 4, 1980, at page 4402 of *Hansard*, the Minister of National Health and Welfare had this to say in answer to a question from the Hon. Member for St. John's East (Mr. McGrath) when she was in receipt of a document prepared by the Canadian Council on Social Development:

> But the universal pension as well as the GIS supplementary pension are indexed fully to the cost of living every three months and these people will be protected fully against these increases.

The Minister has changed. They got to her. Those Members do as they are told in that Party and to heck with the constituency they represent in the broad sense. As a result we are faced with a Bill like C-131 which essentially is the first one that has taken direct aim at the senior citizens of this country and which is resolved to hurt them.

The Minister has frequently said that pensioners will be getting more money next year than this year. She is quite right to say this if the Government is trying to confuse the general public about whether they will receive more money next year than this year. I agree that they will get more money but it will be limited to an increase of 6 per cent if they are not receiving the Guaranteed Income Supplement. If inflation is more than 6 per cent, they will be getting less disposable income.

People in this particular situation will not have the spending power which they have had this year. The Minister has pointed out that this Bill provides for an increase in the supplements that will be large enough to compensate for the shortfall in the pension itself due to the 6 per cent cap. Of course, this means that if we have a 12 per cent increase in the cost of living in 1983, the basic Old Age Security payment will go up 6 per cent and according to my calculations the Guaranteed Income Supplement will have to rise 18 per cent. These are rough estimates since the two pensions are almost equal in value at the present time. The Guaranteed Income Supplement will have to rise approximately 18 per cent if the recipient of the GIS is not to lose any purchasing power. I hope that that will clarify it.

• (1700)

My immediate reaction upon hearing that people on the Guaranteed Income Supplement would get what is called a triple indexation if their estimated 6 per cent was half of the increase in inflation was that the figures were wrong.

The Minister had told us that 55 per cent of the people are drawing the Guaranteed Income Supplement, and I am confused about that because our figures indicate that the number drawing the Guaranteed Income Supplement has been falling. This was thought to be because, as the years go by, more people who have paid into the Canada Pension Plan are coming into that age bracket. Consequently, our figures are quite a bit different.

The private retirement incomes held by recent retirees and the steadily expanding coverage of the Canada and Quebec Pensions Plans are working in there, and it is our impression that considerably under 50 per cent of the people are receiving the Guaranteed Income Supplement. However, I expect the Minister will probably have another opportunity to speak in the debate and she may take that opportunity to correct these figures if they are indeed incorrect.

I would like to discuss British pensioners for a while. The Minister will recall that I raised this subject four years ago. They are getting very shabby treatment in Canada. It may be because we are unable to come to some agreement between Canada and Britain. However, it should be pointed out to the general public in Canada that these people are being placed in a terrible position. In 1976 the laws were changed with regard to the length of time one must live in Canada to earn a full pension. It had been ten years but it was cut back.

What I believe to be the first kind of attack on senior citizens by the Government of Canada was that they had to live in Canada for 40 years to get full entitlement. If they

came here from another country and lived here for ten years, they would then receive one quarter of the old age pension. The Government said: "We will pay them the Guaranteed Income Supplement which will help them". However, it will not help them beyond the limit of the Guaranteed Income Supplement which, right now, is a maximum of some $247. If one has a full old age pension and no other income, one receives the GIS and is limited to this $247. However, if one came here from Britain ten years ago, one only receives a quarter of a pension, which means that one will then have a total income of $309.62. One will receive an old age pension of $61.73 and the Guaranteed Income Supplement of $247.89; that is, if we are discussing the situation this month. Whereas a Canadian or someone who has lived here for 40 years, a single person, will receive a total of $484.81 from the Government, one who came from Britian ten years ago will only receive $309.62, which is a difference of about $185. These people are definitely not able to live on that amount and it is a very difficult situation in which the Government has put them. This applies only to people who came here after 1976.

I must say that I am rather startled at the number of people who have come to Canada since 1976 and been misinformed by the immigration people as to the rules governing pensions in Canada. These people, in applying for their pensions, find to their horror that they will not receive an old age pension of $246.92 but, rather, one of $61.73, which is pretty awful.

I would like to quote from *Hansard* of May 27, 1980 wherein the Minister's statement from December of 1978, four years ago, was quoted. It was in reference to an answer to a question I had asked in December of 1978. At that time the Minister stated:

> I am investigating the possibility of reciprocity of pension but the Brits really are not helping at all. I hope this will be put on the agenda of our two Prime Ministers if they meet very soon—
>
> Parenthetically, they met a week or so later.
>
> —which is what we heard in the press yesterday.
>
> I will continue with the quote of the minister. It reads:
>
> As soon as I know whether it is to be on the agenda or not I will inform the House and that will, of course, change completely and speed up, I hope, my course of action. That is my priority. Italy was a priority, Great Britain was one. Italy is done and I am very proud of it, but I want to unblock the Great Britain dossier. It is very important.

It was not as important as she thought, I guess, because there is no visible evidence of an inch of progress having been made since that day when she made that statement in the House of Commons in December, four years ago. While it may not mean a great deal to the Government of this country, it means a great deal to the people involved that the governments should get together and accomplish what must be done to prevent these sincere, hard working, elderly people, who have contributed considerably to this country, from suffering.

I expect that this Bill will pass. Despite what we heard a little while ago in the House, if the Liberals produce a Bill and none of them has the courage to vote against it, it passes. There was no way the Government could be defeated last July on the original Bill of this triad, when the pay was capped. There is no way, if it is given the normal course of voting in this House, that the Bill will fail. I deeply regret the fact that the Bill is here, and I deeply regret my foreboding that it will pass, because it should not pass. It is a cheap, petty attack on those people who should not be attacked in such a fashion.

To be among that group now, one must have been born before November 30, 1917. Those who were born before that date now qualify for an old age pension and those born after do not, but some of them soon will. If one were born before November 30, 1917, that means that one was born during the First World War. One would have had about a good ten years in one's early childhood of living through the twenties, which were referred to as the gay twenties before the word "gay" became totally inappropriate. We will have to think of another description for that decade when Canada was prosperous and going ahead and it seemed to be a great place. We soon found out differently in the 1930s when these people went through a great deal.

The bright promises for the future during the 1920s soon faded in the realities of the 1930s when the Second World War came along. Then there were a couple of good decades when very much progressive legislation came through and the Government seemed to have a realization of the part that was to be played if these senior citizens were to be treated honourably.

However, the Government seems to have become forgetful of the contribution which was made by these people and is now determined to cut its deficit or to be able to afford more purchases for its pet projects. For example, Petro-Canada might want to buy another oil company and it would only take another bit off the incomes of old age pensioners if the Government went forward with it. I think it is a shameful performance and I really look at some of my friends across the aisle and wonder how they can possibly put up with it, but they are.

That concludes my remarks, except to say that I wish we could find another dozen voters somewhere to give the Bill the treatment it deserves, which is defeat.

• (1710)

Mr. Douglas Fisher (Parliamentary Secretary to Minister of Finance): Mr. Speaker, I appreciate the opportunity to comment on this Bill because I remember clearly the June budget and the six and five program that were brought in to attack inflation in Canada. I recall the general acceptance across the country of the six and five program when it was first brought in. In my experience from talking to people in my own constituency, going across the country, going on hot line shows or making speeches across the country, I find there still is considerable acceptance of that program.

I remember clearly that Hon. Members in the Conservative Party took some time to express their support for an attack on inflation. Many of them were directly or indirectly supporting the six and five program. I was grateful for that support, then. I think that some of the comments that we have heard from the Conservatives and the NDP continue in that vein, but they are healthy reminders to the Government that we must be

careful even in an important attack like this one against such a deep economic problem.

I believe the speech that we have just heard from the Hon. Member for Victoria (Mr. McKinnon) reflects not only his concern for a fight against inflation, but also reflects a genuine compassion for senior citizens and a desire to remind the Government to go gently. I would have welcome that kind of reminder and I am sure most of here would.

Because we have been talking this afternoon about principles and about who would be willing to stand up and defend this idea, I want to remind the House that the basic principle still holds true today. We still must engage ourselves in a fight against inflation. It is inflation that causes the worst problem for all Canadians but especially for senior citizens and other people on fixed incomes.

The greatest compassion that we could show to anyone on a fixed income is to provide them with security and stability to meet their cost of living. If people can look ahead to next year and say that the cost of living will hold steady, then that will be the greatest contribution we can make to their lives. It is not misguided to attack inflation. It is not misguided to give pensioners security on the price of food, the price of housing, the price of transportation, the price of clothing and the price of gifts for their grandchildren and their children. Those are things that matter deeply to people, and pensioners want to have the security of stable prices.

In my riding I think pensioners understand that the six and five program is giving them that kind of security and that kind of a target. Senior citizens support the attack against inflation. I have called radio stations and been on hot line shows across the country, including at a station in Victoria, and the question that comes to me constantly from seniors is whether we are going to give them stability of prices and security on the cost of living. People are not asking us about indexing their pension. People are asking whether we are going to get the reason for the indexing under control.

When I talk to pensioners they note that the six and five idea has in the way the Government is applying it, an element of fairness in it. We are applying the six and five idea wherever our reach extends. We are applying it to companies, to prices as well as to wages, and to our social assistance programs. Seniors, in my experience, are saying that it is effective. The six and five program is enlisting co-operation from businesses, from labour, from ordinary people and, most especially, from other Governments. The six and five program is generating an effective attack against inflation.

Finally, seniors have noted that the way we are using the six and five program is helping to rebuild the economy. Pensioners in my area can see how effective, for example, the $3,000 housing grant is becoming in the housing market in Mississauga. That grant is financed by the reallocation of funds from programs like these. We are not simply cutting back; we are using the funds to stimulate the economy in other places, to create jobs and to give people some confidence that there is lasting help. Those are things pensioners want us to do.

As a Liberal I am very conscious that we must help people who are vulnerable and I am very proud of the record that we have with our various pension programs. I have listened to the recitations and the histories of pension programs in Canada coming from Members on all sides, and I am conscious that it was Liberal Governments that introduced those programs. It was Liberals who gave pensioners a great security net in their pension schemes. But that does not mean that those schemes must constantly be written in stone.

Pensioners today remind us that the basic problem of inflation is that it is attacking their security net. Pensioners themselves tell us that high prices are ruining the security that they have in those pension programs. They are telling us that inflation is the biggest threat they face. They do not regard the six and five program as an attack on senior citizens; they regard it as an attack on the worst problem facing senior citizens and as the logical development in the security of a pension scheme.

Seniors across this country want food costs, rent costs, transportation costs, clothing costs and all the other basic costs brought under control. They have been telling us to not throw money away by constantly increasing the protection they have against inflation, but instead to get inflation down. Senior citizens know that inflation is causing us to lose jobs, causing us to lose the markets for our businesses, causing us to lose the security and comfort that all of us have come to expect from our economy. Senior citizens know that high inflation is creating high interest rates and creating that terrible daisy chain of economic woes that we have been experiencing recently.

Senior citizens are prepared to join in an attack against the root cause of our woes—inflation. They see co-operation from many Canadians and they are prepared to be co-operative in that effort. They have noticed that the federal Government has moved in other sectors, has controlled telephone prices, has controlled CMHC rents, has controlled scores of prices that would otherwise have gone up beyond the 6 per cent ceiling. We have used the money earned from savings in the 6 per cent program to help farmers, fishermen, small businesses and workers in all walks of life.

Above all, senior citizens have seen that the pension program itself is still intact. Next year the pension program will have a 6 per cent increase. The principle of the pensions and their indexing is there. On top of that is the principle that the poorest pensioners are the most protected. That remains intact. By the ingenious joining of the GIS and OAS systems, we have been able to protect those pensioners who need every dollar they can get out of the pension system.

• (1720)

These are basic ideas in this program. I have been asked by people across the way about my principles and whether I will stand up and vote for this Bill. I say I will do it proudly. I do not do that from any sort of external coercion; I do it because I am proud of this program.

I have been asked by the Hon. Member for Ottawa Centre (Mr. Evans) to give him some of my time. Apparently he feels the challenge that has been made. If Members of this House want to hear about his principles and ideas, they will let him take a few minutes out of my allotted time to say that he, too, is prepared to support this Bill.

Mr. Taylor: Mr. Speaker, I rise on a point of order. If the Hon. Member for Ottawa Centre (Mr. Evans) wants to speak, he has had all afternoon to stand up. It is proper that a Member on this side now be recognized. I therefore move, seconded by the Hon. Member for Okanagan North (Mr. Dantzer):

That the Hon. Member for Lethbridge-Foothills be now heard.

The Acting Speaker (Mr. Blaker): That is a perfectly acceptable motion, but I wonder if the Hon. Member for Bow River (Mr. Taylor) would do the Chair a favour and not put a motion which I may eventually have to put to a vote. I think what he wants is recognition of the Hon. Member. The Chair is inclined to see that Hon. Member. I would rather not deal with a motion that might become votable. If the Hon. Member has intended that I deal with a votable motion, I will, of course, respect his right. Otherwise, may I simply proceed as I ordinarily would. I understand there is not unanimous consent to recognize the Hon. Member for Ottawa Centre (Mr. Evans). I would now look to my left in the usual order.

Mr. Taylor: On that understanding, Mr. Speaker, I will withdraw the motion.

Motion withdrawn.

Mr. Blaine A. Thacker (Lethbridge-Foothills): Mr. Speaker, it is a pleasure to rise and speak to Bill C-131. I find it incredulous and I am amazed that the Parliamentary Secretary, the Hon. Member for Mississauga North (Mr. Fisher), would stand here and say that he will take great pride in voting for this Bill. He is going to vote for this Bill because he supports it. What he really wants to do is cut back on the pay senior citizens are receiving in spite of the fact those senior citizens have done absolutely nothing wrong over the past 10 or 15 years.

The Parliamentary Secretary spoke about compassion. He claims the Liberals are compassionate. When I get into my comments, I will show that the Liberals have not been compassionate with the Canada Pension Plan, inflation or students. Over the last 14 years they have put us in a deficit situation. We have a deteriorating business climate which is getting this country into deep trouble. I will prove beyond any reasonable doubt that they do not qualify for the appellation of being compassionate.

The Parliamentary Secretary spoke about fairness. Howe fair is it to take a senior citizen with just the OAS, $3,000 a year, and limit that to 6 per cent or $180, compared to what is earned by a Member of Parliament, $62,000 and what will amount to an increase of $3,900 next year? That will be our increase, yet we restrict senior citizens to $180. What about the Deputy Ministers who earn $90,000 and next year will automatically receive an additional $5,400 while the senior citizen receives only $180? The Parliamentary Secretary talks about fairness and compassion. It is a bunch of ballyhoo, and I do not accept it.

He talked about the great Liberal Party that put into place the medicare system, the hospital insurance system and the Canada Pension Plan. That is correct, but the Liberal Party of 15 years ago is not the Liberal Party that stands before us today. It is an entirely different Party.

Classical liberalism, which many of us stand for, the right of the individual to build something and profit from it, has been taken away. With all of their intervention, thousands of statutes and regulations and Crown corporations, they have taken away that right that we all stood for as classical liberals compared to the tyranny of state capitalism.

Members opposite should have a history lesson in economics. I will give it to them. Before 1750 we had in this country state capitalism. At that time there were kings and monarchs. They made all of the decisions with respect to the division of capital and how it was applied to the nation.

In about 1750, as a result of a long process, we got into classical liberalism where the individual owned the capital. The capital was divided into millions of individual segments and the individuals were allowed to make the decisions. When that swept through Europe, it created more wealth than had ever been created in the entire history of mankind. Even the poor in the western nations were far richer than the kings had been under state capitalism.

Since World War II we started with the new form of liberalism, state intervention. After 200 years, from 1750 to 1950, we started on a steady move back to state capitalism, exactly the same point in which individuals found themselves before 1750. We have now ground down to where individual Canadians are at exactly the same point as the peasants were before 1750. That is what the new Liberal Party is doing. Is that something to be proud of? The Parliamentary Secretary should hang his head in shame.

Thirteen Progressive Conservatives have stood up to oppose this Bill because it is wrong. Three Liberals have stood up with a mish-mash of comments on compassion and fairness. It was a bunch of nonsense. There were four NDP who spoke against it. This is another example of the Government since 1968, the new Liberals, the new state intervention. They are the new kings of the land.

The individual Canadian now has to pay the price. There is a special price for our senior citizens who worked hard all their lives. Their standard of living is dropping and will drop more if we do not get these people opposite out. I am pleased to report that senior citizens are banding together. They see the threat of the current Liberal Party. They will be active in the next election and will do their part to throw them out.

This Bill is part of the six and five program. Wait until January when the new rules come in. Members will speak for 20 minutes and there will be a 10-minute question period. I can hardly wait until Members opposite read their departmental speeches. The odd one prepares his own speech, but most

are prepared for them. We will have a lot of fun. Members will have to know what they are talking about. I can hardly wait.

The Government is virtually extorting from senior citizens their proper fee. Let me talk about Bill C-133. All during their careers, retired public servants paid into the pension plan. They paid an extra 1 per cent pursuant to a signed and negotiated contract. They paid that amount and now they are entitled to indexing at the rate of inflation. They paid an extra 1 per cent—pursuant to a signed contract and they are entitled to the benefit. The Government took the money, put it into a special—well, it did not put it into a special account but there is a bookkeeping entry. The money was frittered away, but it is on the books and there is a surplus of about $14 billion, if I remember correctly. But the Government is not going to honour the contract, and that is extortion. If private enterprise did that, those guys opposite would be up yelling and screaming. But because their Cabinet has done it, they are going to stand up and vote for this Bill, and all their claims to independence do not mean a sweet thing because they are not independent. They are being called to support a Cabinet which should not be supported. If they really represented the true interest of their constituents they would let the people have a choice. We know what the people will do, they will turf them out.

• (1730)

When any of these Bills are being discussed, Mr. Speaker, we should never forget about where we were in this country. Let us go back to 1968. We had a small national debt, just a drop in the bucket. We had a balanced budget. yet even with that we had a health care system second to none. We had hospital insurance and a medicare system under which the doctors were happy. We had post-secondary education for thousands upon thousands of people who were able to come from both the farms and the cities and go to university. We had a first class agricultural industry which exported to all countries of the world. We had a manufacturing infrastructure in Ontario second to none. Our standard of living was second from amongst of the OECD countries, which meant we were second in the world. That is what we had in 1968 and we could truly be proud. Not only did we have Old Age Security, we had a Canada Pension Plan and a regular retirement benefits program for senior citizens under which they could feel secure and know that they had done well throughout their life, built a nest egg for their retirement, and they could look forward to their old age. There is no doubt we were one of the finest countries in the entire world.

Well, Mr. Speaker, what has happened? Have the citizens changed? Did we do something to deserve being where we are today?

Let me tell you where we are today, Mr. Speaker. The first thing the Government did was to change the rules so that Members of this House were no longer in control of the purse strings. During the normal course when the Estimates come along, they are automatically approved. It does not matter what this House or the standing committees do. From the moment financial accountability to this House ended, you can chart the deficit as it went up in direct proportion to what the Government has been doing to this House since then. As a result we are no longer second in our over-all standard of living, we are thirteenth. We are in fiftieth place in our financial standing in the Euro-money market. So practically everyone else in the world is doing better than us.

Government Members always stand up and say, well, inflation is affecting the entire western world and we are trapped just like everyone else is. Well, that is true, but why have we dropped from second place to thirteenth? It is because of their policies over there, nothing more. Let us not fool ourselves. When they force this Bill through, they are forcing through a law which breaks a signed and sealed contract. The federal civil servants delivered their end of the contract, they paid the extra 1 per cent. In all fairness, Mr. Speaker, the Government should say that, well, we have taken your 1 per cent for all these years and now we are breaking the contract, so we will give you your 1 per cent back. That would be the fair thing to do, but the Government is not doing that. In fact, it is continuing to collect the 1 per cent from the employees today. So federal civil servants are being forced to pay the 1 per cent, but if they have to retire today they are not going to get the extra inflation benefits. Surely the Government should be consistent; if it is going to break the contract, it should give them their money back.

Mr. Taylor: They would not break the contract with Buchanan, though.

Mr. Thacker: I said that in 1968 we had almost a negligible national debt. It is now over $140 billion, and if we add in the Government's contingent liabilities for the guarantees it has given to the Massey-Fergusons, the Domes and the Petro-Cans of the world, the exposure is well over $200 billion. We have gone from balanced budgets to a deficit of over $24 billion a year or $2 billion a month, Mr. Speaker. The interest to service the debt is going to be about $17 billion or $18 billion. As I have said before, that is not insignificant because it concentrates wealth in the hands of people who are already wealthy.

If someone has $1 million, they are not going to put it out into business; they are going to lend it to their own Government and get 19.5 per cent, as they did last year. That has the effect of making the rich even richer, and it does away with our middle class. When we do away with our middle class, Mr. Speaker, we will lose that enormous buffer against extremism, whether it be political, ideological or religious extremism. As the Government destroys the middle class, it destroys Canada, and we will end up like the Third World countries where there is a small group of the incredibly rich and a huge group of poor.

Is that what Liberalism is about? Is that what compassion is about? Is that the fairness that the Hon. Member for Mississauga North speaks about? He stands up and is proud of that

system. I would like to see what the senior citizens of his riding think of that.

How did the Government do this, Mr. Speaker? Canadians are a bright people, but as they get more education it seems that this Government wants to impose more regulation on them. Is it not ironic that when Canadians were developing and building this country—under Conservative Governments and old Liberal Governments, the classic Liberals—we did not have to have regulations and rules to affect our people. Now that we have them educated—we have probably the highest standard of education in the world—we think they need to have millions of statutes and regulations to hold them down. That is what Liberals have done to the people of this country. They got us into this enormous trouble, for which we are now paying a severe price. They did it by offering very attractive programs in practically every area, including many under the sole jurisdiction of the Provinces. At the same time as it offered these programs, the Government kept taxes low and borrowed the difference. It is great at the start. Maybe 5 per cent of tax revenues go to service interest on the debt. It is 10, 15 or 20 per cent and now it is up to 30 per cent. At 30 per cent the Liberals are alarmed and want to cut back. When it was 20 per cent some of them said that the trend line was wrong and, in time, would get us in trouble. The Liberals kept saying that if people voted for them, they would get cheap gas. Suddenly, they want to draw the line at 30 per cent. Why 30? Why not let it go to 35, 40, 50 or 100 per cent? If Liberalism means that programs can be offered, based on low taxes and the difference borrowed, then why is 30 the magic figure?

• (1740)

Perhaps the Hon. Member for Ottawa Centre (Mr. Evans) will direct his mind to that question. Why is 30 per cent of the tax revenue going to service the debt? Why is that the point chosen to cut it off, rather than 25 per cent or 15 per cent? What does the Hon. Member think the ideal figure is? I should like his views on that.

Senior citizens are being asked to cut back. Those are the people who will have to use the medicare system and the hospital insurance system more, as they grow older. As early as last year, by cutting out the revenue guarantee, which was really a fiction, the Government cut back on contributions to the Provinces by several hundreds of millions of dollars. As a result, the Provinces cut the flow of money to hospitals and doctors, and now senior citizens will have to pay more out of their own pockets for these services.

It is a two-edged sword, Mr. Speaker, and senior citizens get it both ways. I see the Minister of National Health and Welfare (Miss Bégin) is shaking her head. All revenue sharing was fiction.

Miss Bégin: You are a fiction too!

Mr. Thacker: I was a member of the committee and I heard the evidence. It had been negotiated away by the Minister of Finance when the last agreement was negotiated. It was revived again as a peg on which the Government could hang its hat.

I would not expect the Liberals to honour a contract, Mr. Speaker; they never have. They will look you in the eye, sign a contract with you and next day stick a knife in your back. They started that in Alberta in 1971 with a verbal agreement on energy. The very next day, Donald Macdonald stood in this House and put a knife in Alberta's back. The next time Alberta came to discuss a natural gas pricing agreement, they would not accept the verbal agreement of a Cabinet Minister and insisted that it be in writing. And 24 days later the Minister, Alastair Gillespie, stood in this House and arbitrarily broke that contract that had been signed, sealed and delivered.

Now the same thing has been done to senior citizens. I am not surprised when the Liberals break their contracts because they do not know what a contract means in terms of honour, integrity and honesty.

Mr. Taylor: Unless it is with a Liberal; then they will not break it.

Mr. Thacker: Senior citizens will be hurt by the effect of this legislation on the health insurance program and on medicare. Students will be hurt by its effect on the post-secondary education system. We no longer have jobs for everyone as was the case in 1968 and yet, Mr. Speaker, there is no reason why there should not be.

The whole purpose of Government strategy throughout the years should have been to create a business climate that would provide jobs for our youth. It has not only failed in that goal, but has attacked it. The National Energy Program cost thousands of jobs in the West alone and, indirectly, has cost thousands of jobs in the manufacturing infrastructure of Ontario.

This nation has grown on megaprojects. Under the program proposed by this Party for an 18-cent tax on imported oil and a special tax on the companies, the funds would have been used for such things as Fundy tidal power, the expansion of the James Bay project in Quebec, the Nelson River project in Manitoba, the Alsands and Cold Lake plants—that money would have been used for investment to create jobs. The spin-off in Ontario and Quebec would have been enormous.

Is my time almost up, Mr. Speaker?

Mr. Fisher: No, it just seems like forever!

The Acting Speaker (Mr. Blaker): There is a problem of relevance.

Mr. Thacker: Mr. Speaker, in corroboration of my main point, I was showing that this Bill hurts all parts of the community, not only senior citizens but the youth of the country and everybody else.

What about the Canada Pension Plan?

Mr. Evans: We are not talking about the Canada Pension Plan.

Mr. Thacker: But you should be!

Mr. Evans: We are talking about Old Age Security.

Mr. Thacker: Mr. Speaker, the Liberals try to isolate these matters in separate Bills and then ask you to enforce the rules of relevancy so that Canadians will never see the broad picture. I am trying to show them the broad picture—a concerted attack by the new Liberals. They are not like the old Liberals, who were fair shooters.

What will be the effect of these deficits and this Bill on senior citizens? The Parliamentary Secretary spoke about the effect of inflation on senior citizens and about the cause of inflation. He said that senior citizens want to bring inflation down. That is true, but they want it to be done fairly. I should like the Parliamentary Secretary to tell me if he can look senior citizens in the eye, knowing that he and I will receive an increase of $3,900 in salary on January 1, when they will only receive $180. Does that not cause him any problems? He is shaking his head to indicate that it causes him no problems at all. Well, it causes me problems, Mr. Speaker.

If the Government wanted to attack inflation it could do so by proposing an across-the-board increase, so that people at the lower end of the income scale would receive more, and those at the higher end of the scale would receive less. This would have the effect of bringing us closer together. There would be a broader middle class and not the extremes of the incredibly rich and the incredibly poor. That is what should be done in times of inflation, because inflation does create a rich class and a poor class. Surely that would be Liberalism. It is Progressive Conservatism.

Mr. Fisher: You are slipping into bed with the NDP.

Mr. Thacker: I enjoy these debates, Mr. Speaker, because there is no doubt that when I speak it gets those boys agitated over there. Even the ladies are agitated.

Mrs. Mitchell: Even the ladies?

Mr. Thacker: They hate to hear it from the hip.

Mr. Fisher: It would be nice to hear it from the head!

Mr. Thacker: We call it straight, from this side. There is no pussy-footing around. They particularly hate it when a man stands up—even a lady stands up, and tells them that they are not really the Liberals they thought they were.

Mrs. Mitchell: Even a lady?

Mr. Thacker: They are not the compassionate, fair people they thought they were. It cannot be maintained today that Canada is a land where fairness prevails. Things are occurring that are not fair. That is not consistent with the principles of Liberalism, it is not consistent with Progressive Conservatism and it is not consistent with NDPism.

It is not fair that in times of high inflation, a percentage settlement is given so that a man making $90,000 per year receives an increase of $5,400 while senior citizens only receive an increase of $180. That is absolutely not fair. Across-the-board settlements are called for in times of inflation, so that we do not fall into the Third World country category.

What have senior citizens done to deserve such treatment? What sin did they commit, to be treated like this? It is true that some of them voted Liberal, but that may be the only mistake they made and I am sure they will not make it again—or at least not those who understand what has occurred in the country.

There is no doubt in my mind that people have to re-take their sovereignty. For too long, individuals have trusted Governments in this country, and I think we have gone too far in that respect. People now need to re-take their sovereignty. They need to spend two hours a week insisting that their Member of Parliament explain matters to them. They need to read about what Governments at all levels are doing and then make their opinions known. We get away with murder in this House as far as our disposition of public funds is concerned.

• (1750)

I could continue for a long time pointing out what the Liberal Government has done and why it should be voted out of office. The Government proudly sets out in this Bill the basic old age pension at $246.92 and what it will be in 1983 and 1984. By October 1984 the senior citizen about whom we are talking will be receiving $274.83, a magnificent increase from $246.92! It is incredible, it is peanuts. It will hardly buy three meals by 1984.

An Hon. Member: They have soup kitchens in Toronto now.

Mr. Thacker: That is true. The memo pointed out that we are talking about people who are already below the poverty line as established by our friends in the other place. The poverty line for singles is $8,912.40. These people are already below that, and the Government is imposing upon them a 6 per cent increase. It is just not right. Married couples are in the same boat. Pensioners who receive the Guaranteed Income Supplement will be protected to a lesser amount, but that is not the principle we wanted in Canadian society. We wanted them all to be treated fairly because they have paid their dues. We are all prepared to pay our dues.

The crowning irony which makes me more bitter than anything else is that if our taxes had been increased since 1968 when people were offered programs, if they had been presented with taxes at the same time so that they could have really chosen what they wanted, we would not be in the current jam. If those of us who made much more than the ordinary citizen had paid more taxes in 1968, 1969 and 1970—especially during the 1970s, the good years—we would not be in this jam today. When all the rest of the countries in the western world that chose to go into deficit positions were in really deep trouble, we could have been stepping out and genuinely borrowing to retool our industries. Keynesian economics will

work, provided the Government uses both sides of the equation. In short, Keynes says that when there are tough times the Government should borrow to stimulate the economy. The other side of the coin is that when there are good times the Government should repay the debts so that it is in a balanced position and, if bad times come again, it can borrow in order to retool factories and to start megaprojects.

The Government opposite did not follow that rule. During the good years from 1968 and into the 1970s, but particularly the 1970s, the Government continued to offer programs, keep taxes low and borrow the difference. Because they had low taxes, Canadians went out and bought houses that were too big. They took on mortgages which were much larger than they should have been. They paid more for businesses and for land than they should have. They were being deceived. They had the programs, they were paying the low taxes, but they did not realize the deficit was piling up.

If we had a Government that was straight up with people and offered a corresponding tax with a program, people could have really chosen. I think about where we could have been if we had a balanced budget today and we did not have a national debt draining $17 billion just to service it. We would not have had concentrated wealth in the hands of a few people. We would be balanced so that we could borrow now in order to get the country moving again. In that way we would not have been faced with Bill C-131, for which the Government will stand and vote and which we will oppose. We would not have to be here at all. Also the senior citizens of Canada would not have been faced with inflation, and the Minister of National Health and Welfare could have continued to be incredibly proud of her programs.

I am sure the Minister must be frustrated because she more than anyone else sees the need of these people. She speaks eloquently of their need but because of other people in Cabinet who have created the enormous deficit, she is being hurt; her position and reputation are not what they were because of this. It is a tragedy, but let us not let them off the hook. There are political consequences when people make such mistakes. I say to Hon. Members opposite that they should rise and say to the Cabinet that it has done wrong. They should indicate that Canada needs a major program to get out of the present situation, which does not include increasing the travel allowances of Cabinet Ministers and their Parliamentary Secretaries by 70 per cent when senior citizens have to take less; that is not right.

Some Hon. Members: Hear, hear!

Mr. Jim Schroder (Parliamentary Secretary to Minister of National Health and Welfare): Mr. Speaker, I am pleased to rise to speak on second reading of Bill C-131, to amend the Old Age Security Act (No. 2), and to commend the action of the Government.

We have listened to some eloquent speeches. I have great admiration for the Hon. Member for Nepean-Carleton (Mr. Baker), who unfortunately today was a typical master of false assumption. With vigour and great eloquence he defended his wrong assumption that only he recognized our special obligation to the elderly. I should like to read into the record the conclusion of a letter from the Guelph Senior Citizens Council which reads:

> There is a great deal of respect among elderly Canadians for the efforts you have made on their behalf, and also for the Ministry of Health and Welfare under your jurisdiction.

Of course the Council was referring to the Minister of National Health and Welfare (Miss Bégin) and her Department.

The Minister is well known throughout the country by the elderly Canadians, for her compassion, her interest and her determination to ensure that they live well and happy and with justice. I hope I have laid this to rest at least for the moment. While the Hon. Member for Nepean-Carleton may be eloquent, he should save it for assumptions that are right, not false ones.

Also I would like to bring to the attention of the House that we heard much this afternoon about voluntary sacrifice and heroism. It seems to me that there was a feeling across the floor that only they recognized these facts. Again these assumptions are false. I do not know of any Party which has ever held power in the House that has had so much consideration for the elderly. It bothers me that there seems to be a feeling that the Bill has something to do with removing something from somebody. It is really making an offer to somebody. It is allowing senior citizens to share in the combat, if one likes, against inflation. They want to share. Certainly senior citizens, a vast number of them to whom I have spoken, are saying, "Can you do something about stabilizing our income and about stabilizing things so that the money we now have will go further or at least as far as it used to go?" Our six and five program is an attempt to do this. May I call it six o'clock?

PROCEEDINGS ON ADJOURNMENT MOTION

[*English*]

SUBJECT MATTER OF QUESTIONS TO BE DEBATED

The Acting Speaker (Mr. Blaker): It is my duty, pursuant to Standing Order 40, to inform the House that the questions to be raised tonight at the time of adjournment are as follows: the Hon. Member for Central Nova (Mr. MacKay)—External Affairs—International institute of applied systems analysis. (b) Attendance of Canadian National Railways Vice-President; the Hon. Member for Malpeque (Mr. Gass)—Veterans Affairs—Study of income level applicable to war veterans allowance. (b) Request that adjustments be made retroactive; the Hon. Member for Regina East (Mr. de Jong)—Pipelines—Proposed water pipeline from Lake Diefenbaker to Regina, Saskatchewan. (b) Request for assurance of employment.

It being six o'clock, I do now leave the chair until eight o'clock this evening.

At 6 p.m. the House took recess.

AFTER RECESS

The House resumed at 8 p.m.

GOVERNMENT ORDERS

[*English*]

OLD AGE SECURITY ACT (NO. 2)

MEASURE TO AMEND

The House resumed consideration of the Motion of Miss Bégin that Bill C-131, an Act to amend the Old Age Security Act (No. 2) be read a second time and referred to the Standing Committee on Health, Welfare and Social Affairs.

The Acting Speaker (Mr. Blaker): Order, please. When the House rose at six o'clock, the Parliamentary Secretary to the Minister of National Health and Welfare (Mr. Schroder) had the floor.

Mr. Schroder: Mr. Speaker, when I was interrupted at six o'clock, I was talking about the broad program of six and five and its attempt to fight inflation. This Bill that we are debating today and which we have been debating since last week is just part of a broad program to put the six and five program in a position where the Government can continue to fight inflation. I would like to draw to the attention of Members on the other side that none of us would be supporting Bill C-131 if it were in isolation. But we must remember that it is part of an over-all package to control inflation. Bill C-131 is part of a comprehensive plan. It is part of an over-all package for economic recovery, and it cannot be taken in isolation. If that were true, none of us could support this action.

What we are trying to do with this legislation and through the six and five program is to reduce the burden on the taxpayer. We are asking everyone to make a contribution, except those who are in the greatest need. We are saying that we can reduce the burden on the taxpayer and it is a matter really of non-contributory versus the contributory plan. We are looking at such things as the GIS, the Old Age Security and the Canada Pension Plan. We know which of those are contributory and which are non-contributory. We know that those programs designated to assist people in the greatest need are the GIS and the child tax credit programs. What we must do, above all, is to defeat inflation. Equally important, we must restore economic growth. If we do not restore economic growth, there will be an even greater pressure on the social programs than there is now. Therefore, our six and five program and Bill C-131, which is part of the whole package, are to fight inflation but they are also to restore economic growth.

The reason I feel that I can support this legislation is that the Government is asking for a small contribution from all of those who benefit from programs funded by the taxpayer and from those who work for the taxpayer. What are the choices? A bigger deficit? A burden on the taxpayer? I do not think so. But today, if we think about it, who is in greatest need? I have no doubt that all of the things we have heard about the plight of the elderly today are true. I agree times are difficult for them. Times are difficult for them because they have lost stability, mainly because of the economic times which have arisen, principally because of inflation. Who is in the greatest need?

Mr. Young: Dome.

Mr. Schroder: I think it is the unemployed who will lose their life's work. What about youth, 25 per cent of whom are unemployed? We must have the funds to generate employment. After all, if we do not generate employment and if we do not restore our economic growth, who is going to pay for tomorrow's pensions? How will we generate the funds to take care of those people who will be in the greatest need?

It is very easy to identify with those people. As I said earlier in my speech today, I would not like anyone to believe that only the Opposition cares about the aged. After all, I want to emphasize that anyone who thinks about them will recognize that for all of these years this Party has been a caring Party. It was our Party that established the legislation. There has not been any sudden change. This afternoon an Hon. Member asked whatever happened to the Liberal Party of 1968. How has it changed?

Mr. Young: It has changed in a thousand ways.

Mr. Schroder: I wonder whether that Hon. Member has ever heard of evolution. We have to change with the times. The economic times of today in the world are different. We have had to change. If we all contribute today, we will be able to provide for a brighter tomorrow. Certainly, those with the greatest interest in the ability of taxpayers to fund these programs are retired. We seem to forget what this Bill is all about. This Bill is all about helping those people least able to help themselves. There is no question that there is a crisis in our national life. The Government has called upon all Canadians to share in a determined effort to fight inflation and bring it down. It is only right that those Canadians who are not in need are entirely prepared to share in the serious sacrifices that are required to bring our current economic crisis under control. It requires the co-operation of Canadians to overcome this formidable challenge.

• (2010)

At a time when the Government is calling upon Canadians to tighten their belts and strive even harder to overcome the

evils of inflation, I find it gratifying to see that the Government's total commitment to protecting and ensuring that those benefits it wishes to give through those programs that are designated to assist our fellow Canadians most in need will not be reduced. One can see that this is provided for in the Bill.

The Government is proposing in the Bill which is before us today to limit indexation of the Old Age Security benefits to 6 per cent in 1983 and 5 per cent in 1984. I want to emphasize the point that full indexation of these benefits will resume on January 1, 1985. However, this Bill also ensures that the lowest income pensioners will be fully protected from the limitation of the indexing factor. This fact seems to have been forgotten. The Guaranteed Income Supplement for pensioners with lower income will continue to be fully indexed. In addition, everyone receiving the Guaranteed Income Supplement will receive an extra increase to fully offset the limitation of indexation of basic Old Age Security payments. This same protection from the limitation of the indexing factor will also be extended to recipients of a spouse's allowance.

When this is all put into context with what we have heard from the Opposition so far, one sees that their allegations that the Government is removing benefits and reducing what those in the greatest need have are false. That is not the fact.

I would like to concentrate on these particular aspects of the Bill. Low income pensioners will continue to receive the benefit of fully indexed pensions. This means that pensioners in receipt of a Guaranteed Income Supplement or a spouse's allowance will receive a benefit that will continue to be indexed to the Consumer Price Index. In addition, the benefits will be increased by an amount corresponding to the loss associated with the reduced indexation on the basic income.

This approach maintains the income guarantees of the present program. In fact, there are now some pensioners who are just above the qualifying income level for the Guaranteed Income Supplement who will be eligible for this benefit because of the limited indexation of the basic pension. I want to emphasize that no pensioners loses out. This is an important fact which the Minister has been trying to point out. This is the purpose of the program.

As I have said, those who are not in need are being asked to make some contribution in the fight to reduce inflation. This is the purpose of the six and five program. Those benefits which pensioners have received in the past will be retained during 1983 and 1984. They will continue to receive them in 1985 when full indexation is restored to the program as a whole. We can be proud that the guarantees made to low income pensioners are being honoured and fully protected by this Government.

It is most encouraging that in spite of the economic constraints, after objectively analyzing our social policies for older Canadians, the Government has been able to maintain a firm stand and give assistance where it is most needed. This legislation is most important because it emphasizes the Government's continuing concern and commitment to the needs of our persioners. All Canadians have seen the effects of recession and spiralling inflation on the economy. However, some groups, such as low income pensioners, are particularly vulnerable to the impact of inflation. Even at a time when great restraint is in order, it is reassuring to see that the Government is very aware of the plight of those older Canadians who are most affected by inflation.

In Canada, at the end of the nineteenth and into the twentieth century, the increasing level of industrialization led to a change of lifestyle and weakened the traditional extended family responsibilities. The individual increasingly became responsible for saving and providing for his or her own retirement. At the same time, the new industrial structure meant that increasing numbers of older workers were being forced into retirement. Poverty among the elderly was widespread because few pension plans existed and personal savings for retirement were inadequate. Increasing pressure was brought to bear on the federal Government to aid the elderly who lived in poverty.

The federal Government assumed the major responsibility for the welfare of the elderly in 1951. Section 94 of the British North America Act was amended in that year to authorize Parliament to make laws in relation to old age pensions.

It was only 16 years ago in December, 1966, that the Guaranteed Income Supplement Program for Old Age Security recipients was approved. In January 1967, pensioners born on or before December 31, 1910, who had no other source of income, became eligible for a 40 per cent supplement to the Old Age Security pension. The Guaranteed Income Supplement Program was initially designed to provide financial assistance to those persons who would not be eligible or would not fully benefit from the introduction of the Canada and Quebec Pension Plans in 1966.

I have lived long enough to remember the days when we lived in the so-called gold watch syndrome when all that one received after working many years was perhaps a handshake and a gold watch. These earning-related social insurance programs providing for the income protection in the event of death, disablement or retirement of labour force members, offered no benefit to those already retired and only limited benefits to those retiring during the ten-year phase-in period. We had problems even at that time.

The Guaranteed Income Security was to be a transitional program gradually phasing out as the Canada and Quebec Pension Plans were phased in. The extent of the Guaranteed Income Security Program when it was first introduced was to provide a basic minimum income to those pensioners who had no other source of income. It served as a floor below which pensioners' income could not fall. The Guaranteed Income Security was never intended to provide an adequate income but was simply designed to financially assist pensioners with little or no income who could not fully benefit from the Canada and Quebec Pension Plans.

It was soon realized, howver, that these earning-related plans would not replace the need for income assistance to the elderly. Therefore, the Guaranteed Income Security was made a permanent feature of the Old Age Security Program. This became effective in 1971.

• (2020)

Since 1971, the guaranteed income approach to alleviating poverty in this country has been acknowledged as one of the most important advances in social policy in Canada's history. It is a way of ensuring that the basic needs of pensioners with no income or very limited income other than the basic Old Age Security pension can be met without subjecting them to the indignity of a means test.

Another significant change in the program occurred when, in 1975, a second income-tested benefit, the spouse's allowance, was introduced. This income-tested benefit was payable to the 60 to 64 year old spouses living with Old Age Security pensioners. The program was intended to meet the needs of many married couples in Canada who were being forced to live on a single Old Age Security pension and a Guaranteed Income Supplement, because only one spouse was over 65 and eligible for these benefits. In the traditional pattern of marriage in this country, the husband was generally older than the wife, and very often, especially in the case of older couples, the husband had been the only wage-earner. It was quite reasonable, therefore, to ensure that the minimum income needs of the couple would be basically met through this program. It did not make much sense, for example, that a couple receiving Old Age Security program benefits might also have to seek provincial social assistance to meet basic income needs.

The Old Age Security program and, in particular, the Guaranteed Income Supplement, are widely perceived to be the only practical means of ensuring that Canada's elderly have adequate incomes. This program now plays a vital and important role in Canada's retirement system. Indeed, the Guaranteed Income Supplement is the only part of the retirement income system that presently guarantees a minimum level of income to virtually all of Canada's elderly population.

The cost of improving benefits in any program is not negligible, but the importance of these income-tested programs has been fully recognized and protected. In 1979, and again in 1980, the Guaranteed Income Supplement and Spouse's allowance programs were enriched. The benefit rates were increased by $20 per pensioner household on January 1, 1979 and again by $35 in July of 1980. The role of these programs is so important to those pensioners requiring this additional financial assistance, that in those years when inflation was inflicting severe financial difficulties, the Government took decisive action to increase its commitment to these people.

The Government is striving to protect the improvements that have been made thus far in our effort to fight poverty and to ensure that our elderly population is guaranteed a basic minimum income level. As the Prime Minister (Mr. Trudeau) has repeatedly said, sacrifices by those who can throw a lifeline to those struggling with inflation and economic hardship must be made. Our country will recover from the ravages of inflation. That is what the program of six and five is all about and that is what this Bill is trying to do. It is trying to ensure that we will succeed with this program. I think one of the major reasons we are hearing so much criticism from the Opposition is the fact that the program is succeeding, and the fact that inflation is being reduced and these elderly people will eventually be better off.

Mr. Young: I rise on a point of order, Mr. Speaker. Would the Hon. Member permit a question?

Mr. Schroder: At the end of my speech, I will be quite happy to answer the question of the Hon. Member.

The Acting Speaker (Mr. Blaker): It is not the responsibility of the Chair, I suppose, to explain that that is not a point or order, but I should indicate that if there is an indication by the Hon. Member who is now speaking that he wishes to entertain a question, then that might become a matter of consent for the House. However, it is not a point of order which the Hon. Member has raised.

Mr. Schroder: I believe that we can all take great pride in maintaining and fully protecting the rights of our low-income pensioners in these hard times. We have said over and over again that this is the Government which has been known for doing just that. The social contract between the Government and the people of Canada has not been broken, nor will it be broken. We in Canada can be proud of the system of retirement income planning that presently exists, a three-tiered retirement income system to which this government is fully committed. The first tier of the retirement income planning system is the Old Age Security program. It is the cornerstone upon which a solid foundation for the future retirement of every Canadian can be laid. It provides a guarantee that pensioners will receive a minimum level of income when they retire.

The second tier consists of benefits from the Canada and Quebec Pension Plans. These Plans are part of the compulsory contributory social insurance plans which I mentioned earlier, plans which enable members of the labour force to acquire and retain protection for themselves and their families against the loss of income due to retirement, disability or death.

Finally, the third tier of our retirement income system consists of private income sources such as employer-sponsored pension plans, registered retirement savings plans, and the other savings and acquired assets of a lifetime.

It is probably important that we recognize that these later acquired assets of a lifetime are one of the major things which are being hurt by inflation. People who have saved diligently, who have put money away for a rainy day because of inflation, are finding that these dollars are no longer sufficient.

We have said earlier, as did my colleague the Parliamentary Secretary to the Minister of Finance (Mr. Fisher), that the Government is doing its best to control those prices over which we have some jurisdiction, but it is incumbent on all of those who are earning and all of those who are not in need to try to make some contribution to this fight against inflation. Therefore, we see these three components, old age security, public pension plans and private resources, diminishing as inflation continues. Therefore, the fight against inflation, the reduction of inflation, enhances our savings on which we have been

counting to support us as we grow old, when we are no longer capable of earning.

These three components constitute the framework of the three tier retirement income planning system in Canada. Retirement income is planned over a lifetime and this Government, by confirming its commitment to the Old Age Security program has shown great strength and leadership. This Government has reaffirmed that the concepts of universality and indexation shall and must be protected and retained for our present and future generations.

I do not think I can put this in any stronger context than by saying that the Government is concerned about others. We are concerned about those people who have been so eloquently described by the Opposition as people in need. It is satisfying to me that the need has been identified on both sides of the House. This Government has recognized that need through all these years and has established programs to look after these needs.

• (2030)

Let me assure you, Mr. Speaker, that we will continue to make sure that those in greatest need in this country will be looked after. They will not be forsaken. I hope they will be reassured by the statement from Members of the Government who are supporting this legislation and that they will not be frightened into thinking something is being taken away from them or that they are going to lose what they were counting on having.

This legislation, not only this Bill C-131 but the total package of legislation of six and five, is to protect our senior citizens and to make sure that what they get from the Government and what they have saved through their lifetime will meet their needs.

I would like to reaffirm that this concept of universality and indexation shall and must be protected and retained for our present and future generations.

Mr. Joe Reid (St. Catharines): Mr. Speaker, I appreciate very much the opportunity of speaking to Bill C-131 because of a long-standing interest—

The Acting Speaker (Mr. Blaker): Is the Hon. Member for Kootenay East-Revelstoke (Mr. Parker) rising on a point of order?

Mr. Parker: Mr. Speaker, I was notified by my House Leader that the next speaker on the roll would be from our Party.

Mr. Hnatyshyn: That will teach you to listen to him.

The Acting Speaker (Mr. Blaker): I would not want the Hon. Member to have as many difficulties as the Chair does in attempting to find some reasonable juxtaposition as between Hon. Members who wish to speak. My impression is that it is a reasonable time for one of the Members to my left to speak, but if the Hon. Member for Kootenay East-Revelstoke would like to pursue it I promise to consider whetl er he ought to be the next speaker. My impression is that I ought to recognize the Hon. Member for St. Catharines (Mr. Reid) and I think, following him, I will recognize the Hon. Member for Kootenay East-Revelstoke.

If Hon. Members in the House are satisfied with that tentative approach or that judgment, then I can sit down and relax. If not I will listen to any Hon. Member who has a problem.

Mr. Parker: Mr. Speaker, I do not wish to hold up the proceedings of the House, and I will respect the Chair.

Mr. Taylor: Mr. Speaker, in fairness I have to say that we have had three speakers since the last NDP speaker.

The Acting Speaker (Mr. Blaker): The Hon. Member for Bow River (Mr. Taylor) makes a very gentle point, and it is much appreciated by the Chair.

Mr. Reid (St. Catharines): Mr. Speaker, I might just begin my comments again by saying that I have been waiting a long time to speak on this Bill as the debate on it has progressed over the several afternoons and evenings. It would be a much happier occasion if we were addressing a Bill which was improving the lot of pensioners, and establishing a benefit, instead of making it more difficult for our senior citizens to make their way in these difficult economic times. Pension reform will have to wait until after the November 1981 Budget, and after the borrowing Bills, the sports pool and several other bits of legislation which will come forward between now and the end of the session are taken care of.

Bill C-131 proposes to limit the costs of living increases in old age pensions to 6 per cent in 1983 and 5 per cent in 1984 without regard to the rate of inflation. Exempted from that six and five formula will be those pensioners receiving the Guaranteed Income Supplement. By limiting Old Age Security increases to six and five the Government estimates that it will effect savings of some $105 million. I would ask my colleagues and those in the opposite side of this House to keep that figure in mind as we proceed through these comments.

This figure raises a number of issues, not the least of which is the amount of Government spending. The purpose of this Bill and the purpose of the six and five program, of which this Bill is a part, is to save the Government money and to increase its revenues. We on this side say that it is about time that the Government cut back on spending, which has been out of control for quite some time. In our wildest dreams we had not contemplated that the six and five restraint program would begin on pensioners, the persons who have worked throughout their life and now can least afford to bear the brunt of this kind of attack. They are in the front lines while the Government Department heads are free to continue to bring foolish expenditures and frills to the front of spending, but not to the front of the six and five formula which they have so effectively promoted over the last several weeks.

How is it just and equitable, Mr. Speaker, to cut back on pensions while spending millions of dollars on Government

advertising? Would it not make more sense to eliminate that advertising and keep the pensions fully indexed? All Members have been receiving a considerable amount of mail to that effect, and I am sure my colleagues have been impressed by the spirit that has been shown by senior citizens who say that they will carry their load and pay their way.

Several senior citizens in St. Catharines have written to me saying that they feel it is their duty to participate, to help Canada get out of this difficulty in which the Government has placed us. They are prepared to cut back on the amenities of living; they are prepared to trim their grocery budgets; they are prepared to "make do" another year with their present wardrobes, and they are prepared to encourage others to follow their example.

That kind of spirit, determination and willingness to sacrifice is alive and well in Canada. The Government would be well advised not to squander the last semblance of trust that is in existence now between the people of Canada and this Government.

I do not have to point out that quite apart from the political consequences that would ensue there is a far more serious consequence of loss of faith and trust in this Government itself. Once that trust has been lost, years and years of rebuilding will be required to regain the credibility that is essential in our democratic process.

The spirit being shown by our senior citizens and the trust that they are placing in the federal Government with regard to the six and five program is based on the premise that all Canadians and all levels of Government are going to play their part. Their determination to help Canada is not based on the assumption that they put up with less so that others can spend more.

Unfortunately, that is the case that exists at the present time. Senior citizens receiving the OAS are being asked to forgo $105 million; public service pensioners are being asked to forgo $100 million; Members of Parliament, Senators, House of Commons employees, public servants, RCMP, Armed Forces personnel and employees of Crown corporations are to forgo $800 million. Mothers are being asked to forgo $155 million in reduced family allowance benefits. In addition to these savings, the Government is increasing personal income taxes by $1.3 billion, or an average of $137 per taxpayer. It is slashing, and I emphasize slashing, $582 million from selected Government programs. The restraint total is $3,042 million.

• (2040)

Who really is doing the belt-tightening in this country? We can see that selected sections of our society are forgoing $1.16 billion in reduced salaries, pensions or benefits and that the tax-paying public in general is contributing $1.3 billion more in taxes, for a combined total of $2.46 billion, or better than 80 per cent of the Government's entire restraint program.

The Government, which claims to be leading the way, can only find of this grand sum $582 million to cut from its expenditures. What a shabby example this Government is giving to the people of Canada as it tries to convince them we should try to join together in a program of restraint, a program that is so essential in these difficult economic times, forced upon Canadians by this extravagant Government.

If pensioners are going to be asked to tighten their belts and rally around the flag, then the frills will have to go first, the extravagant use of Jetstars, the Petro-Canada energy advertisements on television and radio and in the newspapers, the free briefcases provided for public servants. The list goes on and on. Also, as we see in today's paper, there are the excess expenditures over last year for Ministers' travelling expenses. These items added up to over $500 million in 1979, so they are not an insignificant amount in 1982.

More important, however, wasteful spending sends a message to Canadians that they are being taken for a ride. Let us look at that for a moment. When the press continues to show waste and useless expenditures of this Government, how can Canadians be expected to co-operate? They are being taken for a ride. While they scrimp and save, the Government tends to spend and squander. In these difficult economic times, indeed at any time, the Government cannot afford to leave such an impression with the public, especially the Canadian public, yet we see no action being taken to correct those abuses.

Our Leader has proposed that a parliamentary committee be established to track down waste in Government spending and be empowered to put a halt to it, putting in place a committee or agency to cut such spending where it is found. However, the Government vetoed that proposal. It was not acceptable because it might cut into some of the Government advantages or perks.

We in the Opposition do everything possible to bring forward examples of waste so that the necessary action can be taken, but rarely is anything ever done. Does the Government not care about using the hard-earned money of taxpayers in such a frivolous way?

My colleague, the Hon. Member for Cariboo-Chilcotin (Mr. Greenaway) recently raised a small matter of $6,000 spent on a courier service to deliver maps and photographs to 576 newspapers across this country. Couriers were used instead of Canada Post, incurring this expense of $6,000 for no just reason. In the eyes of some, it might be a small amount. They may say, "What's $6,000?" I emphasize that because I want to tell Hon. Members opposite what $6,000 means. Six thousand dollars represents the amount paid in taxes to the federal Government by two average taxpayers from the City of St. Catharines. In other words, those two taxpayers worked all year, paid their bills, kept up their rent or struggled with their mortgages and contributed $3,000 each to the coffers of this Government. They might have put that $3,000 to much better use themselves, but they thought the Government would use their money, wisely spend it on necessities and as needed. In one single thoughtless moment, that trust was dissipated. The Government squandered what those two taxpayers had contributed after working for a year.

Who could argue that those two individuals could not have put that money to much better use in these days of high

interest rates, high mortgage costs, they could have made a contribution to their own welfare instead of having it frittered away in that thoughtless moment.

Who on the Government benches cares if some poor individual in St. Catharines has his or her $3,000 wasted on courier services? To them $3,000 is just a drop in the bucket.

It is the attitude that counts, not the amount. If you do not care about the individual taxpayer's money and if you do not care about the pensioner's forgone cost of living increase, it is high time you packed up and left the job to someone who cares, someone who is prepared to respect the taxpayers' hard-earned money. That is why attitude is of so much importance. As long as this indifference of the Government continues and as long as waste and extravagance are the order of the day, there is no way that we on this side of the House can support a Bill such as the one before us.

Waste and frills must be cut first; trimming and tightening of departmental budgets must be next, then wage, pension and benefit restrictions will follow. Those are the priorities that might logically have been set by the Government, but with this Government, it is the reverse. All we are doing now is cutting the incomes of people to cover the cost of the waste and frills, which means that we are making no headway whatever.

In the interest of relevancy, I am leaving aside the major policy adjustments that could go a long way and should be made if we are to recover from this recession which besets us, but it should be understood that more than restraint alone is needed.

My comments today are clearly not going to change the Government's attitude. The Government will not withdraw the Bill and adopt the proper priority program as it is politically wed to the six and five program. It will see it through no matter what. This being so, and being determined as they are, I want to make a few comments on the Bill in the expectation that when the Bill gets to the committee, level heads will prevail and suggestions will be brought forward into amendments.

We have heard a lot of talk from the Minister of National Health and Welfare (Miss Bégin) on how this Bill does not hurt the needy or affect those in need. That is pure nonsense. The six and five comes into effect for a single pensioner when that pensioner reaches or surpasses an income level of $8,900. Statistics Canada would classify such an individual as being below the poverty line in any major city in Canada, and Canada, and 40 per cent of all Canadians over 65 do live in metropolitan areas with populations of over 500,000.

• (2050)

Married couples join the six and five program when their household income exceeds $15,099, hardly a king's ransom today. In all, some 100,000 pensioners are hovering at these minimum income levels, and they are going to have their cost of living increases frozen at six and five while their rent or mortgage, food, heating and clothing costs will continue to rise, often at a rate in excess of that of inflation. It is evident that using the GIS as a basis for deciding wl.o is in and who is out of six and five is not satisfactory. The GIS is designed to keep pensioners at a statistically arrived at minimum level needed to live; it is not designed to provide a few extra dollars for movies, dinners out or holiday trips. Accordingly, if the GIS is the lowest acceptable income level, how is the pensioner earning just $1 more than the cut-off level for the GIS better equipped to see his or her pension cut?

I would propose, Mr. Speaker, as an absolute minimum, that the GIS base be scrapped and the Senate committee poverty line be adopted. This is still not being extravagant or generous, but it is a major step closer to putting some truth in the Minister's statement that adoption of the six and five will not affect those in need.

I further propose that money saved by limiting pension increases be specifically allocated to a program clearly identifiable as one of assistance to senior citizens. Whether this be for housing assistance, the New Horizons Program, national park fees or whatever, it can be decided on the basis of need and priority, but it is to assist those who need it. I believe it to be absolutely essential that pensioners affected by six and five know exactly the sacrifice they are being asked to make and where the money is to go. This Bill asks everyone to participate except the Government. Let the Government give leadership and then, if necessary, after it has gone through an accepted list of priorities, call on the pensioners and they will respond.

I cannot and will not vote for this Bill, and I will not support any similar effort to shift the burden of economic mismanagement—including resource mismanagement—onto those who have lived their work-a-day lives and are now least able to bear that load.

Mr. Sid Parker (Kootenay East-Revelstoke): Mr. Speaker, I want to open my remarks on Bill C-131 by saying that it is a sad day in this House when the Government has the gall to bring forward this Bill, especially today, the fortieth anniversary in this House of the Hon. Member for Winnipeg North Centre (Mr. Knowles), a man who fought a hard fight to bring about universality of our pension plan.

When I came into this House, Mr. Speaker, as a bright young Member, I watched the Minister of National Health and Welfare (Miss Bégin) with a great deal of intensity. I watched her stand up in this House and defend time after time, day after day, her commitment to bringing about pension reform. Well, Mr. Speaker, I want to say that the Liberal Government has destroyed the compassion that the people of Canada expected from it. The people of this country looked forward to the Minister bringing in the innovations they were expecting. I want to say that I had some personal dealings with the Minister. I went over and discussed programs and policies, and the problems I had with some of my constituents. She told me at that time, "you see, we can be compassionate". I thought at that time, yes, we do have responsible Members of Parliament, responsible Cabinet Ministers who do listen. But now we have a situation where the six and five world has started to take over.

No one has mentioned the "Blue Chip Committee". What happened to that six and five program committee headed by Ian Sinclair, President of Canadian Pacific? They were travelling across Canada, expounding the six and five program. I wonder if Ian Sinclair is still so proud of this program, now that it is starting to affect pensioners across Canada. His salary is in the neighbourhood of $500,000 a year and he is expounding on the six and five program. I want to make it clear that no one can justify cutting pensions to meet the six and five program limits, particularly at times such as these.

I heard the Parliamentary Secretary talk about how we must have restraint. He knows that just the other day in this House the Prime Minister (Mr. Trudeau) announced a new Royal Commission into Canada's economic future. The salaries of the people on that Commission are going to be in the neighbourhood of $700 a day. Mr. Macdonald is going to be the Chairman of that Commission, and he created the problem at the time he was Minister of Finance.

This Bill is going to rob over a million pensioners of a portion of their pension which they have earned. Pensioners will lose in two ways. First, they are going to be out of pocket because indexing over the next two years will not keep up with inflation. Inflation this year will be at least 10 per cent, but the indexing will be limited to 6 per cent. The optimists tell us that next year inflation will be 9 per cent or more, but the pensioners' indexing will be limited to 5 per cent.

The Minister claims, Mr. Speaker, that the people hit by this legislation can afford to sacrifice. The Minister knows that in many cases that is not true. Many pensioners who do not benefit from the GIS now live at the poverty line. The single pensioner's eligibility for the income supplement ends when outside income, including Old Age Security payments, reaches a total of $6,123. That means that a single pensioner with a total income, including the Old Age Security, of $9,200, is still going to lose nearly $300 over two years. The Minister must be aware that an income of $9,200 is already $500 below the poverty line for people living in large cities.

• (2100)

The National Council on Welfare has estimated that over 100,000 poor and nearly-poor Canadians will have their incomes reduced as a result of this legislation.

Another thing the Bill does is to whittle away at the universality of pensions. The Minister has denied this, but it is the truth. The relative value of the Old Age Security, which is universal, is being whittled away while the income tested Guaranteed Income Supplement, is being increased.

In my term as mayor of a city, a young couple came to see me. They were visiting Revelstoke to see their elderly parent. He was trying to survive in his own home and to look after himself. As you can understand, Mr. Speaker, our senior citizens are proud. This young couple told me that he needed help. I went down with them to see him. We discussed his problem and I got all the information I could. I tried to find some way of helping. About a week later, through the social assistance programs in the area, I found that some moneys were available for help. Proud as could be, I went down to advise this elderly person of the help that was available, but he informed me in a very proud way that he had gone through the hungry thirties without relief and he did not want relief now. I think it is very clear that the Guaranteed Income Supplement is a means test.

In the last election campaign the Liberals spent a lot of time talking about pension reform. It is interesting to note what they mean by that. I say to the Minister, shame on the Government for attacking our senior citizens at a time when they need help. She knows that they need help. She knows that the reform is required now and that we should be heading in that direction.

Perhaps the Minister of State for Mines (Mrs. Erola), who is responsible for the status of women, would like to explain this pension reform to the senior citizens in her constituency. More than half the people who will have their Old Age Security payments cut, are women. I am sure they would be interested. I am sure half of the population on or near the poverty line, who are women, would be interested in hearing from that Minister.

The Minister of National Health and Welfare has said in the past that pension reform was her highest priority. The Bill illustrates what Jesse James meant when he said banks were his highest priority.

The Government has intentionally split up the debate on this Bill, bringing it one day for debate then bringing in some other Bill in order to take the attention away from it. Members of the Government have refused to speak on it. They are ashamed of it, and well they should be.

The Conservatives also have a few questions to answer. When Bill C-124, the six and five program, was adopted, the Conservatives expounded on it at great length. The Leader of the Opposition (Mr. Clark) called it a "good beginning" but said that the Government had not gone far enough. Now the Conservatives have finally seen the light about the six and five program. Today I heard several Conservatives speak about contracts. They had no hesitation in breaking contracts under the six and five program, with labour groups going to the International Labour Organization meetings in Geneva to appeal the breaking of contracts in Canada.

The Conservatives said that we did not go far enough with that program. They talked about action, but now they realize their mistakes and are trying to defend their position. Whilst that is going on it is interesting that none of the Conservative Members who represent the multinational corporations, such as the Hon. Member for York-Peel (Mr. Stevens) or the Hon. Member for York North (Mr. Gamble), has made a speech promoting the rights of senior citizens and their pensions. The Hon. Member for Calgary Centre (Mr. Andre), that great baron of the oil companies, has not stood up in this House to express his concern.

Where are the Tory speakers who oppose this Bill? Where are the representatives of big business? Why do they not stand

up and talk about universal programs for health and pension services?

On this side of the House we know what is happening. We saw this sort of thing start in the United States where Proposition 13 was adopted and, as a result, the social programs affecting the poor, the elderly and the sick, were the first to suffer. We know where the Tories stand on this type of legislation. They claimed to oppose Bill C-133. I should like to read from *Hansard* what the Conservative House Leader (Mr. Nielsen) said when asking about the business of the House on November 18. Referring to Bill C-133, as reported at page 20775 of *Hansard*, he said:

—relating to the pensions of public servants, whether he will bring it forward tomorrow so that we could deal with it expeditiously.

In other words, the Conservative Party wanted to deal with Bill C-133 expeditiously. But that is not what the Hon. Member for Nepean-Carleton (Mr. Baker) said at a public meeting in Ottawa, when he indicated that his Party opposed the Bill and would fight it.

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

Mr. Deputy Speaker: The Hon. Member for Simcoe North (Mr. Lewis) rises on a point of order.

Mr. Lewis: Mr. Speaker, the Hon. Member has been good enough to give us a quotation from *Hansard* in support of his argument about what the Hon. Member for Yukon (Mr. Nielsen) said. Perhaps he would be good enough to give us the citation for what he claims the Hon. Member for Nepean-Carleton (Mr. Baker) said.

Mr. Deputy Speaker: Would the Hon. Member for Kootenay East-Revelstoke (Mr. Parker) care to reply to the Hon. Member for Simcoe North (Mr. Lewis)?

Mr. Parker: Mr. Speaker, if there are any questions at the end of my speech I will be pleased to answer them.

Some Hon. Members: Oh, oh!

Mr. Fulton: Where is Joe?

Some Hon. Members: Oh, oh!

Mr. Deputy Speaker: Order, please. The Hon. Member for Kootenay East-Revelstoke has the floor.

Mr. Parker: At this time, Mr. Speaker, I should like to put forward the position of the New Democratic Party on pensions. We believe that an adequate pension is a right and not a privilege, and should be available to all senior citizens regardless of sex, marital status, income class or previous work history. An adequate pension system must have retirement incomes high enough so that retirees remain, as nearly as possible, on the same level as the average standard of living.

• (2110)

These are the kinds of things about which we are talking. Retirement incomes must be above the poverty line regardless of pre-retirement earnings. Pensions must be viewed as intergenerational transfers which connect the standard of living of pensioners to the general standard of living. Only the federal and provincial Governments are in a position to level taxes, remit the transfers and ensure supporting legislation to guarantee an adequate standard of living. Public pension schemes must be expanded immediately to guarantee a poverty-free, secure standard of living for Canada's two million senior citizens. This is the kind of reform we should be discussing in the House today, not the regressive legislation which the Government brought forward.

It is sad that all the blame should rest on the shoulders of the Minister of National Health and Welfare because she is a very compassionate Minister. Also it is sad that her colleagues have turned on her and left her to defend a policy which we all know is wrong, wrong, wrong. It must be stopped. I urge the Minister in the strongest possible way to rise in the House and request that this piece of legislation be withdrawn immediately, to stop any further suggestion of erosion of the cost of living which many senior citizens know they will be facing in the next couple of years.

There is no guarantee. The Government has given absolutely no guarantee that inflation will come down, yet it is telling senior citizens that they will have to bear the burden of reducing it. The Hon. Member for Mississauga North (Mr. Fisher) rose in the House and expressed his concern with regard to inflation and how it must be battled to the ground. That same Parliamentary Secretary did not bat an eye when the Government spent over $50,000 promoting its six and five program. It sent out stickers and pamphlets to our constituency offices promoting that program. Little did any of us realize that the old age pensioners of Canada would feel the bluntness and cruelty of the Government.

My Party will be opposing this legislation in the strongest possible terms. The Whip of the Conservative Party asked me whether our speakers would be rising in the House to speak on the Bill. We will rise to speak on it as long as it remains in the House. I have a fear that it may not be for very much longer because the Liberal Government is nervous about what is happening. It is splitting up the Bill, bringing it in one day and hiding it behind a piece of legislation the next day; bringing it forward another day and hiding it once again behind another piece of legislation. Liberal backbenchers do not have the courage or the decency to rise on behalf of their pensioners in their ridings and say that they have had enough and that it is time to get on with some real changes to the pension scheme which will help pensioners rather than take away benefits from them.

Some Hon. Members: Hear, hear!

Hon. John Wise (Elgin): Mr. Speaker, it is a pleasure to join in the debate this evening. I am certain that we have special responsibilities to speak on behalf of Canadian food producers, on behalf of small business and on behalf of the unemployed, particularly when there are nearly 1.5 million unemployed people at present. Throughout the debate on Bill

C-131 we have had an opportunity to speak on behalf of another sector of the community, the people who have contributed so much to the development of economic activity and stability in Canada, namely, our senior citizens.

I have a special interest in senior citizens because I come from an area in southwestern Ontario in which the City of St. Thomas is located, the capital city of my constituency. It may come as a surprise to some Hon. Members that this city of roughly 30,000 people has the second highest number of senior citizens on a percentage basis in the country, second only to the City of Victoria. Although it may not be very relevant to the Bill, I am pleased to have an opportunity to tell the House about that situation. Of course I would not let such an opportunity go by, within reason, without speaking on behalf of the senior citizens in my riding of Elgin.

Although Bill C-131 is only five pages in length, it is over 17 years in backwards thinking. It drives a nail in the heart of the pension program set forth in 1965 by the then Prime Minister, the late Right Honourable Lester B. Pearson. Basically, the Bill is part of the Government's six and five restraint program. It limits increases in the basic old age pension to a maximum of 6 per cent in 1983 and 5 per cent in 1984. Previously the pension was fully indexed to the rate of inflation as measured by the consumer price index. I firmly believe that was a commitment by the federal Government to the senior citizens of Canada and that it should be kept today.

Currently the old age pension amounts to $246.92 per month. That is hardly a princely sum. Since the pension is adjusted quarterly, by October 1984 pernsioners will be receiving some $274.83 per month if the Bill is enacted. Habitually, senior citizens have always had to bear the brunt of inflation because any adjustment in payment always came three months after the fact. Now they are being told to make a further sacrifice in a nation where inflation has been running at levels beyond 10 per cent. They are being told by the Government that they must accept the six and five restraint program. The gap between the six and five per cent and the real rate of inflation will mean a major sacrifice in the purchasing power of those who receive only the old age pension, those who do not receive any GIS or spouses' allowance. Currently, single persons over the age of 65 do not receive any Guaranteed Income Supplement of spouses' allowance if their total income including basic old age pension is greater the $8,912.40, a level of income $10 below the poverty line for single persons living in metropolitan areas with populations of 500,000 or more.

Today approximately 40 per cent of the 65 and over population live in metropolitan areas which include the Cities of Toronto, Montreal, Vancouver, Ottawa, Calgary, Winnipeg and Hamilton. Approximately 1.2 million of our senior citizens will be affected. Senior citizens will lose $290 over the next two years if inflation remains at 10 per cent. The other group detrimentally affected by this Bill are the elderly married couples with incomes of just over $15,000. They will suffer a loss of income over the next two years of some $580.

• (2120)

These are the cold facts of the Bill. It will be our senior citizens who will have to bear the full impact of these cuts in their pensions. They will have less money to spend on food and on accommodation, and consequently will have less money on which to live.

It is interesting and yet ironical that at the Liberal policy convention held recently on November 5, 1982, the Prime Minister (Mr. Trudeau) said:

> When conditions change, Liberals adapt. When old solutions fail, Liberals think anew. Above all else, when economic diversity strikes, Liberals act.

Mr. Lewis: He means they cop out.

Mr. Wise: And act they have. The Liberals have acted by cancelling a contract. They have acted by breaking a promise and by disregarding a commitment and they have acted by tearing the heart out of our Old Age Security system.

At the same time as the Liberals were acting against our senior citizens, forcing the six and five restraint upon their incomes, these same Liberals were not acting with comparable dedication against other sectors in our society.

For example, on October 21, Treasury Board announced that certain CBC editorial employees would receive an increase in salary of some 11.5 per cent. As well, the same Liberal Government has refused to roll back the scheduled price increases in oil and gas costs. Oil prices will increase some 46 per cent over the next two years and natural gas prices will increase by nearly 50 per cent over that same period. Yet pensioners who own homes and drive cars will be expected to pay for these increases out of their six and five per cent increases in their pensions.

Again, on July 28, 1982, the National Energy Board, which is a Crown Corporation of this Government, announced a tentative increase in the tolls paid to TransCanada Pipelines. In reaching its decision, the National Energy Board approved the company's wage offer to its employees of 12 per cent in 1982 and 7 per cent in 1983.

Mr. Lewis: Shame.

Mr. Wise: On August 1, as a result of changes in the Customs and Excise Tax Act, certain excise taxes have been increased to the extent of 15 per cent. Unemployment insurance premiums are another example of what is paid by workers and employees. These premiums were increased by some 50 per cent in the economic statement of the Minister of Finance (Mr. Lalonde). Canada Pension Plan premiums were increased by 12.1 per cent. Over the weekend I was visited by a farmer from my riding who gave me some information which was sent out as recently as October 13, 1982. This information was in the form of a notice by CN Rail to certain industries and certain grain elevators regarding the private siding agreement. Although CN Rail is complying with the Government's six and five restraint program, the notice states that at the end of this program, these contracts will be renegotiated, reopened and,

indeed, in the year commencing January 1, 1985, these private siding agreements will increase by nearly 40 per cent.

VIA Rail is another example where increases on certain fares have been increased, not by 6 per cent but by 10 per cent. The St. Lawrence Seaway Authority authorized an increase of 10 per cent in seaway tolls for the next year. Rents charged by the federal Government have increased by 25 per cent in certain cases, and Canada Mortgage and Housing Corporation has increased its rents by some 37 per cent in certain cases as well. Although Canada Post has announced a 6 per cent increase in postal rates for 1983, it should be remembered that less than a year ago that same Crown Corporation, Canada Post, received a 76.5 per cent increase on the understanding that mail service delivery could be improved. I wonder if the people in rural Canada who have had their Saturday delivery discontinued and other people who have had the indication that Canada Post will be closing more of its wickets on Saturdays would really agree that service has been improved.

These exceptions make a sham of the Government's six and five program. If the Liberal Government can afford to make these exemptions, it can afford to exempt our senior citizens from this imposition as well.

The Government indicated that it will save between $15 million and $20 million in this move. I would not want to be associated with a certain Liberal who commented at one time, "What's a million?" I think $1 million is a tremendous amount of money, particularly if it happens to be public funds. Certainly, $15 million or $20 million, which the Minister on behalf of the Government hopes to save out of this measure, is a great deal of money. But without a great deal of difficulty, I am sure this Government could easily come up with the additional moneys required to pay the full indexing in payments to our senior citizens.

I could cite a list of examples as long as your arm, Mr. Speaker, but I must remind the Liberals that the Government has spent $150 million on a defunct Ottawa computer company, another $100 million on a monument in Algeria.

Mr. Lumley: Come on.

Mr. Wise: I see the former minister of international trade is getting a little edgy. But it costs about $1 million a month to keep the Jetstars flying. The Government spent some $17 million last year on the purchase of paper alone. It spent $3.5 million on taxi fares. The Government spent $16.7 million on telegrams and cables. Hospitality amounted to over $10 million. An amount of $50 million was spent on photocopying. And advertising came to some $63 million.

I do not think it would create a great deal of difficulty with a bit of mediocre management to come up with $15 million or $20 million to honour the commitment to the senior citizens.

Let us take a look at the travels costs of some of the Ministers of the Crown. We find that the travel costs of the Minister of Communications (Mr. Fox) increased by 350 per cent. The travel costs of the Minister of Employment and Immigration (Mr. Axworthy) have increased 218 per cent. The former minister of energy, mines and resources, who is now the Minister of Finance (Mr. Lalonde), increased his travel costs by some 263 per cent. The list goes on and on. And what about the former minister of national revenue? His travel costs have increased by 274 per cent. I want to be honest and fair about citing some of these travel costs of Ministers. After checking on the Minister of National Health and Welfare (Miss Begin), I find that at least she can claim that her increased travel costs are well within the six and five program. I believe her increases in travel costs amounted to some 3.5 per cent. Her increase in travel costs should be a lesson to other Ministers. It is possible with a bit of effort to stay within those guidelines when it comes to travel costs. I should also indicate that the travel costs of the former minister of veterans affairs and the present Minister of Veterans Affairs (Mr. Campbell) are down considerably, by about 49 per cent.

With this type of attitude, it can be seen that this Government has a great contrast in the way it manages its affairs, the way in which it treats senior citizens and the way in which the Government treats its friends. For example, Joel Bell, the newly appointed President of the Canada Development Investment Corporation, has received a ten-year, no-cut contract from Cabinet. Our professional athletes are not granted such contracts any longer. His qualification for such a contract, as far as I can tell, is that he was a former economic adviser to the Prime Minister. Our former colleague and my friend, the Hon. Judd Buchanan, the former Liberal MP from London, was able to arrange a sweetheart deal for his company—

• (2130)

Mr. Deputy Speaker: With respect, the Chair is having some difficulty relating the Hon. Member's remarks to the Bill before the House.

Mr. Wise: Mr. Speaker, I respect your intervention, but what I am trying to establish is the fact that there is a difference between the Government's attitude toward our senior citizens and its attitude toward people with whom it is dealing. I am trying to make that case before us tonight.

Another example in making this case concerns Arthur Erickson, a Vancouver architect and friend of the Prime Minister who was selected to design the new Canadian Embassy in Washington despite the fact that his name was not on the list of those architectural firms recommended to Cabinet.

Mr. Deputy Speaker: The rule of relevance is difficult. It is a difficult decision for the Chair, but I would appeal to the Hon. Member to direct his remarks more specifically to the Bill before us.

Mr. Wise: Again, I appreciate your interjection, Mr. Speaker. I am sure that some of my comments perhaps create some uneasiness in Liberal Members.

Let me continue by saying that at the same time the Liberal Government extends such generosity to its friends, it is cutting the pensions of many of our elderly people. Rather than

enacting this ill-conceived Bill which attempts to help bail out this present Government from the consequences of economic and fiscal mismanagement, the Government should be looking at other ways of pension reform.

Mr. Schroder: Mr. Speaker, I rise on a point or order. With respect to relevancy of the Hon. Member's speech, I could perhaps draw his attention to the fact that this Bill is part of the broad scheme which is not to save money but part of the six and five program which is designed to reduce inflation.

Mr. Deputy Speaker: The Hon. Member is making a point of debate, not a point of order. The Hon. Member for Elgin (Mr. Wise) has the floor.

Mr. Wise: Mr. Speaker, I appreciate the fact that my hon. friend across the floor is somewhat on edge. I have some knowledge of the input and representations that are being made to me as a Member of Parliament representing the constituency of Elgin. My hon. friend's constituency is within 100 miles of my riding. I am sure that his uneasiness is caused by the fact that he is receiving similar representation from his senior citizen constituents.

I have more latitude because I do not occupy the position of Parliamentary Secretary at the moment. I appreciate that he has a definite obligation to cite the official Government position. I am not hampered by those same guidelines which govern my hon. friend.

The population in Canada of those over 65 has risen by more than 600,000 in the last ten years. This age group has been growing at the rate of 3 per cent per year. This means that without any increase in real benefits the economy will have to grow 3 per cent each year just to provide the necessary revenue to support pensions for these people.

If we do not move on pension reform, we will find ourselves encouraging a far larger public debt. Therefore, we should encourage people to begin planning for their retirement from the moment they enter the labour force. We should encourage people to prepare private pension plans instead of totally relying on the Canada Pension Plan. This would involve making private pensions plans and personal savings instruments such as Registered Retirement Savings Plans more accessible to people who have to move from one job to another, who work part time or drop out of the labour force, as is the case in particular for women in our society who do so to raise families. It means making it possible for women to work in the home to build up pension entitlements in their own right. It means early investing in private pension plans. These are but a few measures which the Government should be undertaking.

As my colleague, the Hon. Member for Kingston and the Islands (Miss MacDonald) said, every year we let slip by without action makes it more and more difficult to avoid real crisis when the elderly become the largest single aid group in the population. If we fail to prepare for it, we will have no excuse because the warning has already been given in the age group statistics of the 1981 census.

Unfortunately, this Government apparently does not want to prepare for the future. Its complete lack of vision can be seen in this Bill. This Government believes that our senior citizens can do with less. My colleagues and I do not believe that single pensioners earning just over $8,900 or married pensioners earning just over $15,000 can do with any less than they are receiving now.

Again, as my colleague, the Hon. Member for Bow River (Mr. Taylor) stated in his eloquent speech on November 18, as reported on page 20812 of *Hansard:*

> Senior citizens have already paid the price and we should not ask them to pay more. They should have the right to live well now.

That sums up our position. Our senior citizens have already sacrificed enough for the benefit of our country through their hard work, their dedication, their spirit and, last but not least, through their taxes. In return for their sacrifices this Government now plans to cut many of their pensions as a result of the measures contained in Bill C-131. We look at the way Government issues exemptions and exceptions from its six and five program for other federally controlled sectors of the economy and the way it deals with its close friends. This contrasting treatment is nothing more than blatant hypocrisy on the part of this Government. Our senior citizens deserve better treatment and they need better treatment. Bill C-131 is untimely. It is the cancellation of a contract and the breaking of a promise. It shows complete disregard for a longstanding commitment and is nothing less than an insult to the senior citizens of this country.

The end result of this Bill will be the removal of benefits to a sector of our society which needs it the most at a time when they can afford it the least.

It is a pleasure for me to have an opportunity to speak on behalf of the senior citizens of this country and the senior citizens of my riding of Elgin. I can assure you, Mr. Speaker, and the Government Members opposite as well as the Minister of National Health and Welfare for whom I have a great deal of respect, that, in all honesty, I must indicate that I will certainly welcome the opportunity to vote against this Bill.

Mr. Doug Frith (Sudbury): Mr. Speaker, I have listened with interest to the Members opposite this evening, not only the Hon. Member for Kootenay East-Revelstoke (Mr. Parker) but the Member for Elgin (Mr. Wise) and the Hon. Member for St. Catharines (Mr. Reid) as well.

During the next 20 minutes I would like to clarify some of the statements we have heard about the Bill with which we are now concerned. It seems to me that Members of the Opposition have done a disservice to the elderly in Canada. There have been many misrepresentations about the intent of Bill C-131 toward our elderly. I realize that Members on all sides tend to make speeches in the House which are then mailed to their constituents. I venture to say that if many of the speeches made by Members earlier this evening are mailed to their constituents, they will certainly receive a lot of misinformation.

I will begin by commenting on some of the remarks made by the Hon. Member for Kootenay East-Revelstoke which he made earlier this evening. He talked about the Minister of National Health and Welfare (Miss Bégin) not being very compassionate toward the poor of this country or toward the elderly in our nation. In my view, he went on to mix two very important themes which the Liberal Government has had since the speech from the Throne on April 14, 1980. One must take into context what is said when one begins not to differentiate pension reform as it was called in the Throne Speech from Bill C-131 which is before us this evening. He said that, as an example, the Minister of State for Mines (Mrs. Erola), who is responsible for the Status of Women, should be ashamed that half the women in or near poverty will be adversely affected by the Bill. He said that the Minister of National Health and Welfare had reneged on her commitment to universality of social programs in this country.

• (2140)

Let me just single out those two as examples. The 50 per cent in or near poverty will not be affected by the contents of Bill C-131. We on this side of the House have consistently said that one must understand the social security system that is in place in Canada today to understand properly the context of the six and five program as it relates to our elderly, in particular. It goes without saying that the Old Age Security is the first basis of protection for our senior citizens.

I return to this fact becuse he said that the Minister of National Health and Welfare is not a compassionate person, and that was a reflection on the Liberal Party. However, it has been a very compassionate Liberal Party which has largely laid the foundation for our social security system in Canada today. Whether one is in the lower income scale or whether one is an elderly person in this country, the Liberal Party has had a tradition of protecting such people who need help most.

As I said, the first basis of our senior citizens' protection is known as Old Age Security. Any person over the age of 65 is eligible for Old Age Security without any attempt at a means test. In addition, if one is among the 53 per cent who qualifies by a means test, then one is eligible for the Guaranteed Income Supplement plan. Over the years, of course, we have added a protection relating to the spouses' allowance program for those people who are between the ages of 60 and 65 and who, because of the need for extra money, are eligible for a special allowance.

In discussing those three areas of concern I should say that I think the elderly in Canada should be made aware of exactly what Bill C-131 means to the average elderly person in this country. What we have said is that for the unfortunate 53 per cent of Canadians in need there will be no reduction or capping of the indexation of the Guaranteed Income Supplement plan. That will continue to go with the rate of inflation. The only ones who will be affected by the Bill are those who qualify for Old Age Security on the basis of age.

Let me further explain the need of people who are over the age of 65 who do not qualify for the Guaranteed Income Supplement. They, too, have a vested interest in the six and five program which the Government has chosen as an economic course to follow. For instance, many people over the age of 65 who qualify for Old Age Security may also qualify for a private pension plan from a private source. The greatest difficulty involving private pension plans has been the annual rate of inflation in Canada. Many Canadians are fortunate enough to have a private pension plan, but when inflation rises by 10 per cent, there are very few who happen to have a cost of living allowance added to their private pension.

Let me separate these three very important factors under Bill C-131. First, it will only affect those people over the age of 65 who qualify only for old age security. Second, it will not affect those who are eligible for spouses' allowance or Guaranteed Income Supplement. They will be maintained, fully indexed, ensuring protection against income loss.

I would like to return to some of the things mentioned by the Hon. Member for Kootenay East-Revelstoke tonight. He spoke of the lack of commitment by the Liberal Party and by the Minister of National Health and Welfare to pension reform, yet if anyone has been active in this whole area, it has been the Minister of National Health and Welfare, along with the Liberal Party. We began with a national conference on pension reform back in April of 1981. We have proceeded by going across this country to explain the idea behind pension reform. We are presently in the process of developing a Green Paper to look after that matter.

I noticed that the Hon. Member for Elgin also mixed up the two areas, private pension reform and Bill C-131, which is before the House tonight. The Government indicated its commitment to private pension reform in the Speech from the Throne in April of 1980. We have never wavered from our desire for pension reform. I am sure there will be some progress in the reform of private pension systems before the present mandate is finished.

If I can, I want to further explain the rationale linking economic and social policy. It is very important to realize the kind of world in which we were living in the first six months of 1982. I know that many of the Hon. Members of the Opposition tend and wish to blame most of the economic conditions presently facing the Canadian people on the Canadian Government. Let us consider some of the economic conditions existing today and those that existed six months ago in the OECD countries. Six months ago the inflation rate in Canada was running between 10 per cent and 12 per cent. In the U.K. it has been running at 14 per cent. Our unemployment rate six to eight months ago was hovering around the 10 per cent mark. Were other OECD countries doing any better?

The inflation rate in France, in Italy and in the U.K. were running approximately the same or higher than the rate in Canada. In the United States there was roughly the same percentage of unemployment, but, admittedly, it had a better track record in controlling inflation. I suppose we had many alternatives, in terms of economic policy, by way of which to address those issues. Some people in the Opposition were calling for drastic Government program cuts, but they did not

wish to specify in which programs they wished to have cuts made. They were calling on others, particularly the Government, to increase the size of the deficit and to stimulate the economy, despite the fact that they knew that would have added to inflationary pressures in Canada which, in turn, would have disastrous effects on productivity and on our ability as a trading nation to export our goods.

Who has the vested interest in high inflation? Who gains by high inflation rates? I would venture to say it is not the elderly who gain by high inflation rates or the poor in our society, who are largely non-unionized and whose wages are unprotected by cost of living arrangements. It is mainly the larger groups in our society, which are protected by cost of living allowances, by union contracts and by their companies, which are protected from the ravages of inflation. I then say to myself, if they are the only ones who gain, how can Hon. Members call the Minister of National Health and Welfare an uncompassionate woman, or say that the Liberal Party does not stand for compassion? If we are to be compassionate in the world, we must ensure that the ones who need protection the most are protected by Government, which is a fundamental requirement. Those people are the ones on fixed incomes, and I would assume that most people over the age of 65 fall into that category. We must also protect those who are non-unionized and the poor.

How will we do that through Bill C-131? In terms of our compassion and the protection shown toward those who are poor, non-unionized and on fixed incomes, I would suggest that it is evidenced by the fact that we have not touched those people on Guaranteed Income Supplements and we have not touched the spouses' allowance by capping the indexation, and these people will be fully protected from inflation. The Minister of National Health and Welfare has moved, along with the Government, to help those who need help the most.

Admittedly, some people over the ages of 65 will share some of the burden of the six and five program. It seems to me that it is a moot point to determine who in Canada will bear the brunt of the six and five program. We can all share in the success of the six and five program. I do not believe there is any reasonable Member of the Opposition who firmly believes that a 10 per cent and 12 per cent world is better than a six and five world. If the economic course of six and five, as set out by the Government, is the best one to follow, then we must all share in it. Admittedly, people receiving Old Age Security will share some of the cost, but I would like to correct some of the information given out by Hon. Members of the Opposition. I am sure it was not done deliberately, but I think that the record has to be correct as to what will be the cost borne by those people over the age of 65.

• (2150)

The Hon. Member from Kingston and the Islands (Miss MacDonald) mentioned in her speech that there will be 1.1 million Old Age Security recipients who do not receive Guaranteed Income Supplements and who will lose $290 over the next two years, $70 in 1983 and $220 in 1984, due to the proposed limit on indexation.

My understanding is that the Member for Kingston and the Islands based most of her figures on a release from the National Council of Welfare shortly after the June 28 Budget. The National Council of Welfare assumed an inflation rate of 11 per cent in 1982, 10 per cent in 1983 and 9 per cent in 1984. I am happy to point out to the House that largely as a result of the political direction and the economic direction that we gave in that June 28 Budget to a six and five world, we have in fact had success in the last four to five months. The numbers projected over the years 1983 and 1984 significantly reduce the cost to those Old Age Security recipients. According to recent estimates, the average pensioner receiving Old Age Security will lose only $29 in 1983 and $52 in 1984. That is going to be some reduction to those people—we are not trying to dispute that. Nor are we trying to say that the limit of $8,900 makes that person particularly rich in our society. Where those people on OAS have a vested interest in the six and five program, and I am speaking of those people who only receive OAS, is that large numbers of them have access to some form of a private pension plan that is not indexed. If we are successful in the six and five program in reducing inflation from a 12 per cent and 10 per cent world to a 6 per cent and 5 per cent one, they will make up that money by having the income from their private pension source not subject to such high inflation.

If you are needy, poor, over the age of 65, require the Guaranteed Income Supplement or spouse's allowance there will be no reduction, no capping on the indexation of those programs, and I want to stress that point.

The Member for St. Catharines and a large number of the Members of the Conservative Party pointed out a lot of the wastage in Government programs. It is not only the Opposition who are concerned about wastage in Government programs. We, too, have a vested interest as Members of the Government side. Many times in the House during this last six months either the President of the Treasury Board (Mr. Gray) or the Minister of Finance (Mr. Lalonde) has welcomed suggestions by Members of the Opposition in areas and programs in which they feel there is wastage. Both have been willing to investigate those programs and eliminate that wastage where it is required.

I think what we have to realize is that under an Old Age Security system you have to be aware of the size of the program to put this in perspective. I notice that the Member from Elgin mentioned that there was a Cabinet Minister who spent some $177,000 last year in travel across the country. I believe the average person sitting at his home would probably be astounded at that amount of money being spent, but I think in order for us to be effective as the national Government we have to get the message of the Government programs and policies, to all regions of the country, and receive their input. In order to do that we cannot just stay in Ottawa and not go to Vancouver or the Maritimes or the other regions of Quebec and consult with the various groups—

Mr. Deputy Speaker: With all due respect to the Hon. Member again I am calling to his attention the rule of relevance, and speaking to the subject matter of the Bill.

Mr. Frith: I thought it was relevant, but I appreciate your ruling on it. I just wanted to point out that the Government of Canada, through its programs and through its economic direction, has developed a very successful program under six and five. It has been successful for the last four or five months.

Mr. Lewis: It has done wonders for Sudbury.

Mr. Frith: I think the majority of Canadians now realize that all groups in our society are going to have to get behind the Government programs to develop a six and five world. I think if we are realistic and intelligent enough about it, regardless of which Party we represent in this House, we must realize that if we can get inflation rates down to 6 per cent and 5 per cent in this country in the next two years, the social security system will be much stronger in this nation than it is under a 12 per cent or 10 per cent world.

I would hope that in the ensuing debate over the next few days the Members of the Opposition would not give out erroneous statements about the effects of Bill C-131 and not bring in extemporaneous debate on the need for national pension reform, which we have no doubt is required in this country. Senior citizens are worried in this time of economic uncertainty; they worry about the fact that they are on a fixed income, and when they hear a Member of Parliament giving out information they assume that information is correct.

It is very important that the research people supply correct information on the background for speeches, so we do not have a deluge of letters such as have been received by the Minister of National Health and Welfare and various Members opposite, stating all kinds of untruths with respect to Bill C-131 and the intentions of Government.

This Government is going to win the hearts and the minds of the Canadian people with the six and five program, and the social security system will be that much better for it.

Mr. Dan McKenzie (Winnipeg-Assiniboine): Mr. Speaker, I just have one comment for the Liberal Member who just sat down—you have got to be kidding!

We are debating Bill C-131 tonight, which is an Act to amend the Old Age Security Act (No. 2) and the first reading was on October 28, 1982.

Under the explanatory notes it says here:

Clause 1. New.

This amendment would limit the indexation of the pension to a maximum of 6 per cent in 1983 and 5 per cent in 1984.

We all know we have an inflation rate of about 10 per cent. That clearly indicates how senior citizens will fall behind in a very short period under an arrangment like that.

I want to congratulate some of my colleagues in the Conservative Party on the excellent contribution they have made to this debate on the Old Age Security Act and in particular my colleague, the Hon. Member for Okanagan North (Mr. Dantzer) who, when speaking a couple of days ago on the Bill, stated:

Mr. Speaker, normally I receive a great deal of pleasure in speaking to the various Bills which come into this House, but this afternoon I speak to Bill C-131 with a certain degree of sadness and regret.

All of us on this side of the House support that statement.

Because of this Bill I see the destruction of what I think is a fairly good pension system for Canada. This is certainly a backward step with Bill C-131.

The Member for Okanagan North went on to say:

Our pension system rests on four tiers. We have the Old Age Security and the Guaranteed Income Supplement which give a basic amount of money to people who retire, we have the Canada Pension Plan which supplements that amount of money for those people in the working force, and we have private pension plans, which are many and varied. Finally, of course, we have personal savings, which include our house and mortgage and RRSPs. This system provides a fairly good pension system in this country.

He goes on to quote statements made by the Minister of National Health and Welfare which supported those pensions, but this Bill certainly takes the steam out of anything she said in the past.

May I call it ten o'clock?

PROCEEDINGS ON ADJOURNMENT MOTION

[*English*]

A motion to adjourn the House under Standing Order 40 deemed to have been moved.

EXTERNAL AFFAIRS—INTERNATIONAL INSTITUTE OF APPLIED SYSTEMS ANALYSIS. (B) ATTENDANCE OF CANADIAN NATIONAL RAILWAYS VICE-PRESIDENT

Hon. Elmer M. MacKay (Central Nova): Mr. Speaker, following my questions concerning Mr. Michael Kirby's attendance at a recent meeting of the International Institute of Applied Systems Analysis held in Austria this month, I received a letter from the Parliamentary Secretary to the Secretary of State for External Affairs (Mr. Lapierre) noting that the members of IIASA, as it is known in its acronymical form, are "non-Governmental organizations". The letter further states that the United States Government for "primarily budgetary reasons" withdrew its support from IIASA and also that Canada makes an annual contribution to this organization of about $400,000 per year.

• (2200)

Mr. Kirby, according to this same letter, was there as a representative of the Canadian committee. Mr. Kirby apparently is a veritable renaissance man. Like Benvenuto Cellini or Leonardo Da Vinci. This man appears to be an expert on everything: On the Constitution, can anyone forget the famous

memorandum; or on the Atlantic fishery, can anyone forget his recommendations there, although some of us would like to; or lately on railways and transportation, since he is now heavily involved in CN as a vice-president? Apparently the man has time left to contribute to the world scientific community. He is truly a remarkable man. Of course, I am not surprised, considering some of his illustrious namesakes, whom we all know. However, I am not fully satisfied with the *raison d'être* for us being involved with this particular organization, Mr. Kirby notwithstanding.

First of all, it appears that the withdrawal of the United States from this organization was not for budgetary reasons primarily, as the explanation stated, but rather out of apprehension that a Soviet official who occupied an administrative post at IIASA was involved in intelligence activities. An American official was quoted recently in a scientific publication, that the Reagan administration has been concerned that Soviets and Eastern Europe scientists had access to Western data bases through western computers and also that Soviet scientists working at that institute might not be bona fide scientists.

In fairness, this is not an unanimous view in the United States scientific community, but it is significant that the highly respected Royal Society in Great Britain is also getting out of this organization at the end of this year, adding further weight to my contention that our country has better things to do with its money and its bureaucrats than taking part in this organization.

These withdrawals were caused by Soviet abuses of the society's stated aims. The Soviet Union placed into its administration an espionage agent name Arkady Belozerov who was identified by a Norwegian double agent as his Soviet control. Consider as well recent reports from Reuters News Agency which quotes from a United States Senate report. Again I quote:

> So dominant a role does American technology place in the Soviet's military and industrial scheme that it is likely that they have come to think of U.S. research and development programs as their own ... Acquisition of American technology has enabled the Kremlin to make giant strides in military strength at a minimum of risk in investment and resources.

This type of information, however, has not impressed one of our federal bureaucrats. Dr. John Stone, a policy advisor in the Department of Science and Technology, who spelled out publicly on behalf of the federal Government that Canada will continue to support the work of the institute, as the criticisms of the institute are hogwash and inspired by new McCarthyites in the Reagan administration. Thirty years after Senator McCarthy, officials and even Ministers in this Government seek to confuse and frustrate legitimate questions on security by this kind of intellectual hogwash.

What troubles me is that the continuing participation by our country, officially or unofficially, in IIASA exemplifies our Government's naivete in its dealings with Communist countries.

It accepts all source of dubious characters attached to diplomatic postings here in Canada who come from Eastern Europe, while allowing Warsaw Pact countries, for example, to supply us with their people who may or may not be working in Canada's best interests in those locations where we have embassies and consulates.

We are not at all interested, it would seem, in correcting the situation whereby the Socialist Republic of Czechoslovakia pressures Canadian citizens who have present or former connections with that country, and our Government continues to ignore the passport problems, and tolerates the practice by some Czech-Canadians of travelling to Eastern Europe on Eastern European passports. I know of Public Servants, former Czech citizens, who use Czech passports validated by the Czech Consulate in Montreal on their trips to Czechoslovakia, and use their Canadian passports on the return trips to conceal some of their travel details. We seem to be the leading example among Western countries of Lenin's famous doctrine, "that capitalists will ultimately sell the Communists the very rope that Communists will use to hang them."

I do not think anyone advocates an attitude of complete hostility or paranoia toward Communist countries, but surely we should show a little concern for the area of high technology that the Soviets and their allies are so anxious to obtain from us, in all probability to use against us. We should also, I suggest, have the proper governmental officials speak to people like our Dr. John Stone, who apparently feels free to make remarks of a quite distasteful nature about the administration of President Reagan. I will be watching with great interest to see how IIASA progresses, and I trust that sometime soon we will either achieve some tangible benefits for the world scientific community and, hopefully, for our own country, or we will cease supporting it. Perhaps my hon. friend, when he responds to my questions, will tell me just what benefits we have received so far and how long he thinks we can justify supporting IIASA at a time when we are desperately short of research and development funds in our own country.

• (2205)

I remind the House that one large company in West Germany, for example, the Siemens Company, probably has more resources and more people working in its corporate structure than we have in our entire country, yet we feel quite free to continue to financially support this organization under these conditions.

Mr. Jean Lapierre (Parliamentary Secretary to Deputy Prime Minister and Secretary of State for External Affairs): Mr. Speaker, I would like to start off by telling my hon. friend that I share his view on the experience and reputation of Mr. Michael Kirby. He is a remarkable man, and that is why I am very proud to see that he has agreed to serve with this institute and participate in its work. We all agree that he is a distinguised maritimer and he would not participate in any activities which would threaten either the security or reputation of Canada.

We know for a fact that the International Institute for Applied Systems Analysis is a multilateral non-governmental

research centre, established in 1972 to promote the development and application of systems analysis to the complex management problems facing contemporary society. My hon. friend refers to espionage agents and Soviet abuses. It is very hard for us to understand how an espionage agent could be useful when we know that all IIASA's work is non-confidential and published openly. If the Soviet Union needs an agent to read that stuff, I tell my hon. friend one is not needed, and there is no reason for him to play the Sherlock Holmes game—because in this case this is all public information. Any member of any country can use this material.

In keeping with the nature of the institute, the members are all non-governmental organizations. Canada was a founding member and is represented by the Canadian committee for IIASA. There are 14 other national member organizations from the Soviet Union, the United States, Japan and many European countries. The U.S. government has, according to our information, for primarily budgetary reasons withdrawn its support for IIASA. If the Hon. Member has other facts, we will be happy to check them for him.

Canada's contribution has been $400,000, and it is the responsibility of the Minister of State for Science and Technology (Mr. Johnston) to decide every year what the contribution will be. The Hon. Member will certainly have the opportunity when the Estimates are brought in to ask questions of the Minister on the relevancy of supplying moneys to this institute. But I want to reassure him that we do not have any worries about any information which could be gathered by some foreign sources. We are proud to say that it is published, non-confidential and for the use of any country that wants to use it.

• (2210)

VETERANS AFFAIRS—STUDY OF INCOME LEVEL APPLICABLE TO WAR VETERANS ALLOWANCE. (B) REQUEST THAT ADJUSTMENTS BE MADE RETROACTIVE

Mr. Mel Gass (Malpeque): Mr. Speaker, I would like to pursue in more detail a question I directed to the Minister of Veterans Affairs (Mr. Campbell) on November 19, 1982, dealing with the possibility of raising the casual earnings exemptions for recipients of war veterans allowances, which are presently set at $3,100 for married veterans and $2,100 for single veterans, to a more reasonable level.

The War Veterans Allowance was designed to provide a little extra for veterans who could not claim disabilities under war veterans compensation, and to acknowledge their sacrifices. The War Veterans Allowance Act was brought in 52 years ago. At that time, it was subject to a means test and paid $20 a month for veterans 60 years of age. The Old Age Pension established in 1927 was greatly increased over the years. The means test was removed from the basic pension, and the age was reduced from 70 to 65 years. Yet, the War Veterans Allowance qualifications have remained the same. They have kept the maximum income level at a rate which is certainly unreasonable for 1982. The allowance has changed from being that something extra to being a payment available for people with incomes below the poverty line. This was not the original intention.

Prime Minister Robert Borden in a speech made to Canadian troops at Vimy Ridge in 1917, stated:

> The Government and the country will consider it their first duty to see that a proper appreciation of your effort and of your courage is brought to the notice of your people at home . . . and that no man, whether he goes back or whether he remains in Flanders, will have just cause to reproach the Government for having broken faith with the men who won and the men who died.

This Government has not taken up that duty of showing proper appreciation of our war veterans' efforts of courage. Many of them now reproach their Members of Parliament explaining the unfairness of the present annual allowable income level for War Veterans Allowances. We must realize, and the Government obviously does not, that a person who works for 30 or 40 years deserves his share of the national wealth and productivity. Our veterans are now older and should be justly rewarded for their years of service to this country. Many, being between the ages of 18 and 24, gave the best years of their lives in service for our country.

I approached the Minister of Veterans Affairs on the issue of annual allowable incomes on two separate occasions. On July 15, 1982, the Minister agreed that the annual allowable income for veterans receiving War Veterans Allowances was too low and he promised that steps would be taken to correct the situation. When asked what the new limit would be and when the new amendments would be made, the Minister replied that he was studying the possibility of raising the casual earnings exemption for recipients. He assured me that he was hopeful new legislation would be introduced by the fall of 1982.

On November 19, Mr. Speaker, I questioned the Minister on the present status of his study and when legislation would be passed concerning the annual allowable income for war veterans. The Minister then stated, or rather he enlightened me, that legislation does not have to be passed on this issue; rather an adjustment can be made through the War Veterans Allowance Board. If indeed it is simply an adjustment that needs to be made, why has action not been taken? In the name of all of our war veterans, what is the Minister of Veterans Affairs waiting for? Fall has passed and winter is here, and we have not as yet heard any results from the alleged study. I feel very strongly that the veterans have waited long enough, Mr. Speaker, and I would urge the Minister of Veterans Affairs to give this matter a priority status and report to the House without further delay.

Mr. Roland de Corneille (Parliamentary Secretary to Minister of Veterans Affairs): Mr. Speaker, I appreciate the opportunity to answer the Hon. Member's observations. I am somewhat taken aback by the excessive comments which would seem to indicate that the policies of the Government have been less than adequate in terms of its concern and commitment to the wellbeing of our veterans, the non-partisan attitude I have found in committee and to our approaches to make sure our veterans receive the best there is.

• (2215)

Further to the Hon. Member's question of November 19, 1982, respecting casual earnings exemptions for recipients of War Veterans Allowance, the Minister indicated in the House that the casual earnings levels were last adjusted in July, 1980. He also indicated that he had asked the Chairman of the War Veterans Allowance Board to review the total area of casual earnings and to bring forward a report.

The Minister expects to receive this report shortly. In addition to the report from the War Veterans Allowance Board, it is anticipated that draft amendments to the War Veterans Allowance regulations and Civilian War Allowance regulations will be brought forward. Hon. Members can be assured that action will be taken on the report as expeditiously as possible.

The Hon. Member also asked the Minister for some assurance that if the legislation was brought forth after 1982, it would refer back and include 1982. As has already been brought to the attention of the Hon. Member, War Veterans Allowance continues to be fully indexed on a quarterly basis.

We can make amendments to the regulations as recommended by the War Veterans Allowance Board, and I am hopeful that Hon. Members on all sides of the House will support the recommendations. In this regard the Chairman advised the Minister that the proposed amendments are based upon the most current information available.

Mr. Gass: Mr. Speaker, could I ask the Parliamentary Secretary to clarify one point?

Mr. Deputy Speaker: That is not in order at this point.

PIPELINES—PROPOSED WATER PIPELINE FROM LAKE DIEFENBAKER TO REGINA, SASKATCHEWAN. (B) REQUEST FOR ASSURANCE OF EMPLOYMENT

Mr. Simon de Jong (Regina East): Mr. Speaker, on November 2, I asked the Prime Minister (Mr. Trudeau) what progress had been made by the Minister of Employment and Immigration (Mr. Axworthy) in his discussions with the Province of Saskatchewan, particularly with regard to a proposal to build a pipeline from Lake Diefenbaker to Buffalo Pound. Such a pipeline could supply Regina and Moose Jaw with a much needed supply of fresh, clean water.

This project became a major topic of discussion during the fall municipal elections in Regina. All major candidates running for aldermen and for the position of mayor supported it. In fact, the City of Regina committed itself to support the pipeline financially. There is an arrangement between the workers of Ipsco and the management of the plant to back the idea of a pipeline. They have formed a committee in Regina, the Good Clean Water Committee. In fact, it is an example of labour and management in co-operation. The company is willing to sell the pipe at cost. Approximately 600 jobs will be created in the manufacturing of the pipe and some 570 jobs will be created laying it. It is a project for which there is a tremendous need. Obviously now is the time to build the pipeline.

The response of the Prime Minister to my question was to say the least somewhat flippant. The need for a source of fresh water has been growing in the City of Regina and in fact in the City of Moose Jaw for a number of years. As the City of Regina in particular has grown, so has the need for new, clean, fresh water grown.

A study was commissioned jointly by the City of Regina, the Province of Saskatchewan and I believe the City of Moose Jaw at the beginning of 1981. That committee reported some 14 months later. It recommended that the new source of fresh water for the Moose Jaw and Regina area be delivered and that such a project be undertaken. During the election, the New Democratic Party of Saskatchewan committed itself to bringing a new source of fresh water to Regina and Moose Jaw during the next four years.

The reason the project should proceed now is that over 1,000 steelworkers have been laid off at the Ipsco plant. Large public projects such as the pipeline from Lake Diefenbaker to the Buffalo Pound should be undertaken in periods when there is high unemployment. Therefore, the time to undertake the project is now.

When the Prime Minister responded to my supplementary question, obviously he was not aware that Ipsco had never experienced such a massive lay-off of its workers until the Tories became the Government in Saskatchewan. That makes the difference and it is the reason the project should be undertaken, because of the large number of unemployed workers. This is a way by which these workers could be put back to work. Rather than having them take home unemployment insurance payments, they could be earning real wages. They could be productive and produce pipe needed for this project. Therefore, I was somewhat dismayed at the flippant remarks by the Prime Minister. I hope the Government will take this opportunity tonight to indicate whether it has had further discussions with representatives of the Province of Saskatchewan and whether we can expect an announcement before Christmas that this project will proceed, so that the workers at IPSCO will have some assurance that there will be some work for them at least in the New Year.

• (2220)

Mr. Roland de Corneille (Parliamentary Secretary to Minister of Veterans Affairs): Mr. Speaker, a proposal was indeed put forward last summer to the Saskatchewan Government by the Regina based company Ipsco to construct a pipeline from Lake Diefenbaker to Regina and Moose Jaw to provide fresh water to these two areas. The proposed 90 to 100 mile pipeline would not only provide fresh water to the municipalities, but could provide employment for Ipsco workers who have been laid off, or who may face lay-off if conditions in the economy do not improve.

The Saskatchewan Government has received the proposal and established a one-man task force to look into provincial water problems. A report was to have been submitted to the

provincial Government in November, but the deadline has been extended until the first week of December. Recommendations on the pipeline can be expected from the task force. Our understanding, Mr. Speaker, is that the Saskatchewan Government will review the recommendations brought forward in the task force report and then decide on options for solutions.

In the meantime, federal Government support has been given to the task force by providing the technical expertise of the Prairie Farm Rehabilitation Agency. The PFRA will advise the task force on water development needs and potential in Saskatchewan. Since the federal Government has not yet been officially approached by the provincial Government for involvement in the proposed pipeline construction, we have not participated in any discussions with the province. The Government, however, would be willing to consider any recommendations from the Saskatchewan Government that would provide better water, as well as increased employment opportunities to that area.

As Hon. Members know, the federal Government has recently signed an agreement with the Saskatchewan Government to increase employment in that province. The New Employment Expansion and Development Agreement will provide $15 million for employment in Saskatchewan. The Minister of Employment and Immigration (Mr. Axworthy), who is also Chairman of the Western Affairs Committee of Cabinet, has noted the co-operative nature of the negotiations on the NEED Program. Water and soil conservation in the Prairie has been examined as a priority issue by Members of the Western Affairs Committee. We will thus be open to recommendations from the province concerning the pipeline initiative.

[*Translation*]

Mr. Deputy Speaker: Order, please. The motion to adjourn the House is now deemed to have been adopted. Accordingly, this House stands adjourned until tomorrow at 2 p.m.

At 10.24 p.m., the House adjourned, without question put, pursuant to Standing Order.

HOUSE OF COMMONS

Wednesday, December 1, 1982

The House met at 2 p.m.

• (1405)

MOTIONS UNDER S.O. 43

[*English*]

PIPELINES

PROPOSED NATURAL GAS PIPELINE TO MARITIME PROVINCES

Mr. Bob Corbett (Fundy-Royal): Madam Speaker, in order to put the matter to rest, I move, seconded by the Hon. Member for Mississauga South (Mr. Blenkarn):

That the Government admit what everyone knows anyway, that it has no intention, and never had any intention to cross the St. Lawrence River with the natural gas pipeline, and that the whole thing was a political bamboozle designed to take in the Maritimes.

Madam Speaker: Is there unanimous consent for this motion?

Some Hon. Members: Agreed.

Some Hon. Members: No.

* * *

THE JUDICIARY

SECOND SUPREME COURT JUSTICE SOUGHT FOR NORTHWEST TERRITORIES

Mr. Dave Nickerson (Western Arctic): Madam Speaker, whereas the workload of the single Supreme Court Justice of the Northwest Territories has reached inhuman proportions; whereas the backlog of cases is increasing daily, so that justice is being delayed to the extent that justice is being denied; and whereas the Minister of Justice has been aware of the problem for five years but has not acted to effect its remedy, I move, seconded by the Hon. Member for Simcoe South (Mr. Stewart):

That a second Supreme Court Justice for the Northwest Territories be appointed immediately.

Madam Speaker: Is there unanimous consent for this motion?

Some Hon. Members: Agreed.

Some Hon. Members: No.

SMALL BUSINESS

LEVEL OF CAPITAL COST TAX ALLOWANCE

Mr. Nelson A. Riis (Kamloops-Shuswap): Madam Speaker, I rise under the provisions of Standing Order 43 on a matter of urgent and pressing necessity. While the Government calls for equity and restraint and sets limits on wages and salaries of 6 per cent, the Minister of Finance (Mr. Lalonde) extends the provision for oil companies to write off virtually 100 per cent of their exploration costs. Therefore I move, seconded by the Hon. Member for Beaches (Mr. Young):

That the House hereby calls upon the Minister of Finance to restore the capital cost allowance for small business to its pre-November 1981 level, since if any sector requires help these days it is Canada's small business community, not the major oil companies.

Madam Speaker: Is there unanimous consent for this motion?

Some Hon. Members: Agreed.

Some Hon. Members: No.

* * *

GOVERNMENT EXPENDITURES

COST OF DAVEY-JOYAL COMMITTEE PUBLICATION

Mr. Don Blenkarn (Mississauga South): Madam Speaker, this morning there was delivered to my office, and to the offices of other Members, an expensively-bound annotated book of propaganda material claiming to be the semi-annual report on the progress of the six and five program, from the Davey-Joyal Committee. The Committee has no parliamentary authority whatsoever, yet it apparently spends public money. Therefore I move, seconded by the Hon. Member for Fundy-Royal (Mr. Corbett):

That this House notes with dismay the enormous waste of money expended by the Davey-Joyal Committee, operating under the orders of the Prime Minister, in producing and delivering propaganda material for the Liberal Party, including the TV musings of the Prime Minister, and that this House calls upon the Prime Minister today on motions to explain to the House under what authority a committee designated as the Davey-Joyal Committee should be entitled to expend public money.

Madam Speaker: Is there unanimous consent for this motion?

Some Hon. Members: Agreed.

Some Hon. Members: No.

S.O. 43

MACDONALD ROYAL COMMISSION

CALL FOR DISBANDMENT

Mr. Ron Stewart (Simcoe South): Madam Speaker, the establishment of the Macdonald Royal Commission on the economy was a shrug of the shoulders in the direction of the more than 1.5 million Canadians out of work, and a slap in the face to the already excessively tax-burdened workers who will have to pay the estimated $10 million to $15 million cost of the Commission. If the Government is allowed to continue its destructive economic policies, in three years the number of unemployed will have doubled and those Canadians actually able to pay their spiralling taxes will have become an endangered species. I move, seconded by the Hon. Member for Simcoe North (Mr. Lewis):

That the Government immediately disband this cosmetic and costly Commission and, to demonstrate its trust in Canadians, call a general election which would permit the people of Canada to choose the right solution to our economic ills.

Madam Speaker: Is there unanimous consent for this motion?

Some Hon. Members: Agreed.

Some Hon. Members: No.

* * *

SHIPBUILDING

FOSTERING OF INDUSTRY

Mr. Howard Crosby (Halifax West): Madam Speaker, at a time when the Government proposes to spend $500 million to create 60,000 temporary jobs, the Canadian shipbuilding industry, with the capacity to create 15,000 permanent jobs, is deprived of a supportive government policy and faces unfair competition from foreign shipbuilders. Accordingly I move, seconded by the Hon. Member for Fundy-Royal (Mr. Corbett):

That the Government give urgent priority to the formulation and implementation of a shipbuilding policy that will foster a viable Canadian shipbuilding industry and create jobs for Canadians.

Madam Speaker: Is there unanimous consent for this motion?

Some Hon. Members: Agreed.

Some Hon. Members: No.

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POLITICAL PARTIES

SASKATCHEWAN CONSERVATIVES' POSITION ON CROWSNEST PASS FREIGHT RATES

Mr. Les Benjamin (Regina West): Madam Speaker, in order to be of aid and comfort to my good friends and colleagues to my right, I rise on a matter of urgent and pressing necessity under the provisions of Standing Order 43. In view of the fact that the Saskatchewan Minister of Agriculture said that the Saskatchewan Conservative caucus and Cabinet is split down the middle on the Crow rate, and in case the split might apply to the seven Conservative Members of Parliament from Saskatchewan, at a time when the federal Liberal Cabinet is drawing up plans to cancel the rates, I move, seconded by the Hon. Member for The Battlefords-Meadow Lake (Mr. Anguish):

That the House request the Minister of Labour to appoint three and a half Conservative MPs from Saskatchewan and that well-known Crow opponent, the Hon. Member for Lisgar, to a four and a half member mediation commission chaired by that Hon. Member to help Saskatchewan Conservatives resolve their disunity so that we can see where the heck they stand.

Some Hon. Members: Oh, oh!

Madam Speaker: The Hon. Member for Red Deer (Mr. Towers).

* * *

• (1410)

FINANCE

EXCISE TAX ON FUEL USED FOR HOME HEATING AND AGRICULTURAL PRODUCTION

Mr. Gordon Towers (Red Deer): Madam Speaker, I rise to move a motion under the provisions of Standing Order 43. My motion is a plea on behalf of millions of Canadian home owners whose home heating costs have escalated because of the taxation policies of the Government. It has been estimated that excise taxes comprise almost one-third of the total costs of home heating fuel and farm energy. I move, seconded by the Hon. Member for Cariboo-Chilcotin (Mr. Greenaway):

That the Minister of Finance ease the burden for millions of Canadians by eliminating the excise tax on fuel used for home heating and for agricultural production. No Christmas present could be more welcome by Canadians.

Madam Speaker: Is there unanimous consent for this motion?

Some Hon. Members: Agreed.

Some Hon. Members: No.

* * *

MINES AND MINING

NOTIFICATION OF LAY-OFFS BY MINING COMPANIES

Mr. Sid Parker (Kootenay East-Revelstoke): Madam Speaker, I rise to move a motion under the provisions of Standing Order 43. In view of the fact that the employees of Wabush Mines at Wabush and Labrador City in Labrador were laid off for more than 18 weeks last year, in a lay-off that was extended from an announced ten-week lay-off, and in view of the fact that these miners and their communities are concerned that they may face lay-offs again this year but have

been unable to get information from the company, I move, seconded by the Hon. Member for Churchill (Mr. Murphy):

That the Minister of State for Mines pressure Wabush Mines to communicate their planned production schedule for the coming year to the union and to the communities involved, and that further, the Minister of Labour introduce legislation which forces companies to provide adequate notification of temporary lay-offs in the same way that they are required to give notice of terminations.

Madam Speaker: Is there unanimous consent for this motion?

Some Hon. Members: Agreed.

Some Hon. Members: No.

* * *

PARKS CANADA

TOLL BOOTHS AT PRINCE EDWARD ISLAND NATIONAL PARK

Mr. Mel Gass (Malpeque): Madame Speaker, I rise to move a motion under the provisions of Standing Order 43. In 1976 Parks Canada constructed a toll booth system for entrance into the Prince Edward Island Park. This toll booth system has been of great concern to the area residents who base their living on the tourist traffic in the National Park. This decision, made by Parks Canada, without any consideration for the local people, has had an adverse effect on their businesses. These people should have some input into the decision made by Parks Canada. Therefore I move, seconded by the Hon. Member for Fundy-Royal (Mr. Corbett):

That the Minister responsible take action on the views expressed by the Barckley-Stanhope-Dalvay Tourist Association by eliminating the toll booths at the National Park and reopening previously closed entrances.

Madam Speaker: Is there unanimous consent for this motion?

Some Hon. Members: Agreed.

Some Hon. Members: No.

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CANADIAN TRANSPORT COMMISSION

REQUIREMENT TO HOLD HEARINGS ON ABANDONMENT OF BRANCH LINES

Mr. Bill McKnight (Kindersley-Lloydminster): Madam Speaker, I rise to move a motion under the provisions of Standing Order 43. In light of the Government's proposed changes in the statutory rates for the movement of grain, I move, seconded by the Hon. Member for Crowfoot (Mr. Malone):

That this House instruct the Minister of Transport to remove the legal requirement of the Canadian Transport Commission to hold hearings on Prairie branch line abandonment by using the Railway Act to freeze all branch lines, the same Act which the said Minister used to abandon 50 per cent of VIA Rail in western Canada.

Madam Speaker: Is there unanimous consent for this motion?

Some Hon. Members: Agreed.

Some Hon. Members: No.

* * *

POLITICAL PARTIES

LIBERAL PARTY REPRESENTATION IN WESTERN CANADA

Mr. Dan Heap (Spadina): Madam Speaker, I rise to move a motion under the provisions of Standing Order 43 on a matter of urgent and pressing necessity. I have received a request from a Grade 11 student at Langley Secondary School in British Columbia. This student writes:

My concern is Liberal representation (or the lack of) in western Canada. My question is: why are the Liberals not represented in Parliament in the three western Provinces? What policies or programs should the Liberals put forth in order to gain the support of the western voters?

I move, seconded by the Hon. Member for Beaches (Mr. Young):

That the Prime Minister write to the people of Langley and explain that there are Conservative Members in British Columbia who vote with the Liberals on all essential policies.

Some Hon. Members: Oh, oh!

Madam Speaker: Surely the Hon. Member is not serious. That kind of request is not appropriate under the provisions of Standing Order 43.

ORAL QUESTION PERIOD

[*English*]

NATIONAL SECURITY

CASE OF CANADIAN PROFESSOR

Hon. Allan Lawrence (Durham-Northumberland): Madam Speaker, my question is for the Prime Minister in his capacity as Chairman of the Cabinet Committee on Security and Intelligence. Has Professor Hugh Hambleton of Laval University been working as a security agent for the Canadian Government for the last two decades for the purpose of infiltrating the KGB?

• (1415)

Hon. Bob Kaplan (Solicitor General of Canada): Madam Speaker, the Hon. Member might be referring to statements that have apparently been made in Great Britain on that subject during a trial that is taking place today. I think the fact that such statements were raised at that trial makes it even more obvious that no statements on that subject should be made in this place.

Mr. Lawrence: As the Solicitor General would appreciate, that question concerns what is reprinted in the London papers, not what transpires here in Canada.

QUERY RESPECTING DOCUMENTATION

Hon. Allan Lawrence (Durham-Northumberland): Madam Speaker, my supplementary question is directed to the Minister of Justice. Would the Minister of Justice tell us if there has been any evidence, documentation, or any correspondence by the Government of Canada to Mr. Hambleton or anyone on Hambleton's behalf, indicating that he has been working as a security agent for the Canadian Government at any time?

Hon. Mark MacGuigan (Minister of Justice): Madam Speaker, not to my knowledge, but I am not sure that that type of knowledge would come to my attention. I would like to reiterate the point made by the Solicitor General. We understand that this very issue has been raised in the trial in the United Kingdom. The Hon. Member may say that what is said here will not be repeated in Britain, but how do we know that? This is a trial in a country which has a long tradition of fair trials, like our own. It would be extremely ill-advised for any statement to be made here which would in any way affect the course of that trial.

* * *

BANK OF CANADA

MONETARY POLICY

Hon. Michael Wilson (Etobicoke Centre): Madam Speaker, my question is directed to the Minister of State for Finance. On Monday an extraordinary admission was made by the Governor of the Bank of Canada that the monetary policy which had produced 20 per cent-plus interest rates had been wrong and totally misguided. The Minister of Finance agreed with this yesterday. He said nothing about how a new interest rate policy would be followed in order to avoid this past disaster. Would the Minister say now what that new policy will be, so that Canadians can judge better for themselves whether these disasters of 20 per cent-plus interest rates will be repeated in the future?

Hon. Paul J. Cosgrove (Minister of State (Finance)): Madam Speaker, I was in the House of Commons yesterday when the Minister of Finance answered that question. I must admit that I do not agree with the Hon. Member's introduction to his question. I certainly do not agree with his interpretation of the answer given by the Minister of Finance, I would refer the Hon. Member to his answer and to the speech which was given by Mr. Bouey in which he expands upon those other criteria which the bank will be taking into account in the future in addition to M1.

Mr. Wilson: I read that speech. I could not find anything in it which gives any indication of what the future monetary policy will be. That was the question I asked the Minister just now. That is the question which he did not answer.

* * *

FINANCE

INTEREST RATE POLICY

Hon. Michael Wilson (Etobicoke Centre): Madam Speaker, the previous Minister of Finance continually blamed high interest rates on the United States. The recent statements by the Governor, not only in his speech but at the IMF meetings in September as well, indicated that interest rate policy will be even more dependent in the future on what happens in the United States. What is the Government doing to decrease the dependency of our interest rate policy on the United States in order to avoid the gross errors of the 20 per cent interest rates that we have had in the past two years?

Hon. Paul J. Cosgrove (Minister of State (Finance)): Madam Speaker, the Hon. Member began his question by saying that he had read the speech of the Governor of the Bank of Canada and the answer of the Minister of Finance. I find that difficult to believe because, if he had read them, he would have his answer before him.

I cannot do better than to draw to the Hon. Member's attention the response given by the Minister of Finance to that question yesterday. He said, as reported at page 21117 of *Hansard:*

> The policy remains the same. The policy of the bank is to try to encourage a reduction in the rate of inflation. We have met with considerable success in the last few months in that regard. We hope we will continue to meet with success, and reduce inflation in this country—

• (1420)

It is quite apparent that the Government's policy of six and five, introduced in the June budget by the former Minister of Finance, as illustrated by reports, including that of the Conference Board of Canada today, has had some good success in bringing down inflation and, hence, that is a made in Canada aspect of controlling inflation and thereby controlling interest rates.

Mr. Wilson: Madam Speaker, I might just refer the Minister to that Conference Board report because, far from saying that it was six and five that resulted in the drop in inflation, it said that the private sector was bringing the inflation rate down before the six and five program was introduced, and the six and five was a late starter.

MORTGAGE RATE POLICY

Hon. Michael Wilson (Etobicoke Centre): Madam Speaker, the question I want to ask the Minister now is in connection with the Lortie Commission conclusion that the proposal to reduce mortgage rates by using the Income Tax Act should not be introduced, and the Minister of Finance has confirmed that

it will not be introduced. Since the Minister himself, as well as the Prime Minister and the Minister of Finance, urged Canadians to buy new homes in anticipation of this new policy, what is the Minister proposing to do to avoid the double wrong that he has done to Canadians, the wrong in encouraging them to buy homes and then reneging on the policy, and also following an interest rate policy which was dead wrong?

Hon. Paul J. Cosgrove (Minister of State (Finance)): Madam Speaker, it is quite apparent that the Hon. Member is being quite selective in his use of material that is available to him, in his questions today. I think, if he were fair, he would point out that in the Conference Board report, to which he made reference, it is found that somewhat less than a majority of those who were canvassed said that they had made plans to reduce their wage increases below 6 per cent. As a matter of fact, the majority of those who were canvassed said that they had made plans to hold their wage increases down after the six and five policy was announced. Therefore, I wish the Hon. Member would at least—

Mr. Wilson: Talk about the inflation rate, Paul.

Mr. Cosgrove: —be forthright in having all the material made available.

Mr. Baker (Nepean-Carleton): You have a selective memory.

Mr. Cosgrove: In answer to his last question, since the Lortie Report was commissioned all Canadians have become aware, including, quite obviously, those Canadians who have been buying homes in record numbers in the past three months, that interest rates have been reduced by some 6 per cent and—

Mr. Wilson: You reneged, Paul.

Mr. Cosgrove: —the proof of the confidence of Canadians in the marketplace is evidenced by the fact that they are buying homes in unparalleled numbers, certainly compared to the last few years.

Some Hon. Members: Hear, hear!

* * *

UNEMPLOYMENT INSURANCE

REQUEST THAT BENEFITS BE EXTENDED

Hon. Edward Broadbent (Oshawa): Madam Speaker, my question is directed to the Prime Minister. On Monday the Minister of Finance refused to extend unemployment insurance benefits to unemployed Canadians whose benefits had expired but who are still unable to get jobs. Since then I have learned of a case in British Columbia involving a particular worker who worked for 13 years but who has lost his job and is now losing his home, and whose unemployment insurance benefits are about to run out. This man, like thousands of other workers, first wants a job. If he cannot get that, then he would like the right to unemployment insurance and not be forced onto welfare.

Will the Prime Minister take the opportunity, before we recess for Christmas, to correct the Minister of Finance and assure the people of Canada that the Government will extend U.I. benefits so that workers will have the right to them, at least, and will not be forced to go onto welfare?

Right Hon. P. E. Trudeau (Prime Minister): Madam Speaker, I cannot add anything to what the Minister said yesterday. We have attempted to deal with the so-called exhaustees by trying to find work for them so that they could qualify for regular jobs or, failing that, re-enter the unemployment insurance rolls. However, insofar as providing jobs for every unemployed worker in Canada is concerned, whether or not he or she has been on unemployment insurance, I am afraid that the Minister of Finance conceded that we did not have that kind of money. So—

Mr. Broadbent: Madam Speaker, I wish the Prime Minister would listen with care to the question. The question was not about jobs, as such. The question, in this instance, was about unemployment insurance benefits.

REASON FOR NOT EXTENDING BENEFITS

Hon. Edward Broadbent (Oshawa): I would therefore like to come back to the Prime Minister and say that, before Christmas, thousands of working families will be forced, for the first time in their lives, to go onto welfare because they are not entitled, according to the law as it now exists, to unemployment insurance benefits. Considering the fact that the federal Government already picks up the major share of welfare costs, and considering the fact that workers would rather have unemployment insurance, why does the Government not do the appropriate thing, which makes sense and is socially desirable, and extend the unemployment insurance scheme for all the workers who, unfortunately, will need financial assistance?

• (1425)

Right Hon. P. E. Trudeau (Prime Minister): Madam Speaker, if the Hon. Member refers with care to the answer I gave, I think he will find that I dealt with that. It is a question of making money available to do what the Hon. Member suggests, and we do not have that money available.

* * *

FINANCE

SUGGESTED INCREASE IN TAXES FOR HIGHER INCOME EARNERS

Hon. Edward Broadbent (Oshawa): Madam Speaker, I would like to ask the Prime Minister another question. Since many Canadians saw him on television a few weeks ago talking to the people of Canada about sharing, if I remember the phrase correctly, about the strong perhaps being required to

help the weak in our difficult times. The Government cut taxes by over a billion dolllars for the top one-seventh of income earners last year. Will the Government practise what it preaches in this instance by restoring those taxes to the top one-seventh and using the more than one billion dollars to create jobs for Canadians who need them?

Right Hon. P. E. Trudeau (Prime Minister): Madam Speaker, the Hon. Member refers to our hope for sharing in Canada. He will realize that the safety nets, and the Canada Assistance Plan is one, are a way of sharing. It is unfortunate that we have to resort to that type of assistance, but it is an application of the principle of sharing between Canadians. As the Hon. Member knows, the federal Government pays 50 per cent of all costs incurred by the Canada Assistance Plan programs.

Increasing taxes is a suggestion which I am sure the Minister of Finance will note in the budgetary context, but there is an argument that to increase taxes is not particularly conducive to an economic revival at this time. The argument will go on, I am sure, between the Hon. Member and other economists.

* * *

[*Translation*]

AIR TRANSPORT

QUEBECAIR 2—GOVERNMENT POSITION

Mr. Jean-Guy Dubois (Lotbinière): Madam Speaker, my question is directed to the Minister of Transport and concerns Quebecair. When the Minister of Transport announced his solution for Quebecair, the company's employees made it clear that they intended to meet with the Minister. I should like to know whether they still intend to do so, and also whether the Quebec spokesman, Mr. Leblond, has been in touch with the Minister of Transport. What is the present status of the Quebecair question?

Hon. Jean-Luc Pepin (Minister of Transport): Madam Speaker, the Quebec Minister of Transport, Mr. Clair, has stated publicly that he was satisfied with my explanations regarding a number of areas. However, there is still one question on which we have not been able to agree, and that is whether negotiations should focus on creating a new company or on restructuring the existing one. My thoughts on the issue are quite clear. I think that if we try to restructure the previous company, with all the financial obligations with which it is burdened, including its debt to the Government of Quebec, to Mr. Webster, to Mr. Hamel, to Mr. Provost, and so on, the company will never get off the ground. On the other hand, I can hardly refuse to give Mr. Clair an opportunity to defend the opposite view. It will not be easy for him but I can hardly prevent him from doing so. So that is where we are now, and we are going to try to clear up our differences this afternoon. As far as the status of Quebecair employees is concerned, in the note I sent Mr. Clair a few days ago, I undertook on behalf of the Government to give them some form of protection. Of course, I was not very specific, and for good reason, since I must be careful to avoid making any commitments we cannot honour in other cases as well. So that is where we are now with the employees. Mr. Leblond was appointed by the Quebec Government as the intermediary in this question, and we shall have our own negotiator as well on this task force which is to be created very shortly.

* * *

[*English*]

FINANCE

EFFECT OF INTEREST RATE POLICY ON HOME OWNERS

Hon. Flora MacDonald (Kingston and the Islands): Madam Speaker, my question is directed to the Minister of State for Finance. For the better part of a year the Government has been making interest rate policies based on what the Governor of the Bank of Canada now admits was an unreliable guide. As a result, thousands of Canadians lost their homes, not through any fault of their own but because of the Government's mistaken high interest rate policy. What explanation does the Minister have for these thousands of Canadians who lost their homes because of the Government's misguided interest rate policy?

• (1430)

Hon. Paul J. Cosgrove (Minister of State (Finance)): Madam Speaker, I do not believe that the policy of the Governor of the Bank is any different this year than it was last year, or during the year the Leader of the Opposition was Prime Minister of the country. The Hon. Member asking the question has not really characterized the policy of the Governor of the Bank and the posture of the Government of Canada in so far as interest rates and financial policy are concerned. In his statement the Governor of the Bank said that for a number of months the Bank has not used M1 exclusively as the only criterion in applying the policy against inflation and the difficulties that inflation has visited on our economy, including high interest rates and the difficulties that they bring to many people in Canada, not only to home owners but to small-businessmen. The Governor indicated that the M1 characterization was only one of the criteria at which the bank was looking.

REQUEST FOR ASSISTANCE TO HOME OWNERS

Hon. Flora MacDonald (Kingston and the Islands): Madam Speaker, I agree with the Minister that the high interest rate policy affected not only home owners but farmers, owners of small businesses, and many other Canadians. It was wrong. Not only did it cause thousands of Canadians to lose their homes, but many hundreds of thousands of others are today carrying interest rates at 20, 21 and 22 per cent because of a policy the Governor of the Bank of Canada said was wrong for more than a year. What does the Minister intend to do to

compensate those persons who are carrying much higher interest rates and mortgages rates than they should be because of the Government's mistaken policy?

Hon. Paul J. Cosgrove (Minister of State (Finance)): Madam Speaker, I indicated in a previous answer that, since the June budget, interest rates have fallen by approximately 6 per cent. This means that a person with a mortgage of around $50,000, with the interest rates being reduced by 6 per cent, is paying $200 a month less in carrying charges. There has been a remarkable improvement in so far as interest rates are concerned.

It would be trite for me to remind the Hon. Member that the Government, in response to the plight of people during the period of time when interest rates were high, announced a number of programs to assist not only home owners but small businessmen. In the field of home owners renewing their mortgages, there was the Canada Mortgage Renewal Plan, a plan to protect those people who had to pay more than 30 per cent of their income under their newly renewed mortgage contracts. That was a sensible and sensitive response. It was sensitive to people facing that difficulty. It was sensible in that it did not encourage the expenditure of billions of dollars which some people would have had us expend at that time.

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[*Translation*]

SHIPBUILDING

CONDITIONS FOR OBTAINING SUBSIDY FOR DAVIE SHIPBUILDING OF LAUZON, P.Q.

Hon. Roch La Salle (Joliette): Madam Speaker, my question is directed to the Minister of Transport. Last Sunday, workers at Davie Shipbuilding in Lauzon brought out a majority vote against the 6 and 5 policy. Since the Minister knows perfectly well that this company is awaiting the Government's decision regarding a subsidy of $30 million for the construction of a ferry, could the Minister inform the House whether it is true, that if the union failed to support the Government's 6 and 5 policy, it would not only be in danger of losing but would, in fact, have lost, the $30 million subsidy altogether?

Hon. Jean-Luc Pepin (Minister of Transport): Madam Speaker, I shall be happy to answer this question, because it is the first time Hon. Members have acknowledged that my Department is the client in this case. CN Marine has, in fact, decided to invest $100 million in the purchase of this ship. However, the price quoted was in excess of our ability to pay, and we therefore required an additional grant of $30 million from the Department of Industry, Trade and Commerce. For three months, the Government said that it could not be done because an exceptional contribution by the Government of Canada is necessary to make construction at all possible, unless Davie Shipbuilding employees are themselves prepared to make a sacrifice, and we have been repeating this to all and sundry for three months. Well, we are now in a position where we are about to say: This is the deadline, and if you cannot reach a decision before that deadline, we shall have to withdraw our order.

CO-OPERATION OF PRIVATE ENTERPRISE

Hon. Roch La Salle (Joliette): I had understood that the Government's policy vis-à-vis the private sector was one in which the private sector was asked to co-operate with this program, and I did not think it was compulsory. Now, if I understand the Minister correctly, this policy which was voluntary for the private sector would now be compulsory, according to the Minister's reasoning, namely, that either they agree to observe the 6 and 5 ceiling and they get a contract with a subsidy of $30 million, or they do not, and then 1,000 employees lose out on this construction job. Is that more or less what was meant by the Minister?

Hon. Jean-Luc Pepin (Minister of Transport): I think we all have to realize that this is a case where the Government is using public funds in an effort to remedy a particular situation, namely, to prevent these employees from being laid off. Since the Government is making a special effort to accommodate the interests of these employees, it feels it also has a case for asking or demanding, if my hon. friend prefers, that these employees make a special effort as well. The whole point of the policy is to keep inflation at 6 per cent, and in doing so, they too are helping to achieve this goal. Therefore, I do not have the impression, and I do not think Canadians have the impression, that we are taking a particularly hard line with these employees. We are proposing an arrangement that will benefit both sides, and in any case, they will have an opportunity to make up their own minds on the matter.

* * *

[*English*]

EXTERNAL AFFAIRS

NICARAGUA—ROLE OF UNITED STATES IN SUPPORTING FORMER REGIME

Mr. Bob Ogle (Saskatoon East): Madam Speaker, in the absence of the Secretary of State for External Affairs my question is directed to the Minister of State for External Relations. I am sure that the Minister is aware of the present conflict between the supporters of the former Nicaraguan Dictator Somoza, who are being aided by the Governments of the United States and Honduras, and the legitimate Government of Nicaragua. I am also sure that the Minister is aware of an initiative by Mexico and Venezuela to resolve the conflict through peace talks. Has the Government of Canada protested to the Government of the United States about its destabilizing interference, and will the Minister assure this House that the

Government will support the Mexico-Venezuela initiative and meet with officials from Mexico and Venezuela to ascertain the details of the initiative and the role that Canada can play?

[*Translation*]

Hon. Charles Lapointe (Minister of State (External Relations)): Madam Speaker, regarding the joint proposal by Mexico and Venezuela, the Prime Minister has already given the Heads of State of Mexico and Venezuela the assurance that the Government of Canada fully supports this peace initiative as an attempt to bring about greater stability in this area. As for the second part of the Hon. Member's question, namely, whether we have made representations to the Americans to express our concern and consternation vis-à-vis destabilizing interference by foreign powers in Nicaragua's domestic affairs, such representations have been made several times through the United States Embassy in Ottawa and through our own diplomats posted in Washington. We have reiterated to the Americans our grave concern about any foreign interference in the domestic affairs of foreign countries, and this obviously includes Nicaragua.

• (1440)

[*English*]

SUGGESTED OTTAWA DISCUSSIONS

Mr. Bob Ogle (Saskatoon East): I thank the Minister for the answer. In an effort to expedite an end to this conflict and restore peace and stability to the area, would the Minister take the initiative of inviting the Foreign Minister of Nicaragua, Miguel D'Escoto, and the Foreign Minister of Honduras, Dr. Edgardo Paz Barnica, to Ottawa to discuss a possible solution to this conflict?

[*Translation*]

Hon. Charles Lapointe (Minister of State (External Relations)): Madam Speaker, last spring, it was agreed that the Minister of Foreign Affairs of Nicaragua would pay an official visit to Canada. However, this summer, the Government of Nicaragua had to cancel the visit. We have now reiterated our agreement in principal with the visit of the Minister of Foreign Affairs of Nicaragua, and we are trying, through diplomatic channels, to find a date that would be agreeable to both Ministers of Foreign Affairs. As regards an invitation to the Minister of Foreign Affairs of Honduras, I shall have to find out about this and answer the Hon. Member's question later on.

* * *

[*English*]

SHIPBUILDING

MEETING WITH INDUSTRY REPRESENTATIVES IN NEW BRUNSWICK

Mr. Bob Corbett (Fundy-Royal): Madam Speaker, my question is for the Minister of State for Economic Development. The Minister recently held a round of consultations in Saint John, New Brunswick, on economic and regional development issues. Among those he met with were representatives of the shipbuilding industry. I would ask the Minister to tell the House who accompanied him on his delegation, and ask him to advise the shipbuilding workers what they can expect, in a tangible way, as a result of those meetings?

Hon. Donald J. Johnston (Minister of State for Economic Development and Minister of State for Science and Technology): Madam Speaker, we had a very stimulating session with Local 3 of the Union and with management. I was accompanied by the Hon. Member for Saint John. He was largely responsible for bringing together management and labour with ourselves and the Minister of Public Works, who is the responsible Minister for that region. It was an extremely interesting and frank discussion, and it is a beginning, I believe, of actually bringing together in the same room representatives of labour, management and Government to try to arrive through consultation and co-operation at a solution to some of the very difficult problems which face that particular industry and which also face all industries in this country coast to coast.

Mr. Corbett: I asked the Minister what the shipbuilding workers could expect, in a tangible way, from that meeting, and it is obvious that they can expect much more of the same thing—nothing.

GOVERNMENT POLICY REVIEW

Mr. Bob Corbett (Fundy-Royal): Madam Speaker, my supplementary to the same Minister is with regard to his discussions with the shipbuilding industry in Saint John. Would he advise whether the matter of the Government's shipbuilding policy review was raised and, if so, what was the Minister's response? Will he make a firm commitment to use his good offices to set a date and to release the contents of that very critical report?

Hon. Donald J. Johnston (Minister of State for Economic Development and Minister of State for Science and Technology): First of all, Madam Speaker, the decision to release any report with respect to that industry will be made by the responsible Minister in due course. I am sorry the Hon. Member was not present at the meeting which took place in Saint John, because he demonstrates such an interest in it. The meeting was to review the history of the industry in that area to acquaint the delegation, and myself in particular, since I was not as familiar with it as my two colleagues, with the very proud history of achievement of that particular industry in Saint John, its expectations for the future, and the very significant technology team which they have been able to bring together and which has made that particular industry one of the most efficient in this country.

CANADIAN ARMED FORCES

INCREASES IN UTILITY FEES PAID BY PERSONNEL

Mr. Doug Neil (Moose Jaw): Madam Speaker, in the absence of the Minister of National Defence I would like to address my question to the Right Hon. Prime Minister. The Prime Minister is undoubtedly aware that, effective today, thousands of members of the Armed Forces who occupy PMQs are faced with increases in their utilities, in particular in Moose Jaw of approximately 100 per cent, and I understand in the Maritimes the increases are 200 per cent or 300 per cent. Could the Prime Minister advise why, in the light of the Government's six and five program, such exorbitant increases have been authorized?

Mr. Stanley Hudecki (Parliamentary Secretary to Minister of National Defence): Madam Speaker, I am pleased on behalf of the Minister of National Defence to make the following statement. There is a meeting today between the officials of the Department of National Defence and the Treasury Board, and that particular issue is under active discussion right now.

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EMERGENCY MEASURES

GOVERNMENT PLANS

Mr. Benno Friesen (Surrey-White Rock-North Delta): Madam Speaker, my question is directed to the Government House Leader. It has to do with the emergency planning orders and the confidential memo sent to him by Mr. Snarr, the Executive Director, in which he quotes letters from three different provincial Governments which indicate their concern that the Government would suspend rights guaranteed under the Charter, that it would invade provincial jurisdiction in localized situations, and it would permit a subtle takeover in control by the federal Government. He goes on to give the strategy for making this an acceptable plan for the country. One of his plans to make it succeed is and I quote:

> —in dealing with the Provinces we would 'soft-pedal' peacetime activation and for the time being concentrate on wartime interfaces between NEAs and provincial Government facilities.

If this plan is as good as the Government thinks it is, and if the Government wants to establish trust, why is it necessary to be devious?

[*Translation*]

Hon. Yvon Pinard (President of the Privy Council): Madam Speaker, I am not going to comment on memos that are confidential, since that was the preamble to the Hon. Member's question. However, I can assure the Hon. Member that the Government never intended to go against the Charter of Rights, and we certainly do not want to encroach on areas that fall under provincial jurisdiction.

[*English*]

ROLE OF PROVINCES

Mr. Benno Friesen (Surrey-White Rock-North Delta): My supplementary is directed to the same Minister. The memo goes on to say that, if a Province adamantly refuses to undertake any role at all in civil defence preparedness, the federal Government would then cut off all the funding allocated to the Province for those purposes, and then move in and do what otherwise would be the role of the Province to do. How does the Minister square that with the need to carry on harmonious federal-provincial relations? Is he trying to undercut the Provinces again?

[*Translation*]

Hon. Yvon Pinard (President of the Privy Council): Madam Speaker, the answer to the last part of the question is no.

* * *

[*English*]

RAILWAYS

CANOLA FREIGHT RATE INCREASES

Mr. Len Gustafson (Assiniboia): Madam Speaker, my question is for the Minister of Transport. I am given to understand that the canola crushers and growers have been notified that the freight rates for canola products are going to be increased by 41 per cent to 42 per cent, both on the CPR and CNR lines. How does the Minister justify this increase to the western farmers in light of the five and six guidelines that the Government has laid down?

Hon. Jean-Luc Pepin (Minister of Transport): Madam Speaker, it is quite simple. The Railway Act, Section 276, states that the cost of transportation must exceed the variable costs. In other words, rates cannot ever come under the variable costs. If the CTC had not passed the order that they have passed to increase the minimum compensation rate by 42 per cent, they would have been in violation of the law. The law being the paramount authority in these matters, I think it should prevail.

EFFECT OF INCREASES

Mr. Len Gustafson (Assiniboia): Madam Speaker, the Minister of Finance yesterday said that five and six was the law of the land. Is it the law of the land, or is it not? In addition, I would like to know whether this will affect imports from the United States coming into eastern Canada, putting the canola growers in western Canada to an unfair advantage in terms of competition? And does the Minister expect that these types of guidelines, 40 per cent and 50 per cent increases, will roll over into the Gilson Report, and other products shipped in western Canada?

• (1450)

Hon. Jean-Luc Pepin (Minister of Transport): Madam Speaker, I think the rate is a West to East rate only. I could not swear to that. I am not knowledgeable on that, so I will check, but again I think it applies only to transportation from the West to the East.

The effect that this will have on Gilson is a rather complicated matter. The present rate for transportation of rapeseed or canola oil and meal to the East is the minimum compensatory rate. Gilson recommended that from the West to Thunder Bay it should be the statutory rate in due course. But he did not indicate what it should be from Thunder Bay on to the East. The logic of the system would indicate that it should be commercial rates at that point. It so happens that if you put the statutory rate to Thunder Bay and the commercial rate from Thunder Bay on East, you have a higher rate than the rate you have now, which is the minimum compensatory rate all the way. There is an obvious problem with that, and we will try to solve it in due course, when we make our announcement on the implementation of the Western Rail Transportation Initiative.

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CORPORATE SHAREHOLDING LIMITATION ACT

PURPOSE OF MEASURE

Mr. Ian Deans (Hamilton Mountain): Madam Speaker, I should like to put a question to the Prime Minister with regard to Bill S-31 which regulates provincial involvement in transportation. The Province of Quebec has indicated that it is opposed to the legislation, the Province of Alberta has indicated that it is also opposed to the legislation, and Pierre Lortie has also indicated that he is opposed to the legislation. Mr. Lortie, of course, is an adviser to the Government on other matters.

It appears that only Canadian Pacific is vitally concerned about the passage of this legislation. Why is Canadian Pacific's vested interest more important than the expressed interests of the Provinces most affected and the interest of the President of the Montreal Stock Exchange?

Right Hon. P. E. Trudeau (Prime Minister): Madam Speaker, the main purpose of the legislation is to discourage Provinces from exercising extraterritorial jurisdiction. The Provinces, under the Constitution, cannot make laws or adopt policies having to do with interprovincial or international transportation. They would become enabled to do so if they were able to acquire control of, and to issue policy directives to, an interprovincial or international corporation. They would be going around the Constitution in a way that the federal Government finds it undesirable to allow.

REGULATION OF CONTROL

Mr. Ian Deans (Hamilton Mountain): Madam Speaker, I will put a supplementary question to the Prime Minister. He knows full well that the federal Government has the power to regulate, at any time, in the national interest. Given that, if there appeared to be a problem developing, the federal Government could establish such regulations as to make sure that the problem did not mature, why would the Government think it more appropriate that foreign investors from any part of the world should be able to own the interprovincial trucking and transportation industry in Canada, if they so desire, and not feel it appropriate that the duly elected representatives of the Provinces, who are responsible to the Canadian public, ought to be able to make decisions, similarly, to have investment in Canada's future?

Right Hon. P. E. Trudeau (Prime Minister): Madam Speaker, it is because, presumably, the foreign interest or, for that matter, the private sector interest in operating a railway or exercising a degree of control over an interprovincial or international industry, is to make money, to make profits. The purpose of the federal Government is to issue policies which ensure that that objective does not enter into conflict with the national good of the Canadian people, in other words, that the service be provided. If the control is exercised by a provincial Government, I presume the Member would agree that the first purpose of the provincial Government is not to make money or to make profits for its shareholders, but to exercise political directions. If this is the objective of the provincial Governments, to exercise political directions on interprovincial railways, we feel this is regrettable.

The Hon. Member is, of course, correct. The federal Government could step in and start a fight with the Provinces and sort of say, "You should not be running the railway which you control in this way because, for instance, you are asking to move the head office of the CPR from Montreal to some other city in Canada", and we would get into an interprovincial conflict in an area—

Mr. Deans: Oh, oh!

Mr. Trudeau: Madam Speaker, I understand that the Hon. Member does not want to hear my answers but I want to assure him that it is an important subject of ensuring that there is no extraterritorial application by the stronger Provinces against the weak ones. This would happen if they can control an interprovincial transportation company.

* * *

CUSTOMS AND EXCISE

IMPORTATION OF DEGRADING VIDEO CASSETTES

Hon. Bud Cullen (Sarnia-Lambton): Madam Speaker, I have a question for the Minister of National Revenue. Last week representations were made to the Minister by all Members of the House, and I believe a question was directed to him by the Hon. Member for Brampton-Georgetown about the "Custer's Last Revenge" cassettes. The Minister undertook to study this and to give us a reply. Has he had an opportunity to do this?

[*Translation*]

Hon. Pierre Bussières (Minister of National Revenue): Madam Speaker, as I mentioned to the House before, I asked the Deputy Minister of National Revenue to act under the provisions of Section 46 of the Customs Act and investigate this video game called "Custer's Revenge", which has aroused the indignation of many groups, including many parliamentarians here in the House, women's groups and representatives of native peoples. I am pleased with this opportunity, which the Hon. Member has provided, to inform the House that after a thorough review of the case, the Deputy Minister of National Revenue has decided to prohibit entry into Canada of the video game "Custer's Revenge".

* * *

[*English*]

EXTERNAL AFFAIRS

MIDDLE EAST POLICY

Hon. John C. Crosbie (St. John's West): Madam Speaker, my question is for the Prime Minister. The Hon. Member for Châteauguay said, a day or two ago, that the federal Government is "pussyfooting" around the recognition of an independent Palestinian state, that the Liberal caucus is "overwhelmingly sympathetic" to the Palestinian cause, and that the Government has to "move now to support the establishment of an independent Palestinian state". He also said that all of the Quebec caucus, except for two or three, and the majority of the Liberal caucus, want that policy put into effect.

May I ask the Prime Minister if there has been any change in the Government's policy with respect to the Middle East and with respect to the question of Israel and the Palestinian situation, or not? Is that now under review and might there be a change? What exactly is the position? Is the Liberal Member for Châteauguay right, and is the Government following his advice and that of the majority of the caucus? Just what is the position?

Right Hon. P. E. Trudeau (Prime Minister): Madam Speaker, there are changes which have been announced from time to time by the Government in the evolution of the policy on the Middle East. For instance, around the Beirut events and the invasion of Lebanon there was a new policy announced which is shared 100 per cent by the Hon. Member, since he himself moved a motion in the House to that effect. So there are some changes and they are all well known to the Hon. Member and the Canadian public. They are on record, to be read.

As far as the Hon. Member for Châteauguay is concerned, he is a Member of caucus, a very Hon. Member, and he puts points of view forward in caucus. I am not aware of particular phrases quoted by the Hon. Member, but certainly there is no attempt on the part of the Government to prevent Members from developing their thoughts on any future event.

STATEMENT ATTRIBUTED TO LIBERAL MEMBER OF PARLIAMENT

Hon. John C. Crosbie (St. John's West): Madam Speaker, my question to the Prime Minister was about his Government's policy. A prominent Member of his caucus has made certain statements which lead the public to believe that the Government is going to recognize an independent Palestinian state. He went on to state, by the way, that he favoured high level contacts with the Palestine Liberation Organization. The public is entitled to know if this is the policy of the Government, or not. If it is not, will the Government clearly say that it is not going to have high level contacts with the Palestine Liberation Organization which exists for the purpose of destroying the State of Israel? It has never revoked that purpose.

It is up to the Government to say whether it is now going to recognize an independent Palestinian state. Apparently a majority in the Liberal caucus was told by the Hon. Member for Châteauguay that he believed this should be the policy. Is the Prime Minister stating that that Member of Parliament is wrong on both counts, that the Government is not now going to recognize an independent Palestinian state, and that the Government is not now going to have high level contacts with the Palestinian Liberation Organization? The public is entitled to know.

Right Hon. P. E. Trudeau (Prime Minister): The Hon. Member stated that the alleged statements by the Hon. Member for Châteauguay would "lead the public to believe". I believe what is happening is that the Hon. Member for St. John's West is attempting to get the public to believe that a statement by a Member of this caucus becomes Government policy. If that is the case, I could ask the Hon. Member whether it is the policy of the Tory Party that bilingualism should be destroyed in Canada and that there should be only one official language. These are statements made by Members of his caucus. I have never asked him if this is the position of the Tory Party, and I do not attempt to lead the public to believe that either.

• (1500)

Mr. Crosbie: The Prime Minister could clear the matter up very easily.

* * *

NATIONAL SECURITY

CASE OF CANADIAN PROFESSOR—REASONS FOR SECURITY SERVICE ACTION

Mr. Chris Speyer (Cambridge): Madam Speaker, my question is directed to the Solicitor General. It does not have to do with Hambleton himself but pertains to the attitude of the Security Service. After the Security Service had amassed its evidence and submitted it to the RCMP, could the Minister tell me why the Security Service was prompted to warn

Hambleton that if he went to Great Britain he would meet a hostile reception?

Hon. Bob Kaplan (Solicitor General of Canada): Madam Speaker, I answered that question yesterday, and I stand by the answer I gave then. The Hon. Member has to recognize that the Security Service is not primarily in the business of catching crooks, seeing them tried, and seeing them punished. The objectives of the Security Service are much broader. They are to protect the national security of the country.

Often there are very good reasons for establishing relationships with individuals which result in the production of information of very great value to the national security. Without referring specifically to this case, as the Hon. Member has asked me not to do, in many cases there are very good reasons for maintaining relations with individuals which result in benefits to the national security of our country, for example, in gaining information about the way counter-intelligence is being operated by hostile security services in our own country or in other friendly countries.

The Hon. Member should not be surprised that the Security Service would engage in the gathering of intelligence, in establishing relationships with individuals and not having them result in every case in the matter being referred to the CIB and having charges laid.

* * *

PETITION

MR. DOMM—SUPPORT FOR GENERAL DISARMAMENT

Madam Speaker: I have the honour to inform the House that the Clerk of the House has laid upon the Table the three hundred and forty-second report of the Clerk of Petitions, stating that he has examined the petition presented by the Hon. Member for Peterborough (Mr. Domm) on Tuesday, November 30, 1982, and finds that the petition meets the requirements of the Standing Orders as to form.

ROUTINE PROCEEDINGS

[*English*]

PETITIONS

MR. GREENAWAY—CALL FOR HALT TO CANAGREX LEGISLATION

Mr. Lorne Greenaway (Cariboo-Chilcotin): Madam Speaker, it is my duty to present a petition signed by 293 citizens of the Cariboo-Chilcotin riding in British Columbia. The purpose of the petition is to express the clear and strong opposition of the citizens of Cariboo-Chilcotin to Bill C-85, the legislation to establish Canagrex. In particular, the petitioners protest the buy and sell provisions of Canagrex, as well as its wide-ranging powers.

The nature of the petition is to halt the passage of Bill C-85 and to prevent approval of Canagrex at third reading and thereby prevent the establishment of Canagrex. Therefore, the petitioners call upon Parliament to halt the passage of Bill C-85 and to prevent approval of Canagrex at third reading.

MR. KING—CALL FOR CESSATION OF NUCLEAR INDUSTRY ACTIVITY

Mr. Fred King (Okanagan-Similkameen): Madam Speaker, it is my duty and privilege to present a petition to the House on behalf of 2,023 persons, most of whom are residents of Okanagan-Similkameen in British Columbia. This petition is similar to the one I presented to the House on December 14, 1981 which contained 5,903 signatures, for a combined total of 7,926 signatures in protest of all nuclear-related activities and in support of the efforts of an organization in Westbank, British Columbia, called "Candu Won't Do".

The nature of the petition is to pray and beseech the House to consider this vital issue which concerns all life and to introduce a Bill in Parliament to stop all nuclear-related activities, including uranium mining, production and sales of Candu reactors, and to decommission all nuclear reactors with due respect to life.

We trust and pray that Madam Speaker will find the petition in order and that the House will take appropriate action.

* * *

[*Translation*]

BUSINESS OF THE HOUSE

NOTICE OF ALLOCATION OF TIME TO CONSIDER SECOND READING STAGE OF BILL C-131

Miss Bégin: Madam Speaker, I wish to inform the House that there have been consultations among representatives of the parties and that it has not been possible to reach agreement in respect of the proceedings at the second reading of Bill C-131, an Act to amend the Old Age Security Act (No. 2). Therefore, I wish to give notice that at the next sitting of the House I shall propose a motion, pursuant to Standing Order 75C, to allocate one sitting day to the said stage of the Bill.

[*English*]

Mr. Nielsen: Madam Speaker, I rise on a point of order. I am somewhat surprised that this notice comes today. I learned of it about a half hour ago when I spoke with the Government House Leader (Mr. Pinard). We had a discussion last evening with respect to the disposition of Bill C-131 and Bill C-132. It was my understanding upon leaving that discussion that we would have the opportunity today of discussing the matter in caucus to see whether or not we could come to some agreement. That was the extent of the consultation. Then I spoke

with my colleague, the Hon. Member for Hamilton Mountain (Mr. Deans), with respect to the attitude of his Party concerning the disposition of Bill C-131 and Bill C-132.

I have not had the opportunity today, since my discussion with the Government House Leader, of again discussing the matter with the Hon. Member for Hamilton Mountain. In the hope that we might be able to save some of the time of the House, rather than triggering this motion which will take up time tomorrow and move Bill C-131 to Friday, I should like to inform the House, as I informed the Government House Leader but have not had the opportunity to inform the Acting House Leader of the NDP, that we are prepared today to deal with Bill C-132, to deal with the measure through second reading and into committee, and that we are prepared tomorrow to deal with Bill C-131 and send that matter to committee.

If that is acceptable by unanimous consent to the New Democratic Party, it would save a day of House time, or at least a minimum of two hours, give us the opportunity of dealing with other matters on Friday, and obviate the necessity of the Government imposing closure, as was notified by the Minister just now.

It seems to me that the Government House Leader would probably be in accord with that suggestion and perhaps it might meet favourably with the NDP that we proceed in that fashion—Bill C-132 today and Bill C-131 tomorrow.

Mr. Deans: Madam Speaker, this is the first time that a suggestion of that kind has been put to me. Without attempting to analyse the motive, I want to make clear that we are unalterably opposed to the passage of Bill C-131. We will do everything in our power to ensure that the aged population of Canada who are in receipt of pensions do not have their pensions reduced one single, solitary cent. We will not, therefore, agree to the passage of the Bill.

[*Translation*]

Mr. Pinard: As you can see, Madam Speaker, the Minister of National Health and Welfare (Miss Bégin) was quite right to say that there has been no agreement under the provisions of Standing Order 75A or 75B. That is why we are serving notice today that, unless there is an agreement, we will proceed with that motion tomorrow. However, my office door is wide open and whenever my colleagues opposite decide to come to such an agreement, we will go along. Otherwise, we will move the motion tomorrow.

• (1510)

[*English*]

Mr. Nielsen: Madam Speaker, it is not a question of being a Liberal stooge—

Mr. Kristiansen: No question about it.

Mr. Nielsen: —whoever it was in the New Democratic Party who made that accusation, because our sympathies with respect to Bill C-131, the Old Age Security Act, are precisely the same as those of the NDP. We intend to vote against the measure. All we are suggesting is that we deal with Bill C-132 today, bring it to a vote, send it to a comittee and then we will deal with Bill C-131. I thought the Acting House Leader for the New Democratic Party was in sympathy with this proposal when I spoke to him last night, that we deal with Bill C-131 tomorrow and bring it to a vote. We intend to vote against both of those measures, but let us vote on Bill C-132 today and Bill C-131 tomorrow. That will save the time of the House.

Mr. Deans: Madam Speaker, I will be brief. I do not intend either to disclose or in any way to make reference to the comments that I had with the House Leader for the Conservatives last evening. His interpretation of our exchange is not in keeping with my recollection. However, voting against a piece of legislation is one way to indicate opposition. We are not only opposed to the point where we want to vote against it, but we are opposed to the point where we do not want to facilitate its passage in any way.

[*Translation*]

Mr. Pinard: Madam Speaker, I want to make one thing clear about the business of the House for today and tomorrow. Indeed, we will be studying Bill C-132 today, but tomorrow, even though we are planning to move the motion to limit the debate on Bill C-131, we will continue the debate on Bill C-132 after the division on the motion. It is therefore possible that a vote could be called on Bill C-132 tomorrow evening.

[*English*]

Mr. Nielsen: Madam Speaker, that requires some clarification. Let us assume for a moment that there might be a disposition in the House to dispose of second reading debate and reference to committee of Bill C-132 today. What will be the business for tomorrow?

Mr. Pinard: Bill C-136, Madam Speaker.

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WAYS AND MEANS

TABLING OF NOTICE

Hon. Paul J. Cosgrove (Minister of State (Finance)): Madam Speaker, pursuant to Standing Order 60(1), I wish to table in both official languages a notice of a Ways and Means motion to amend the Income Tax Act.

Mr. Lewis: One year later.

Mr. Cosgrove: Madam Speaker, I would ask you to designate the required order of the day for consideration thereof.

* * *

QUESTIONS ON THE ORDER PAPER

(Questions answered orally are indicated by an asterisk.)

Mr. David Smith (Parliamentary Secretary to President of the Privy Council): Madam Speaker, the following questions will be answered today: Nos. 3,201, 3,203, 3,439 and 3,615.

Order Paper Questions

[*Text*]

TAX RETURNS OF MEMBERS OF PARLIAMENT

Question No. 3,201—**Mr. Cossitt:**

1. With reference to the answer to Question No. 2,564 which stated in part that "no statistics are available" in regard to the number of income tax returns by Members of Parliament that were in any way re-examined or re-assessed by the Department of National Revenue, are the tax returns of all Members of Parliament and Senators in the hands of one specific individual in the Department of National Revenue and, if so, for what reason is it impossible for the government to have statistics available on the number of such returns that have been dealt with over and above the original assessment?

2. Is the government aware that the Member for Leeds—Grenville possesses the name and position of the person in the Department of National Revenue who holds such files in his custody and is the government also aware that no one else in the Department is permitted access to the files except by government order?

Hon. Pierre Bussières (Minister of National Revenue): 1. The tax returns of Members of Parliament, like those of any other taxpayer, are filed in various District Offices and Taxation Centres according to the place of residence of the taxpayer and therefore are not in the hands of one specific individual. However, all returns of Members of Parliament filed in the Ottawa District Office are in the custody of a single individual as a matter of local practice. Statistics on the total numbers of reassessments are maintained and the number of reassessments by board occupational groups, but not for small groups such as Members of Parliament.

2. Access to the tax files of Members of Parliament is not made by government order. Access is accorded as required for the same reasons as apply to all files of taxpayers and is restricted to officials as authorized under Section 241 of the Income Tax Act.

INTEREST ON OVERPAYMENT OF TAXES

Question No. 3,203—**Mr. Blenkarn:**

1. (a) Did the Department of National Revenue pay interest at the rate of 12 per cent on income tax overpayments when the interest on Canada Savings Bonds was raised to 12 per cent (b) does the Department intend to pay 19.5 per cent on income tax overpayments now that the interest on Canada Savings Bonds is at 19.5 per cent and, if so, on what date?

2. Are citizens, who were to receive tax rebates before the postal strike but who received their cheques only after the postal strike, entitled to interest at the rate of 12 per cent up to the date they received their cheque and, if so, does the Government intend (a) to inform them of this right (b) to send them, under separate cover, a cheque for interest on the amount involved?

Hon. Pierre Bussières (Minister of National Revenue): 1. (a) The rate of interest is set by regulation under the Income Tax Act and for the calendar year 1981 has been set at 12 per cent per annum. This rate applies to overpayments as well as to arrears of tax and deficient instalment payments. (b) The rate prescribed for income tax overpayments and arrears is set independently of the rate fixed for Canada Savings Bonds.

2. Yes. Taxpayers entitled to refunds are eligible for refund interest at the prescribed rate for the period commencing with the latest of the day the overpayment arose, the statutory filing date for the return in question, the actual filing date of the return in question, and ending with the day of refund or application to other taxes.

During the period of the postal disruption the Department of National Revenue, Taxation, made arrangements whereby taxpayers could pick up refund cheques at their local district taxation offices. This special pick up arrangement was publicized through the media and many thousands of taxpayers were able to obtain their cheques in this way. No further measures are planned.

TRANSPORTATION AND TRAVELLING EXPENSES

Question No. 3,439—**Mr. Cossitt:**

With reference to the Budget of November 12, 1981, which announced that free airline transportation provided by employers would be considered taxable as income, will this provision apply to Cabinet Ministers using such transportation to go to and from their constituencies or elsewhere, when not on Government business and when exceeding the quota of trips permitted for Members of Parliament to and from their constituencies, and (a) if so, what will be the effective date (b) if not, for what reason?

Hon. Pierre Bussières (Minister of National Revenue): Subparagraph 6(1)(b)(i)(A) of the Income Tax Act excludes from income from office or employment amounts received in the year as an allowance for personal or living expenses or as an allowance for any other purpose that is expressly fixed in an Act of the Parliament of Canada. Subsection 43(1) of the Senate and House of Commons Act refers to transportation and travelling expenses as each House may by order prescribe. Therefore, the value of any transportation or reimbursement of transportation and travelling expenses specifically prescribed and covered in the latter mentioned Act is not taxable. In addition the value of any transportation or reimbursement of such specific expenses to Members of the Senate and House of Commons incurred while on government business is not taxable. When the transportation is for personal as opposed to business use, a taxable benefit arises.

RECIPROCAL AGREEMENT WITH PROVINCES ON INCOME TAXES

Question No. 3,615—**Mr. Herbert:**

Does the Government provide copies of personal income tax returns to the Government of the Province of Quebec and, if so (a) under what conditions (b) how many copies of individual returns were supplied in each of the past five years?

Hon. Pierre Bussières (Minister of National Revenue): Subsection 241(4) of the Income Tax Act permits the exchange of information with a Province on a reciprocal basis for the purpose of administering a taxing statute similar to our Act. Conditions are also contained in Part XXX of the Income Tax Regulations dealing with such exchanges.

Information is exchanged with Quebec on a regular basis but copies of individual returns are not normally given to that Province, although there is nothing in the law which would preclude this being done. In the circumstances we have no statistics on the provision of copies of individual returns.

[*English*]

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

Mr. McKenzie: Madam Speaker, I would just like to ask the Parliamentary Secretary about two questions that I have had on the Order Paper for a considerable time. One of them has been on the Order Paper for over a year. It is a question with regard to the Minister of Supply and Services (Mr. Blais), the Minister of Industry, Trade and Commerce (Mr. Lumley) and the Minister of Indian Affairs and Northern Development (Mr. Munro) who took a JetStar flight to Winnipeg for the official opening of a new firm. I asked how many aircraft, how many ministers and how many staff were on that trip. I am quite sure it does not take over a year to compile that type of information.

I have another very important question, No. 4,175, which I placed on the Order Paper on March 24. It reads:

Was there correspondence between a R. W. B. Bailey, Chairman, SGPE Sub-Group and a Mr. R. Gagnon, Assistant Deputy Minister, Department of Consumer and Corporate Affairs, dated February 17 and February 19, 1982 respectively on the subject of a hiring team to recruit Francophone employees?

A further part of my question reads:

For each of the departments and the Corporation listed in Part 4, what schools and universities are the hiring teams visiting in each province and territory?

I would like an answer to this question because I want to know whether any federal Government hiring teams are coming to the Province of Manitoba to hire students from the University of Winnipeg or the University of Manitoba, and also what nationality they will hire. This is a very important question to me, and it is important to the country to find out where all of these hiring teams are and whom exactly they are hiring for the federal Government.

Mr. Smith: Madam Speaker, I will be happy to look into both of those matters on behalf of the Hon. Member.

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

Some Hon. Members: Agreed.

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MOTIONS FOR PAPERS

Mr. David Smith (Parliamentary Secretary to President of the Privy Council): Madam Speaker, I ask that all notices of motions for the production of papers be allowed to stand.

Mr. Hal Herbert (Vaudreuil): Madam Speaker, would you be good enough to call notices of motions Nos. 77 to 81 inclusive?

Madam Speaker: Notices of motions for the production of papers Nos. 77 to 81 transferred for debate.

[*Text*]

CANADA ASSISTANCE PLAN

Motion No. 77—**Mr. Herbert:**

That an humble Address be presented to His Excellency praying that he will cause to be laid before this House a copy of the latest signed agreement between the Government and the Province of Manitoba under the Canada Assistance Plan.

Transferred for debate.

Motion No. 78—**Mr. Herbert:**

That an humble Address be presented to His Excellency praying that he will cause to be laid before this House a copy of the latest signed agreement between the Government and the Province of Saskatchewan under the Canada Assistance Plan.

Transferred for debate.

Motion No. 79—**Mr. Herbert:**

That an humble Address be presented to His Excellency praying that he will cause to be laid before this House a copy of the latest signed agreement between the Government and the Province of Alberta under the Canada Assistance Plan.

Transferred for debate.

Motion No. 80—**Mr. Herbert:**

That an humble Address be presented to His Excellency praying that he will cause to be laid before this House a copy of the latest signed agreement between the Government and the Province of British Columbia under the Canada Assistance Plan.

Transferred for debate.

Motion No. 81—**Mr. Herbert:**

That an humble Address be presented to His Excellency praying that he will cause to be laid before this House a copy of the latest signed agreement between the Government and the Province of Prince Edward Island under the Canada Assistance Plan.

Transferred for debate.

[*English*]

Madam Speaker: Shall the remaining notices of motions for the production of papers be allowed to stand?

Some Hon. Members: Agreed.

GOVERNMENT ORDERS

[*English*]

FAMILY ALLOWANCES ACT, 1973

MEASURE TO LIMIT INDEXATION

Hon. Monique Bégin (Minister of National Health and Welfare) moved that Bill C-132, an Act to amend the Family Allowances Act, 1973, be read the second time and referred to the Standing Committee on Health, Welfare and Social Affairs.

She said: Madam Speaker, I am pleased to introduce Bill C-132. This Bill is one of a series of initiatives which were announced in the budget of June, 1982. The changes in the Family Allowances Program which are outlined in this Bill,

together with similar changes to the Old Age Security Act, the Income Tax Act and a number of other related Acts, comprise what has now become known as the Government's "six and five" program. The changes to these Acts were offered only after the most careful consideration on the part of the Government, but with the full realization that the way to defeat inflation for Canadian families and the way to economic recovery requires some degree of sacrifice by all Canadians. Family Allowance recipients—in other words, mothers—are among those many Canadians being asked to make this sacrifice. I repeat the expression I used for the Bill reducing the indexation for seniors who do not need the supplement—that they are being asked to make a sacrifice with others.

Although the modifications in child-related benefits contained in this Bill are relatively modest, we are confident that the example being set by Family Allowance recipients, by mothers across the country—which means by lots of families—and by pensioners, civil servants, Members of Parliament and taxpayers, as part of a national will to fight inflation, will be followed by all Canadians.

What does this Bill do? I will say exactly what it does in the hope that Opposition colleagues who want to speak on the Bill will limit their speeches, as provided for by the rules of the House, to the Bill in question and not carry on with misinformation in the way that took place during the discussion on the Bill concerning old age pensions.

Specifically, this Bill proposes to limit, only for those who can afford it, the indexation of Family Allowances to a 6 per cent cost-of-living adjustment in 1983 and a 5 per cent adjustment the year after. Right now, the Family Allowance payment is $26.91 per month per child. When families receive their cheques on approximately January 20, the amount payable for each child will be $28.52. This will rise to $29.95 the year after.

• (1520)

Hon. Members will recall that Alberta and Quebec have opted on their own to vary the federal rate. Therefore, the amount per child will differ somewhat in those Provinces.

As a consequence of this Bill, only one-third of Canadian mothers receiving Family Allowances will get a smaller increase than anticipated for their child benefits in the coming two years. I want to emphasize the fact that this Bill permits an increase in all Family Allowances for the next year. Indexation has not been eliminated completely; the principles of universality and indexation are maintained. Furthermore, we have acted to ensure that all families in the low income range and younger families in the middle income range will not be adversely affected by this two-year measure. The previous Minister of Finance stated this clearly in his June budget, and I also explained in an insert which was mailed with the Family Allowance cheques at a later date that the Child Tax Credit in 1982, which is to be received early next year, will be fully indexed to the cost of living.

In addition, all recipients of the Child Tax Credit, which are two-thirds of Canadian mothers, will receive a one-time special increase of $50 which will be added to the credit in order to compensate for the capping of indexation of their Family Allowances. This means that the two-thirds of all mothers who receive the full Child Tax Credit will receive $343 in the coming months instead of the indexed $293 that they would have normally received. They received far less last year. While they would have received $293 in the forthcoming year, they will receive $343 in Child Tax Credits per child. This is non-taxable. Two-thirds of the Canadian women who receive the Family Allowance will benefit from this increased Child Tax Credit. This represents approximately two and a half million recipients.

Families with incomes, including combined family incomes where applicable, which are less than $26,330 in 1982 will receive the full Child Tax Credit. Families whose income is above that level will also qualify for the Child Tax Credit but only partially. The Child Tax Credit will vary on a decreasing scale, losing 5 per cent of income above that amount. The increase is being applied in such a way as to allow all those receiving the Child Tax Credit in any amount under the present system to receive an extra $50. For example, a mother with two children will receive an extra $100 up to a family income of approximately $38,000. This is how the present Child Tax Credit system functions. I will comment later on the ceiling at which the full Child Tax Credit is no longer applicable.

This additional $50 credit will commence at the beginning of the two-year special restraint period toward achieving a rate of inflation of only 6 per cent and 5 per cent. I have insisted that this credit be given immediately because it is important for mothers to know how their family budget will be affected.

The first Family Allowance cheque to come next year will be delivered at the end of the third week of January. While the amount for all those who receive Family Allowances will be more, the amount that one-third of those families who are more financially stable will receive will be more, but less than anticipated. That is why we have indicated that this legislation particularly affects mothers in high-income families.

For this reason I was surprised to hear the House Leader for the Official Opposition (Mr. Nielsen) announce a few minutes ago that his Party will vote against the Bill. I do not quite understand their reasoning for such a decision. I want my explanation to be clear in the event that some dimension of the Bill has escaped some Members of the House. Mothers will receive their Family Allowance cheques in a slightly lesser amount than would be the case with full indexing. At the beginning of January they can immediately apply for their Child Tax Credit. I point out that the mothers who can apply for Child Tax Credit immediately are those without income or with very low income. They do not really come under the income tax system. They are the ones most in need. These mothers will be the first to have their returns processed by Revenue Canada and will be the first to receive their Child Tax Credit in the mail. They will receive these Child Tax Credit cheues by March. The cheques which they will receive

in January and February will be more than, they are now, but slightly less than anticipated. The amount for January and February will be $28.52 for each child. However, two months later and continuing until the end of the usual income tax period they will receive a non-taxable Child Tax Credit which will be much larger than anticipated and far greater than last year's amount.

In other words, I think it is fair to say that, with the exception of the months of January and February when families will be missing $1.40 per child on each of their Family Allowance cheque, their Child Tax Credit cheques will be greater in the months of March, April or May.

There is another group that will not be affected by this Bill. They are the children who fall within the jurisdiction of welfare agencies, Government Departments or institutions. They are the children who fall under the category we call Special Allowances. These special allowances are paid on behalf of children under the age of 18 who are maintained by the agencies I have mentioned.

Since we have been very careful and have had the proper tools to protect not only the low income families but the middle income families as well, the savings from this restraint measure are relatively modest. They represent $70 million over two years. This could be explained by the fact that there will be a reduction in Family Allowances of $320 million over the two-year period; however, there will be an additional cost to make up for the loss which the Child Tax Credit will cost the Treasury, amounting to $250 million.

• (1530)

It seems to me that through this Bill we are clearly asking those families who can afford it to make some sacrifices, and not for the purpose of saving money. I want to insist that it has nothing to do with saving money, which was often stated as being the purpose of the Bill touching on the old age pension because of the Government deficit and all the rest. Rather, it is to bring about economic recovery and growth which will directly benefit all families far more by protecting them against the ravages, the erosion of their budgets simply as a result of high inflation. This is the purpose of the Bill.

I have been here for days and have listened to horror stories which told of the results if Family Allowances were capped in the same way as were old age pensions for those who did not need the supplement. I think I will hear all sorts of arguments from Hon. Members opposite. They will make a long shopping list of everything that is wrong, to their way of thinking, in the child benefit system in Canada, or of any unmet need or problem that they recognize concerning families and children.

[*Translation*]

I know, because this is what happened during the debate on the bill to cap indexation of Old Age Security benefits of people who do not need the supplement. I am also aware that some Hon. Members will rise and have the nerve to say that by capping indexation of family allowances for families who are well off, and I am not referring to middle-income families but wealthy people, we are undermining the principle of universality. Hon. Members in both opposition parties said this when we were applying the same procedure to the pensions of individuals who do not need the supplement. It is quite clear, however, and I would like to remind—

[*English*]

—in particular, I would like to remind the leader of the New Democratic Party that, contrary to what he said publicly a few days ago, universality will not be affected at all by Bill C-132, which we are discussing right now. It will cap the indexation for families which are quite relatively well off. To say that Bill C-132 is part of an attempt to change the fundamental nature of family allowance is as ridiculous as saying that the six and five program, applied to increases in, say, the Bell telephone system, is an attempt to get rid of the telephone system. The logic is approximately as brilliant, as far as I can see.

Perhaps Hon. Members opposite think that when we applied the six and five program to ourselves, to our salaries as Members of Parliament, it was done to get rid of the Opposition. Maybe that was a wish expressed by some people in some quarters, but the logic is quite weak. I think everyone will see that it is not a very reasonable attempt to harm the Government, to pretend that the six and five program applied to the Family Allowances of those who do not need it in the first place, those who do not need the special help of the state, means a major change in the program.

[*Translation*]

I think people ought to know that Canada has one of the best child benefit systems in the world and that many countries in this present day and age would not be able to afford the benefits we have been providing for the children of Canada for years. For instance, France, which the Province of Quebec is always so eager to copy, France does not pay any family allowances to families with only one child, no matter what the circumstances are. In addition, the present Government in France is looking at new taxes as a way to cut its expenditures. Details are now being discussed, and there were reports last week in French weeklies including *Le Point, L'Observateur, L'Express* and in the newspaper *Le Monde*. France is now looking into a new tax measure under which families will be paying directly for their own family benefits, and this in addition to the present tax burden on all French families. I am not saying this to critize a foreign country, especially a country like France. In fact, I could say the same thing about West Germany, for instance, which also has family allowances. Just recently, I read that the West German Chancellor announced a proposal that will substantially reduce family allowances, and the worst part is that it will apply to families with more than two children. Belgium has just announced a temporary reduction in its family allowances, and there is a possibility that family allowances for the first child will be dropped. In other words, many countries are having to cope with the same economic difficulties as we are. I think it is very unfair, but I suppose it is to be expected in politics, that the Opposition is

blasting the Government for poor management. Although there may be a difference in degree, the economic situation is pretty much the same in all western countries, and each country is making adjustments according to the ideology of the party in power.

We have decided that people who need help must get it. We have said time and time again that our first priority is to help those whose needs are greatest. I could add another word that could or should be the basis for any future changes in the family allowances program, and it is the word "redistribution". I think everybody knows what this means, but in any case, redistribution means taking from groups that have a lot and then making sure that they do not get anything until those who do not have anything at all have received a fair share. Perhaps I should be a little more specific with respect to family allowances.

[*English*]

When we speak of children and the federal Government, we speak of only one program, Family Allowances. In the recent past, but not for the first time, many rumours have fed a public debate which never took place except among the media or through editorials. However, the public debate which really never took place in our country was with regard to what is called being for or against universality of Family Allowances. I submit that this is not the proper terminology and is not the concept at stake at all. Universality is a problem in medicare. That is where it really applies. However, to my way of thinking as Minister of National Health and Welfare, what really applies, because of our social policies, is the objective of equity and redistribution and caring for those most in need. If we had the appropriate equipment in Parliament, I would be able to give Members a graphic, visual presentation of the three levels of child benefits that flow to families from the Government of Canada at the present time. We would see that the total sum of benefits received by families are not well distributed in terms of equity and redistribution.

• (1540)

Another question is, if it is not suitable, why do we not change it? That is another question which I will address shortly. There are three elements in the system. One is the well-known Family Allowance which is taxable and goes to every child in the country through his or her mother. Another is the Child Tax Credit, of which I must say we are very proud and which was introduced in 1978. It is a mechanism to distribute the benefits only to those with the least income. We could ask ourselves if it is "normal" that it is available up to such high income levels. I will ask that question in a few minutes. However, the concept is surely the best we could have worked out.

[*Translation*]

When it was introduced, the child tax credit went to all families earning less than $18,000, and over and above that amount, the tax credit gradually dropped to zero. However, as a result of indexation, we have reached the point where the child tax credit applies to children in families earning as much as $26,000 or more. That is a lot of money, and as a result, two-thirds of Canadian families are receiving the child tax credit. Low-income families receive the full family allowance, while in other cases, the allowance tends to be less, since it is taxable for other Canadian families. The child tax credit is received in addition to the family allowance. Both low- and middle-income families receive the full child tax credit, which gradually drops down to zero for families who do not need it at all. In addition to all this, and there is a problem here, we have what is called the personal deduction for dependent children, which is part of the income tax system. Either parent, depending on family circumstances, may claim the deduction. I do not remember the exact amount, but I think it is fairly high. I cannot find it in my notes, but I think it is substantial, and if I remember correctly, the exemption is at least $600 per child, or about that amount . . . $670 per child on the next tax return, I am told by my colleague from Kingston and the Islands (Miss MacDonald) and I thank her for this information. A tax exemption is the opposite of a tax credit. With a tax credit, the less you earn, the more you get, and with the tax exemption, the more you earn, the more you benefit, and this means that practically speaking, mothers with a family income of less than $10,000 never even see this money. The tax credit concept, a relatively modern one in the taxation system, was introduced about ten years ago and is gaining acceptance, although there is considerable resistance among fiscal experts. Thus, the child tax credit is extremely important because with it we have introduced an entirely new element in the fiscal system, a measure that is judged to be very significant in redistributing wealth and removing some of the social injustice in our society.

This is also the mechanism we will need one day to establish and deliver a guaranteed annual income. Speaking about the child tax credit, there are two matters about which I would like to say something. These changes may be an improvement, and this is what I want to ask. We also have to consider whether such a decision would be appropriate at this time when Canadians are very worried about the economy, when they need to tighten the family budget and to know where they are going. This is not an easy question to answer. The other change which I think might be an improvement has to do with the child tax credit and a double scale of benefits. The first thing we have to ask ourselves is whether or not it is right in our society that families with an income over $26,000 receive the full child tax credit. I do not ask this question because I think there is something wrong in making $26,000 or $27,000 a year. Quite the opposite, I am very happy for those who do and the more there are, the happier I will be, because it means that our society as a whole is richer. This has to be mentioned because it is important. I ask the question because of something I said in my speech on old age pensions and which, to my knowledge, was not picked up by any Member of the Opposition. Obviously, no federal or provincial Minister of Health and Welfare in this country or in other Western countries will

be able in the next few years to get more money from the Consolidated Revenue Fund, in other words, from the taxpayers' money to add to his or her programs. This is what I am trying to explain.

The hundreds of millions of dollars which I used to obtain for this purpose no longer exist. We shall have to rely increasingly on a method which I have used myself. I do not recall how the votes divided, but I presume—my colleagues will correct me if I am wrong—that it was with the agreement of whole House that the bill creating the child tax credit was passed late in the Fall of 1978. You may remember that everyone supported the bill, at least I think so. Everyone voted. I am not sure how the Progressive Conservatives voted, but I shall check on it and I hope for their sake that they had enough common sense to vote for it. I am sure that they would support it today, but I do not remember what they did at the time. I presume they supported the bill. With regard to the financing of the child tax credit Hon. Members will remember that I had to withdraw a special exemption of about $50 for each child and that I was also forced to limit family allowances that same year. We considered it better to make the redistribution within the child benefit structure than to delude ourselves that we could find hundreds of millions of dollars elsewhere. At the time, as Hon. Members will recall, I had to agree with the indexing of the ceiling for families eligible to the full child tax credit. The ceiling was $18,000. I left it at $18,000 because each year it would allow a greater redistribution to poorer families. However, since politics is the art of the possible, this amount was indexed and it is now over $26,000, which means that two thirds of all Canadian mothers receive the child tax credit. I now ask this question and I ask it in earnest: Is this what we want? Because among those receiving the child tax credit many are over the poverty line. I have asked the other question to various groups who represent what we call small wage-earners and people on welfare.

[*English*]

As the Child Tax Credit is now such a large amount, mothers may tell us that it would be better for them to receive it more than once a year, possibly three or four times a year, or one day each month, because of the need in the family budget.

I resisted that, against much advice from professionals in the field when the Child Tax Credit was created because I thought, and mothers confirmed to me, that a large amount distributed once a year is precisely something for which low income families can never budget properly. It goes either for bicycles for the children, a washing machine or something else that is needed in the family.

• (1550)

Now that the amount is double what it was three years ago, it is worth asking the question. I asked the Anti-Poverty Organization to look into that problem and advise me accordingly.

I have repeatedly touched upon what I believe could be improvements in the child benefit system. I again stress there is no point in dreaming about hundreds of millions or billions of dollars, which only God knows where to find, to add to the budgets of these statutory programs. Instead, in the future we will have to look to improvements from within. The Family Allowance costs Canadians about $2.2 billion, of which close to half a billion dollars comes back through income taxes. The value of the Child Tax Credit is close to $1 billion in benefits. The Child Tax Exemption would be around $800 million.

[*Translation*]

Having said that, Mr. Speaker, I simply want to repeat that the universality or indexation of family allowances will not be affected. We are not doing away with indexation, we are keeping it for everybody. It is only being capped for all families that are relatively well-off, which means in fact only one third of all Canadian mothers. I should not have to apologize for this, because both the rich and the poor in our society are affected, the families in which a son, a brother, a husband or a wife may have lost his or her job due to the hard times, a main cause of which is the fact that the shopping dollar of every family is being eroded by inflation. What is better then for the people? To feed inflation and keep it at the 12 or 13 per cent level with full indexation or to take the bull by the horns and attack inflation head-on? Of course, it is to attack inflation, and anyone involved in public administration is aware of the need for psychological persuasion and a general mobilization, if inflation is to be wrestled to the ground. And this general mobilization, we in Canada have decided to achieve it through the six and five program. These figures, of course, have been chosen arbitrarily, but they should make it possible for us to cut the 12 and 10 per cent inflation rates by half and bring them down to 6 and 5 per cent. These are our objectives, and in order to achieve them, we are asking all those responsible for various areas in our society to follow suit.

That is why I am asking—and I make no excuse for it—all Hon. Members, including those in the Opposition, to join forces with us to vote in favour of Bill C-132, with the assurance that both Quebec and Alberta are prepared to amend their legislation accordingly, since Family Allowances Act of Alberta is different from ours. This type of co-operation between governments—I insist on this, because it is important—reflects a common effort to bring about an economic society in which inflation is under control.

[*English*]

Hon. Flora MacDonald (Kingston and the Islands): Mr. Speaker, I listened with care to the comments the Minister made in opening the debate on this Bill. One statement she made was that she anticipated that Opposition Members would make a shopping list of everything they think is wrong. I have to tell the Minister that if we were to prepare a shopping list of everything we think is wrong with what the present Government is doing, we would be sitting here for days on end. She would really have to move to impose closure, because

there is no end to what is wrong with what this Government is doing.

I also say to her that it is not only Members of the Opposition who are making shopping lists of what this Government is doing wrong. Canadians from one end of the country to the other are making similar shopping lists. They are waiting for the opportunity to present them to the Government when it gets around to calling a general election. Then they will show this Government what it is doing wrong.

As the Minister said, this Bill is part of a package of three linked together which deal with limiting the indexing of Old Age Security, Family Allowances and superannuated public servants. It is one of three Bills which affects pensions and benefits to children. The Minister spoke about pensions and benefits to children, both in this House and in broadcasts outside this House.

When the first of these three measures was introduced—Bill C-131, which limited the indexing of old age pensions—in her remarks in the House the Minister told the senior citizens of this country that they should be the ones to lead the fight in the battle against inflation. That was her charge to the senior citizens of this country. In the course of that debate and in responding to the Minister, I made the point that what is needed is not a series of ad hoc Bills like this, but a comprehensive reform of our income security systems and our retirement income system. There should be a comprehensive analysis and reform of those systems so they meet the goals they were designed to meet, not only now but in the future.

It is clear to anyone who has looked at the income security system and the retirement income system that at the present time they are not meeting the goals for which they were designed. How can they when in this country over three million people are living below the poverty line? Those security systems are just not working. Much of the assistance is not being targeted to those most in need. In her remarks, the Minister made some reference to that. She said that through the security systems the income is not well distributed. I agree with her. Therefore, I urge her to get on with a comprehensive review of these programs.

• (1600)

But instead of reforming these systems, what does she do? Instead of reforming these systems so they better fulfil their purposes, the Government tries to impose a series of ad hoc measures which, unfortunately, will further distort and complicate those systems. What they will end up with as a result of these three Bills is that the anomalies and inequities presently in the system will be increased rather than diminished.

Having said that, I would like to proceed to the specifics of Bill C-132, an Act to amend the Family Allowances Act, yet another part of the so-called six and five restraint package which was announced in the budget last June. It sets monthly Family Allowance payments at 6 per cent above the 1982 level beginning January 1 of next year, and 5 per cent above the 1983 level, beginning January 1, 1984. Had the normal indexing procedure been followed, and assuming a 10 per cent inflation rate in 1983, then Family Allowances would have been $1.48 per month more in 1983 and $3.05 per month more in 1984 that they would be if this Bill had not been introduced. What that amounts to, Mr. Speaker, is that over the two-year period this Bill will be in effect, mothers will lose $54 per child which they otherwise would have received.

Through this measure, as the Minister has said, the Government expects to save $320 million over the next two years. However, although it is not part of this Bill but was given extensive reference by the Minister in her comments, there is another measure which the former Minister of Finance introduced in his budget last June. That additional measure was that there would be a temporary increase of $50 per child in the refundable Child Tax Credit for the 1982 taxation year. On the one hand we have a program of deindexing Family Allowances, which is supposed to save the Government $320 million. Off-setting that is a temporary Child Tax Credit increase for next year which will cost the Government $250 million. The $50 increase, that one-shot temporary increase, will be available to mothers early in 1983.

These two measures, the deindexing of the Family Allowance which is incorporated in this Bill and the temporary increase in the Child Tax Credit, will mean that all families who qualify for the full Child Tax Credit—that is, those families with incomes below $26,300—will come out $32 per child ahead in 1983, and they will lose a little over $4 per child over the entire two-year period. Families who qualify for a partial Child Tax Credit will lose something between $4 and $54 per child over the two-year period. Those who do not qualify for any Tax Credit will lose the full $54. There will be, of course, a further loss when full indexing resumes in 1985: the base payment will have been permanently lowered.

I do not intend to speak at length on this Bill, but I would like to reiterate one point I made in speaking to the Bill on old age pension indexing just a few days ago, and that is that the Government's six and five restraint program is being applied in a most capricious and inequitable fashion. We have only to compare the treatment which the Government is meting out in the way it addresses the deindexing of old age pensions and the deindexing of Family Allowances to see this. The disparity between the sacrifice being asked of senior citizens and families with children betrays the callousness and lack of thought which went into these Bills.

I spoke of this in the debate on the Bill on old age pensions, which took away the full indexing from the pensions of senior citizens, but it does bear repeating because the cold hard numbers which you associate with it clearly make this point. Assuming a continuing 10 per cent inflation, single old age pensioners with incomes of $9,000 will be asked to sacrifice $290 over the next two years. Not only that, they will continue to sacrifice in 1985 and after because the base for their future pensions will have been permanently lowered. The $290 which they are being asked to sacrifice represents, perhaps, a month's rent which they will have to find from some other source, if they can do so. That is what they are being asked to sacrifice.

What is the Minister asking a family with two children and an income of $26,000 to sacrifice? Under Bill C-132 which we are looking at today and its related budget measures, these families will be asked to sacrifice $8 during the same period. Moreover, the maximum sacrifice any family will be asked to make, no matter how high its income, will be $54 during the period that this Bill is in effect.

What a comparison of the impact of these Bills shows, Mr. Speaker, is that some families with children in Canada will be slightly better off in 1983, assuming the one-year increase in Child Tax Credit. Yet no senior citizen will be any better off than they are now, and this includes the 360,000 who have no income other than Old Age Security and the Guaranteed Income Supplement, because there are no off-setting measures for those at the lowest income levels as there are in the case of families with children. One is given a special benefit, the other is not. In addition, the 1.2 million senior citizens who do not receive the income supplement will be considerably worse off. That is the difference in the way this Government is approaching these two Bills. It simply will not accord the same treatment to the senior citizens of this country that it does to families with children.

I ask the Minister, where is the equity there? How can the Minister justify this disparity? The answer, surely, Mr. Speaker, is that she cannot. In fact, she does not even try. What the Government does is ignore the difference in the way that it is imposing the six and five restraint program. It is pretending that no differences exist. And I may say the Government is becoming quite good at that because it has had lots of practice at that kind of hypocrisy.

The Government claimed earlier this year that it was not reducing its commitment to medicare and post-secondary education. At the same time, its own estimates showed that almost half a billion dollars less was being spent for these purposes, but it chooses to ignore that.

• (1610)

Take another case. The Minister of National Health and Welfare (Miss Bégin) claimed several times recently in this House that negotiations were proceeding with the Provinces on a new Canada health act.

Yesterday, the November 30 issue of the respected trade newspaper, *The Medical Post*, was sent to every Member of Parliament. It quoted several provincial Ministers of Health to the effect that there had been no negotiations on the new Canada health act since last September, and further quoted the federal Minister's own press secretary, Bernard Dozier, as saying: "At the moment there are no actual physical discussions going on between Ottawa and the Provinces".

The point I want to make is that what they say and what they do bear little resemblance to each other. Nowhere was this more evident than in a statement specifically related to this Bill, a comment which the Minister of National Health and Welfare made in an interview on "Canada A.M." on November 4, when she said:

> All social programs, that means in particular pensions and all benefits for children, will remain the way they are.

Miss Bégin: That is true.

Miss MacDonald: The Minister says that that is true. Bill C-131, which deals with pensions, Bill C-132, which deals with Family Allowances, and Bill C-133, which also deals with pensions, are on the Order Paper. What are they doing there if the Minister says that benefits for children and pensions will remain as they are?

Miss Bégin: They will.

Miss MacDonald: The Minister says they will. These Bills cut those programs back. Is anyone really trying to pretend that these three Bills do not affect pensions and benefits for children? Is the Minister really saying that they will have no effect on those programs?

[*Translation*]

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

The Acting Speaker (Mr. Laniel): The Hon. Minister of National Health and Welfare (Miss Bégin) rises on a point of order.

Miss Bégin: Would the Hon. Member accept a question?

[*English*]

Miss MacDonald: When I am through with my speech, certainly I will accept a question from the Minister and I will have her statement right here in order to answer it, Mr. Speaker.

I really want to pose the question to her, after having made that statement, is she really trying to pretend that these Bills do not have any effect on pensions or on Family Allowances? The Bill before us is entitled "an Act to amend the Familly Allowances Act, 1973". Perhaps we are to take the Minister's statement as a pledge that there would be no further changes. Perhaps that is what she wants to explain. The truth is, Mr. Speaker, that the Government is backing out of its obligation—wherever it can conjure up the ghost of a pretext for doing so.

With the enormous deficits we now face, the need for restraint in expenditures is, of course, clear. What is inexcusable, however, is the series of Bills before us with these ill-conceived, ad hoc measures for restraint. These Bills ignore such basic principles—to which I thought the Minister was committed—as contractual obligations, the distinction between essential and non-essential expenditures, and the necessity to graduate the levels of sacrifice required from different income groups. The Bills ignore these principles.

These are the principles this Party has consistently fought for in responding to the Government's restraint program. I would say to the Minister that we will continue to fight for these principles through all stages of this Bill and through all stages of Bill C-131, which deals with old age pensions, and

Bill C-133 which deals with pensions of superannuated civil servants.

The Acting Speaker (Mr. Blaker): Before I recognize the Minister of National Health and Welfare (Miss Bégin), it has been indicated to the Chair the Minister of State for Finance (Mr. Cosgrove) has requested permission to revert to motions.

Some Hon. Members: Agreed.

ROUTINE PROCEEDINGS

[*English*]

WAYS AND MEANS

TABLING OF NOTICE

Hon. Paul J. Cosgrove (Minister of State (Finance)): Mr. Speaker, I should like to draw to the attention of the House that I rose earlier today to table a motion to amend the Income Tax Act. The Table officers have brought it to my attention that the motion should have included the Income Tax Act Application Rules, 1971.

GOVERNMENT ORDERS

[*English*]

FAMILY ALLOWANCES ACT, 1973

MEASURE TO LIMIT INDEXATION

The House resumed consideration of the motion of Miss Bégin that Bill C-132, to amend the Family Allowances Act, 1973, be read the second time and referred to the Standing Committee on Health, Welfare and Social Affairs.

The Acting Speaker (Mr. Blaker): The Hon. Minister of National Health and Welfare (Miss Bégin) had a question.

Miss Bégin: Mr. Speaker, the Hon. Member for Kingston and the Islands (Miss MacDonald) had the courtesy to let me ask a question. I shall do so to try to correct some important misinformation that she gave without permitting me to reply. This is a very simple question and I would like her to answer it.

The measure under discussion is a Bill capping, through six and five, the Family Allowances of those who do not really need them. Were the Bills on pensions not included in the budget at the end of June? The Hon. Member has the date of my broadcast; I do not because I did not know that she would bring this up today. Did I not speak on "Canada A.M." at the end of October or November, in which case I was absolutely right in what I said?

Miss MacDonald: Mr. Speaker, the Minister made the following statement:

All social programs, that means in particular pensions and all benefits for children, will remain the way they are.

Miss Bégin: When? I ask you, When?

Miss MacDonald: The statement was made on November 4. These Bills were introduced and put on the Order Paper at that time, so I ask the Minister how she could make the statement when she had bills on the Order Paper which were going to change the Family Allowance and the old age pension?

Miss Bégin: I am sorry, I am waiting for the answer to my first question. Were these measures not announced clearly in the budget at the end of June? Does the Hon. Member not know what a budget is?

Mrs. Margaret Mitchell (Vancouver East): Mr. Speaker, I rise on behalf of the New Democratic Party to oppose Bill C-132. This Bill, to amend the Family Allowances Program, is another imposition by the Government of six and five restraint. In Bill C-125 last spring, the Government attacked workers with the six and five restraint. Recently we debated Bill C-131, an attack on senior citizens with its restraint on the old age pension. Bill C-132 is an attack on Canada's children, our most important national resource. It is an attack on families who are suffering from the highest unemployment rate in our history. They need every cent of their monthly Family Allowance cheques to pay the extra cost of clothing and feeding their children.

The Bill is also a slap in the face for women. I am sorry that the Minister is not in the House at the moment to listen to this point. The Family Allowance cheque is sometimes the only cheque that many women in Canada receive in their own name. This has great significance, even for mothers in high income families.

Even more harmful from the point of view of this Party—and I did not hear the previous speaker refer to this matter—is the fact that this Bill, following upon Bill C-131 which capped indexing and eroded the universal old age pension, is a deliberate Liberal strategy to erode Canada's universal social security system, in this case Family Allowances.

The Minister denied this but then she quickly said that the purpose of the Bill was to gear the Family Allowance to lower income people. Of course, we are in favour of adequate support for low income people, but we are also in favour of a universal Family Allowance.

• (1620)

I strongly suspect the motives of the Government in this matter. The basic monthly Family Allowance has been a right in Canada since 1945 when, as a result of CCF pressure, it was first introduced in the House. It is not something that can be taken away at the whim of an uncaring Liberal Government or, for that matter, a Tory Government. The federal Government, by reducing the cost of living on Family Allowance

cheques, is signalling that it no longer gives priority to the maintenance of the Family Allowance Program to cover all families in Canada.

The Minister repeatedly denies this, but at the same time her application of this proposal enforces the point I just made. Last June 29, the Minister of National Health and Welfare (Miss Bégin) claimed that the June budget "fully protects the lowest income Canadians and the working poor". Only persons "who are not in need will be asked to share in the serious sacrifices which are required to bring our country out of the economic crisis". We agree with the National Council of Welfare which indicated that the social policy aspects of the June budget would adversely affect thousands of low income Canadians.

Family Allowances until now have been fully indexed, but the budget first, and now as expressed in Bill C-132, will limit indexation to 6 per cent in 1983 and to 5 per cent in 1984. If there had been no budget and no Bill C-132, Family Allowances would have been $358.44 per child in 1983. However, with the budget cutback it will now amount to only $342.24 per year. This reduction means a great deal to many families with children, including middle-income families. Let us not kid ourselves; it is not only low income families who are having trouble these days. Middle income families are suffering from the high cost of living, are being threatened with unemployment and are probably paying off mortgages at exorbitant interest rates. They are hit hard as well. If they have two or three children, of course it is difficult for them to manage.

The Minister stated that she chose to protect the Child Tax Credit which goes to low and middle income families by retaining full indexation to the cost of living. However, she failed to point out that the Child Tax Credit is an annual refund, whereas most families depend upon monthly Family Allowance cheques to cover the costs they face in purchasing clothes and school books and in putting food on the table for their children.

The $26.91 per child is little enough as a Family Allowance to help with the costs of raising children each month. It does not even pay for the cost of a pair of jeans which most children need today, or the expensive runners which they also require. Of course, the price of these items will increase far above 6 per cent during next year. I know many families who do not seem to be known by the Minister that urgently need their Family allowance cheques, not at the end of the month but before the end of the month, to put food on the table. I know many mothers who simply do not have food to feed their families. Their welfare cheques are gone on rent and other costs, and they desperately await their Family Allowance cheques to put food on the table. I am sure there are many people who are working part-time or on unemployment insurance who have the same problem. The Minister does not seem to realize how important this is.

Also I should like to say that even higher income families use the Allowance as an essential part of their monthly income, often as an allowance for teenagers or for educational expenses. With unemployment reaching the highest level in our history, there are many families who normally would not have relied on Family Allowance for basic survival but now really need it just to keep food on the table and clothe their children.

Children are a state responsibility; they are not only the responsibility of individual families. I refer back to the report of the National Agenda for Action in a book called "For Canada's Children", which was a result of a study by the Standing Committee on Health, Welfare and Social Affairs. It was put out by the Canadian Commission for the International Year of the Child. I see the Hon. Member for Laval (Mr. Roy) has left the House. He chaired that Standing Committee. He will recall that the Committee committed itself, and it thought the Government, to some major steps. This is what it said about children:

> Children should be a first priority, but in the structure of the Government of Canada there is no place where they are a primary concern.

The Minister has given several examples of this recently. It continued:

> Children are the responsibility of all levels of Government we elect to represent us. Children are not independent economic entities: they depend on the family for their economic welfare. The normal working of the economy and the economic policies of Government therefore tend to affect the child indirectly through the family.

Also it said:

> Since the quality of life of Canadian families is inextricably linked with the economic decisions made by governments, a concerted effort should be made to ensure that the economic decision making process takes into account the well-being of the family and the child.

Unfortunately, the Government has ignored this sound advice from the Canadian Commission for the International Year of the Child. It has ignored it by not establishing a secretariat for children which the Commission recommended that could have certainly taken a stand on the matter before us today. Also the Government ignored the Commission Report in the development of its program of restraint and, in particular, in drafting the Bill before us.

The Family Allowance cheque traditionally recognizes the importance of children and families in Canada. It is the only means by which pay cheques and Unemployment Insurance cheques are topped up to allow for the cost of feeding and clothing children each month. Under our system a single person receives the same pay cheque as a married man or woman who has several mouths to feed. We have developed as a Canadian tradition, of which most of us are very proud, a way to adjust to additional size and responsibilities of families with the monthly Family Allowance cheque indexed to the increase in cost of living and with tax deductions for dependants.

Of course, the Family Allowance cheque is very important to all families, not only low income ones. Also I should like to say that the cheque is of particular significance to women, as I mentioned earlier. It is usually mothers who are the main parenting persons in the home. They are the persons who receive the Family Allowance cheque. For women who are full-time homemakers, often the Family Allowance cheque is the only one they receive in their own names. Perhaps many

Members sitting in the House do not realize the significance of this, but I ask them to think for a moment about how they would feel if they had worked hard all their lives raising children and looking after a home, with no pay, no benefits, no pension, and were now being faced with a reduction in the one cheque which comes in their own name.

Mr. Kelly: You are being silly.

Mrs. Mitchell: The Hon. Member says that I am being silly. He should hear from some women across Canada as we have, such as those on the Task Force on Older Women who do not think that this is silly at all. It is very basic from the point of view of women.

Some Hon. Members: Hear, hear!

Mrs. Mitchell: The Family Allowance cheque is of particular significance to women. Increasingly in today's world homemakers and mothers who are in the home full-time or during a good part of their lives receive no recognition, and recognition today is usually in the form of remuneration, unlike it might have been in previous generations. About the only thing they get is a card on Mother's Day and the Family Allowance cheque. To reduce the cost of living by discontinuing the indexing of Family Allowance cheques is a slap in the face to the women of Canada and to full-time mothers. The Liberals in effect are telling mothers that they are not important. In other words, mothers are the ones who can be made to pay for inflation in Canada today. They are telling mothers that they can buy second-hand clothes for their kids at lower cost because they are not going to maintain indexing to keep up with the real cost of living. This is what the Liberals are saying to many mothers and families. It is a callous Liberal Government that says that. There are many other ways the Government could have saved money, and indeed brought money into the coffers, other than by taking this means in a period of recession.

• (1630)

In the future, if our economy improves—if it ever does—I would like to see us consider the possibility of increasing the Family Allowance to an amount which more adequately would recognize the parenting role of a mother or a father in the home. An increased allowance, when we can afford this, could help cover the cost of daycare for a working parent or could be a means for full-time homemakers to pay into the Canada Pension Plan in their own names. We will be debating this point when we get around to the Green Paper on pension reform.

Recently I attended hearings of the New Democratic Party Task Force on Older Women. These hearings were held in every province of Canada. A woman in Fredericton proposed that the monthly Family Allowance should be raised to a minimum of $200 per family per month so that women could have the choice to remain in the home to care for family members full time and have some financial recognition, not a full wage, but some recognition for this labour. It could also provide the means for some homemakers to pay into the Canada Pension Plan on their own behalf. For mothers who work it could help to pay for daycare costs. If we believe that children are our greatest resource and that parents should have a choice of how they care for their children, this is indeed a very interesting proposal. One caution in that regard is that we do not want changes which would increase the ghettoizing of women in the home and would further exploit their labour as has traditionally been done in the case of homemakers.

We in this Party believe that we must retain the full Family Allowance, paid monthly, and that a monthly payment is essential for each child. It should increase as soon as the economy can allow for this. In order to finance this universal allowance more equitably, we have a proposal which I did not hear the Minister mention at all, nor did I hear the Hon. Member from the Conservative Party mention it. We propose that the financing of this universal program—and the same thing applies to old age pensions—could be paid for more equitably through a reform in the tax system. The highest income people in society would repay the full amount through a more realistic income tax system. We are opposed absolutely to a means test for Family Allowances for the same reason that we oppose a means test for old age pensions. A means test stigmatizes people. It adds to bureaucratic costs. It is far better to reform the tax system and tax back the allowances from wealthier families while maintaining a universal Family Allowance Program as a right.

Both the old age pension cheques and Family Allowance cheques are not socked away in the bank. The money received from them goes immediately into consumer goods and is recycled within our economy. Indeed, this is a stimulus to small business and certainly helps to maintain jobs. Those allowances are important from an economic point of view as well as a social right.

The NDP stands solidly behind universal social security for Canadians. We fought for adequate pensions, pensions above the poverty line, and we will continue to do so by resisting the imposition of six and five on the basis of the old age pension.

We fought for the right of workers to unemployment insurance and disability coverage. We are proud that we have a Program now. Compare the tragedy we would be in if we were back in the same situation as workers were in the 1930s.

Universal medicare was pioneered by Tommy Douglas in Saskatchewan. Medicare is now available to all Canadians. Finally, in 1945 after considerable pressure from the CCF and the labour movement, universal Family Allowances were initiated. These allowances became taxable in 1973, but their being taxable meant that only a portion of the allowance is returned through our income tax system.

We know that the wealthiest people in society pay no income tax at all. That is where the Minister of National Health and Welfare (Miss Bégin) can get more money for her restraint program instead of taking the money from the backs of children and families.

I repeat, Family Allowances are a right. Family Allowances must not be considered welfare. They must be fully indexed to the real cost of living, not to a six and five reduction in the cost of living beginning next year. Since the Liberals want to target those most in need, why do the Liberals not reform the tax system and have the higher income people pay more and the lower income people receive more? Of course, we are in favour of the Child Tax Credit system. In fact, we would like to see this system expanded to a guaranteed annual income. That is not to say that we should not have a universal Family Allowance Program as we have described it.

The Liberals, through Bill C-132, are signalling to us and to Canadians their willingness to erode the universal Family Allowance system in Canada. The Minister can deny this, but we have quotes from the former Minister of National Health and Welfare who is now the Minister of Finance (Mr. Lalonde). On November 3, 1982, he said:

> The Government may end universality of the family allowance program but will not cut old age security benefits.

According to the article, we find:

> Lalonde said in an interview he disagrees with some of his colleagues who say universal social programs are a basic principle of Liberal philosophy.
>
> And he believes Canadians may be ready to swallow an end to universality of family allowance in which all parents, regardless of income, receive monthly benefits. He thinks they may be ready to accept that such benefits should go to those most in need.

Another sentence from this article reads:

> But he said family allowance is an open issue on which he hopes there will be a cool-headed, rational debate.

When our leader questioned him in the House a few days later, the Minister began to back down and waffle and said that he was not abandoning the principle of universality but he still was going to keep an open mind on this question.

The Minister of National Health and Welfare can say all she likes about retaining universality, but that does not sound like a very permanent commitment to us.

We also know from press reports that the Liberal Government during the summer, and the Cabinet in particular, was considering the whole concept of universality as it affected old age pensions as well. The Liberals, being very pragmatic, did not have the guts to go against the political reality, and when they heard from their supporters, even Liberal Members from right across the country as well as middle-income and higher income people, that they would not tolerate a cut in the Family Allowances, this is when the Liberals backed down. It is not because they believe in the Family Allowance in principle. No, that has never come into the question at all. It is simply political pragmatism, as it is with the Conservatives.

Speaking of Conservatives, I would like to know what their position is on universal social programs. The Hon. Member for Kingston and the Islands (Miss MacDonald) said not a word about this. All she talked about was the ad hocery of programs and the specific amount. She did not once affirm that the Conservative Party believes in universal Family Allowances for Canadians. Indeed, we have information which indicates that when the Tories were in Government very briefly in 1969, they had already begun a process to dismantle the universal Family Allowance Program.

• (1640)

Mr. Lewis: That is a lie.

Mrs. Mitchell: Let us have a statement to the contrary.

Mr. Lewis: You produce it. You made the statement.

Mrs. Mitchell: I would like to hear from the Hon. Member for St. John's West (Mr. Crosbie) the Minister of Finance at that time. What hypocrites both the Tories and the Liberals are. What a shame it is that political expediency is their only reason for retaining the Family Allowance Program at all.

We in the NDP will not tolerate an erosion of the Family Allowance Program in Canada. We do not say this because it will get us votes or it is politically expedient, but we believe that this is a basic principle of a democratic and enlightened society. It is the foundation of our social democratic philosophy. If one examines the practical governments and the practical economic and social achievements in the Scandinavian countries, West Germany and Austria which have had social democratic governments, one will see that it has worked well both from an economic and social viewpoint.

We will not join the Liberals to victimize Canadian children. We insist that there must be a retention of full indexing on Family Allowances. As I said earlier, we believe that Canada's children are our number one resource. They are the responsibility of society as well as a family responsibility. I heard one Conservative Member laughing and making a joke of this remark when I said it earlier.

Mr. Lewis: Which one?

Mrs. Mitchell: Family Allowance is a right. It is not a gift. Its purpose is not simply to give children a nice present so that their parents will vote for the Liberals or the Tories. The Family Allowance is needed to cover the extra cost of having and raising children. Surely in today's world it is needed more than ever.

Our regret is that the payments cannot be higher at this time. We also regret that the Liberals will do nothing to implement a more just tax system to recover some of the costs of that Program from those who need it least.

Let us discuss dollars and cents for a moment and review the Government's spending priorities. The total cost of Family Allowance is approximately $2 billion. The amount that the Government will save by imposing this reduction in the cost of living index under Bill C-132 is approximately $320 million. In view of all the other priorities and areas where cuts could be implemented, I wonder if the Minister believes that she has chosen and supported the proper program to cut. For example, one can consider our obsolete F-18 fighter planes. One plane costs $37 million. We have ordered 138 of them at a total cost of $5.2 billion. Are these airplanes more important than Canada's children and a universally protected Family Allowance Program?

The Hon. Member for Broadview-Greenwood (Ms. McDonald) referred to federal Government advertising programs that cost $60 million when she was talking about old age pensions. This money would pay for the funds the Government is trying to bilk out of the hides of senior citizens under the other Act. We can suggest other examples, such as embassies which are not needed at this time.

The amount which is paid to approximately 3.5 million mothers on behalf of seven million children covers children under the age of 18. We know that our birth rate in Canada is declining and certainly the cost of raising children is a major factor in that decrease.

As I mentioned in the House the other day, the only group in which there is a large increase in the birth rate is among adolescent mothers. This tragedy, which I pointed out in the House, was not responded to in a positive way by the Minister, and it must be recognized by the Government. Since the majority of these adolescent mothers unfortunately keep their children and raise them by themselves, in many cases the Family Allowance is basic to their survival and that of their parents who often take over the responsibility of raising the children.

The Family Allowance Program covers approximately 50 per cent of our population who have children under 18 years of age. I have indicated that it is very important that this allowance be paid on a monthly rather than yearly basis. I was very surprised that the Minister of National Health and Welfare talked about perhaps making changes to the Child Tax Credit so that it be provided two or three times a year. I believe she indicated that she thought this Child Tax Credit was a nice bonus at the end of the year which might allow families to buy a refrigerator or some other item. I wonder where she has been. Has she recently talked to any families on welfare or families who are trying to live on unemployment insurance? Has she talked to any families who are trying to pay off a mortgage? They do not need that money for a new refrigerator. They need to put food on the table, and in many cases toward the end of the month it is very little food.

We feel that the Liberals and the Tories—I would like to hear from Conservative Members if they disagree—would like to establish a means test for most social programs, targeting these programs primarily to families in need. If this is true I would suggest that they are the mean Party. We believe that we must have universal Family Allowances just as we must maintain fully indexed old age pensions. These can be partially paid for by a reform in the tax system. However, there must be an adequate income support system as well. This is where I think the child tax system is justified. We would like to see further steps taken in that direction. It is the beginning of a guaranteed income system, but is presently far below the poverty line.

We do not favour the present punitive welfare system which essentially imposes a means test on Canadians. The welfare system does not provide incentives and, in fact, acts as a disincentive for many people, particularly single mothers, to finding alternatives and working for independence.

The present welfare system does not integrate the administration of national and provincial income support programs. There are many varied programs with different eligibility requirements. Each Department has its own "fraud squad" which attempts to develop ways to deny people's requests. There are many highly paid bureaucrats who administer these programs since they are not integrated. Our Party suggests that there should be a reform of social programs. The whole question of Child Tax Credits and Family Allowances should be an integral part of this review.

The debate on Family Allowances cannot be limited to past and present economic circumstances only. We must retain a fully indexed Family Allowance but we must continue to look at the future. It is important that we consider all our social programs and policies with respect to future trends which, in some ways, are quite frightening for us to consider. In view of revolutionary societal changes which will take place, if they have not already happened, we must be prepared to re-evaluate and redesign the entire Canadian income support system. The micro technology revolution is displacing workers permanently and eliminating obsolete jobs in many sectors of our economy, particularly in the service, sales and clerical sectors which employ so many women. Massive layoffs, which are causing so much suffering at the present time, may prove to be permanent. It is frightening to think of workers in the forest industries, in many other resource industries and in the automotive industry in this country who were on unemployment insurance. They have exhausted their benefits and are now facing the need to apply for welfare. If we do not correct this situation they will remain on welfare. Of course, they lose all their savings and assets before they can apply for welfare benefits. Fully indexed Family Allowances are essential to their survival. However, from a long range point of view, we must do everything we can to create more jobs immediately and to plan for economic recovery, which will create whole new areas of jobs with different time arrangements. However even with the best of plans, one wonders if full employment in the traditional sense will ever be achievable again in Canada. Meanwhile, families will suffer and Family Allowances must be sustained and, hopefully, increased.

• (1650)

It is also urgent that we redesign and update our income support system and integrate the Child Tax Credit so that it will be available in a positive way as a right to supplement part-time wages. Part-time jobs may very well become a permanent way of work for many families in future. Hopefully, with planning, the robots which will come as a result of our technological revolution will be able to increase our gross national product so that we will be able to pay adequate income support supplements to retain families above the poverty line. We also need new kinds of work which are fulfilling and meaningful to society. Unfortunately, time does not allow us to debate futuristic matters further today. However, I would urge that all Parties put this on the agenda for full debate of social policy at a future time.

In closing, I want to summarize again the NDP's position on Bill C-132. We strongly support the continuation of universal family allowances and strongly request that full indexing of these allowances be continued and that they not be restrained by six and five cutbacks. We believe that old age pensions and Family Allowances are now considered by Canadians to be the basic foundation of our Canadian society. There is no doubt about it. They represent an economic stabilizer as well, and certainly will fill an economic need. We believe that we must not retreat from universality or apply a means test which relegates such programs to being welfare benefits rather than as a basic human right.

Therefore, we oppose Bill C-132 which imposes six and five restraints on Family Allowances because it is the first step by the Liberal Government in eroding universal Family Allowances. It asks families, particularly mothers, to pay for Liberal mismanagement of the economy, providing very little financial recovery in exchange for the damage which it may very well cause. It ignores tax reforms and other Government economies which would provide needed income and savings during this time of economic recession.

We will oppose the Bill for the same reasons that we oppose Bill C-131. It is a senseless attack on the basic social security programs. It turns people with children into scapegoats. It increases the value of the income tax tested portion of the program, the child tax system, at the expense of the universal portion, the Family Allowance. It permanently reduces the level of benefits to families at a time when two million Canadians are unemployed, three million Canadians live at poverty levels, and the costs of raising a family are the highest in our history.

Some Hon. Members: Hear, hear!

Mr. Maurice Foster (Algoma): Mr. Speaker, I am glad to have an opportunity this afternoon to speak on Bill C-132. I would like to consider it particularly in the light of the Government's six and five program, a program which has been very well received by the Canadian people. I believe that the Gallup polls, which tested public opinion on the program in September, indicated that some 65 per cent or 67 per cent of the people supported the six and five program. I especially want to mention the legislation here this afternoon relating to Family Allowances in conjuction with the Income Tax Act because upcoming legislative amendments will ensure that low and moderate income families with children are compensated via the Child Tax Credit for the reduced cost of living increases in Family Allowance benefits over the next two years in which this Bill will be in effect. By this action, the Government is demonstrating that it is concerned about family incomes and about families with children.

Indeed, it is fortunate that the Government introduced a refundable Child Tax Credit in 1978. This progressive Program was born of difficult economic times, but not as difficult as those we face in the country today. Therefore, it is only fitting that this vehicle should help many Canadian families with children during the current economic struggle. This program has been tremendously successful in the past and I think the Government should be commended for bringing in the Child Tax Credit in 1978.

Hon. Members may wonder why I am speaking about the Child Tax Credit Program when the legislation before us this afternoon is Bill C-132, the Family Allowances Program. It is true that the increase in the Child Tax Credit will be accomplished through the amendments to the Income Tax Act. However, I very strongly feel that Hon. Members cannot responsibly debate the Family Allowances legislation without considering the corresponding changes which have been made to its close relative, the Child Tax Credit Program. Further, if the two pieces of legislation were examined in isolation, Hon. Members could inadvertantly mislead and, indeed, unnecessarily alarm Canadian mothers in low and moderate income families. I am quite sure that none of the Hon. Members here would not want to do that this afternoon, although I do not really recall the two Hon. Members opposite commenting that, in fact, two-thirds of the families and mothers would, in fact, receive as much or more under the two combined Programs. The Child Tax Credit was introduced into the tax system in 1978 because the Government recognized that not enough financial assistance was being directed to low and middle income families with children, especially when compared with the considerable tax advantage offered by the income tax system to those in the higher income category. The Government knew that the best way to increase assistance on behalf of children was through a re-allocation of resources from within the child benefits sector. This was accomplished, first, by reducing the Family Allowances, effective January, 1979, to $20 per month from the figure at that time, which was $25.68 payable through 1978; second, by phasing out, over a two-year period, the higher child tax exemption for children 16 and 17 years of age, starting with the 1979 taxation year and, finally by eliminating the $50 per child federal tax reduction for 1979 and subsequent taxation years.

When the Child Tax Credit Program first began, the maximum credit available on behalf of each child eligible for the Family Allowance was $200. Families in which the net income of both spouses was $18,000 or less in 1978 qualified for the maximum credit. In the case of a single-parent family, this $18,000 threshold applied only to the parent with custody. Families with incomes above the threshold received progressively smaller benefits as their incomes rose. Maximum benefits were reduced by 5 per cent of the amount by which the families' net incomes exceeded the $18,000 base line.

The Government certainly received some criticism when it introduced the Child Tax Credit Program in 1978. However, many of the doubting Thomases were proved wrong when they said that the Program would never work, that mothers would not obtain the required social insurance numbers and that mothers would not apply for the benefit if they were fortunate enough to hear about the Program at all. As we all know, those fears were unfounded. Not only did Canadian mothers prove the critics wrong, they even surpassed the Government's best expectations. The participation rate for the Child Tax Credit

Program is among the highest for all Government Programs. Because of the Program's great success, it has not proved necessary to make major changes in the Child Tax Credit Program since its introduction.

• (1700)

There was, however, one minor but nonetheless important change in 1981. At that time the legislation was amended so that, effective with the credit program in 1981, payment could be tied to the eligibility for the Family Allowance in January of the year the credit is paid. Originally the credit went to the person who received or was eligible to receive the allowance in December of the preceeding year. This meant that in certain cases where a child went from the custody of one parent to the other in December, the credit was paid to the parent no longer having custody of the child; so obviously this was a good amendment which ensured that the parent having the custody of the child would receive the credit. It also meant that if a child was adopted, or returned to his or her parent from an institution in December, no credit was paid to anyone. As well as this minor change, the maximum amount of the credit and the level of the family income threshold have been increased each year in line with the increases in the cost of living. For instance, in 1980 the maximum credit payable was $238.00 per child for families with a net income below $21,380. In 1981 these amounts rose to $261.00 and $23,470, respectively.

Had the Government not been required to make adjustments to this Program in order to bring inflation under control, the maximum child credit for 1982, that is the credit payable in the spring of 1983, would have been $293.00 per child for families with a net income of $26,330 or lower, in 1982. However, as I said earlier, because of the strategy the Government adopted in the June Budget, the six and five program, the maximum child credit payable in 1983 will be increased by $50. This means that the maximum 1983 credit will be $343.00 per child. The income threshold will remain at the previously announced level of $26,330.

There are really three points in the Child Tax Credit change which I believe the Hon. Members must keep in mind when considering the implications of the Family Allowances legislation that is before us today. First, the $50 increase will be sufficient to make up completely for any loss due to the 6 and 5 per cent ceilings on Family Allowance indexation which the 2.4 million low and moderate income families with children will experience over the next two years. The Government does not expect and will not permit them with their five million children to undergo a loss because of the steps that have had to be taken to facilitate the recovery of the economy.

Second, the $50 increase will be paid in advance of almost the whole period during which indexation of Family Allowances is limited. To elaborate somewhat, the reduced or capped indexation of Family Allowances will first be effective with the January 1983 Family Allowance cheques. But most mothers will receive their 1982 Child Tax Credit, including the $50 increase, by March or April of 1983. This means that most families receiving the credit will obtain total compensation for the limited allowance well in advance of most of the period during which the cap on Family Allowance benefits is in effect. I feel that this is an especially significant and positive feature of the legislation which should not be overlooked. It is no coincidence that the same approach was taken when the original Child Tax Credit legislation was introduced.

I should also point out that the $50 increase in the Child Tax Credit will approximately balance the loss in Family Allowance indexation only if inflation remains at the high rate we have seen during the past year. If the six and five program works in the way in which it is protrayed, the rate of inflation will be lower in 1983 and 1984. This means that in the second year of the six and five program, the effect of the cap on the Family Allowance rate will be minimized. Were this to happen, mothers receiving the Child Tax Credit would be more than compensated through the $50 increase, for the effect of the indexation limit over the two year period.

I want to point out that no cost of living limits have been placed on the Child Tax Credit Program. This means that both the maximum amount of the credit and the income threshold will continue to be fully indexed. Thus, the maximum Child Tax Credit will be increased by the full rise in the cost of living, to arrive at the maximum Child Tax Credit to be paid in 1984. The income threshold of $26,330 will likewise be indexed fully. It is also very important to emphasize that full indexation of Family Allowances will automatically resume in January of 1985.

Obviously, if the increase in the Child Tax Credit is going to compensate mothers in low and moderate income families for the loss they will experience from the limits to be placed on the Family Allowance indexation, then the cost of this increase will also offset any family allowance savings from these groups. Thus, the savings to the Government over the two year period resulting from these program changes will basically come from upper income families who are in a better position to pay for it.

Clearly, it was with the greatest reluctance that the Government chose to place a limit on the amount of the annual increase in family allowances. The 2.4 million mothers receiving family allowances, who also receive the Child Tax Credit, will be fully protected over the next two years. However, the million or so remaining mothers who do not qualify for the credit have been asked to incur a slight loss, along with many other Canadians, so that together we can fight the battle against inflation. This loss will be just under $50 per child over the two years of 1983 and 1984.

The Government could have chosen a much more drastic course of action. It could have done what others have advocated, and slashed Government spending by eliminating whole programs. The Hon. Member for Kingston and the Islands (Miss MacDonald) talked about having these programs fully indexed while the Hon. Conservative Member for St. John's East, on the night of the Budget, when they asked him what he would have cut out, said that he was afraid to tell us because they would never be elected.

Miss MacDonald: The Hon. Member for St. John's East is Mr. McGrath.

Mr. Foster: Well, St. John's West (Mr. Crosbie). It is obvious that we have the full spectrum of the Tory Party there, Mr. Speaker.

We did not take those drastic actions, that others advocated, because it would have taken away the lifeline for Canadians who are dependent on this Program of Family Allowances and the refundable tax credit. I think that the Government should be commended for maintaining the Program in spite of the very difficult economic times that we face.

Mr. Lewis: Which the Liberal policies have produced.

Mr. Foster: Most of us realize that in Canada we have one of the highest standards of living, social security programs and—

Mr. Lewis: What about Sudbury?

Mr. Foster: —and a lifestyle which is much better than many other areas in the world.

Mr. Lewis: Six out of work for every five workers.

Mr. Foster: This Program of maintaining a Child Tax Credit which will benefit those in low and moderate income families and give them more than what they would have received from full indexation, will ensure that they will continue to have the very best social security system during this very difficult time that we will face during the next couple of years.

If we all work together, as the six and five program is designed to promote, we will overcome these difficulties—

Mr. Lewis: How about the Minister of Finance?

Mr. Foster: —while at the same time maintaining one of the best social security systems anywhere in the world and, indeed, a good Family Allowance and Child Tax Credit Programs.

• (1710)

[*Translation*]

Hon. Roch La Salle (Joliette): Mr. Speaker, I have a few comments on this legislation which is specifically concerned with family allowances. I was just listening to the Member for Algoma (Mr. Foster), who was so anxious to inform the House that Canadians were delighted to support the 6 and 5 policy. This policy has a direct connection with the bill before the House today, since it is because of this policy that the Minister of National Health and Welfare (Miss Bégin) has been obliged to introduce amendments. Obviously, if you ask businessmen and manufacturers, they are going to be very tempted to say yes to the 6 and 5 program.

Ask any employer whether there is anything he would rather do than restrict wage increases to 6 and 5. The answer is clear. But I am not convinced that employees are unanimously in favour of the 6 and 5 formula, when they do not know whether the cost of living is going to go up by 10 or 12 or 8 or 9 per cent. I do not think the elderly are particularly in favour of this formula either. So it is certainly not true to claim that Canadians are applauding the 6 and 5 program—in fact it is far from true. There is, of course, a category of people that supports this policy. And there is also more than meets the eye in this program, which was basically supported because of the present economic situation.

Perhaps we should ask ourselves why it is that the House is once more considering legislation that is a direct consequence of the poor administration of the last fifteen and especially the last five years, and of the wrong choices made by this Government. Why was it necessary to impose a policy on Canadians, and I mean impose, because although it was touted as a voluntary measure, I can prove today that it is no longer voluntary. I have been told in so many words that the Government is now requiring the private sector to apply the 6 and 5 plan. I think the voluntary concept has changed quite a bit, in only a few months. Of course, the Member for Algoma, like the Minister, mentioned the excellent social programs we have here in Canada. It is always the same old story, Mr. Speaker. When I listen to the Minister of Agriculture (Mr. Whelan), he tells us that Canada has the best farmers in the world and that our agriculture is healthy, at a time when the Farm Credit Corporation is facing an unprecedented demand for loans. Today, we are being told about our excellent social programs. It is true we have good ones in Canada. It is true that a few years ago, Canada seemed like a good place to live. There is no doubt about that, but that is not the point. We are certainly not challenging the significance of social programs or the need to maintain them, and we are certainly not questioning the family allowances program. We certainly have no intention of doing so. Mr. Speaker, I am sure that my colleague for Rosedale (Mr. Crombie) would readily agree when I say that we acknowledge the merits of family allowances. The amounts of course have been increased through the years keeping pace with the cost of living and other changes. There is no doubt about that. What would happen, for instance, if we did not have our social programs, considering the disaster that we are now facing? It is true that the situation would be quite serious. Thank God that we have our social programs even though they too often give the impression of a kind of prosperity which is absolutely artificial because it is based on millions of dollars spent to some extent for non-productive purposes. I think that it would have been advisable to promote through research and development, an orderly industrial development which would allow us to save huge sums which are now earmarked for social programs. As I said, Mr. Speaker, we feel that our family allowance program is most important. But it is no use worrying the people silly by quoting the Prime Minister's comments. Earlier the NPD Member referred to the statement by the Minister of Finance (Mr. Lalonde). Last summer, as I vividly recall, the Prime Minister himself had stated he was loath to cut into social programs, even though the lack of money made

such savings necessary. I clearly remember the public reaction to his statement. Even the Minister of National Health and Welfare (Miss Bégin), if I am not mistaken, was reluctant to make such cuts. At any rate, the people were really worried. Maybe the intention was to get feedbacks through this particular Minister. When they got it, it took two cabinet meetings for them to decide against slashing social programs.

I would also like to state that I very patiently listened to the Minister of National Health and Welfare winding her way around telling us that the legislation would not make much difference as it involves only as little as $4 to a maximum of $54. What she says boils down to this: We need not object so much, we need not worry. The whole thing amounts to $4, $8 or $54 at the most. But although she stated she was very comfortable in introducing the legislation, I have a feeling she is not so comfortable with Bill C-131, and quite understandably. I, for one, refuse to accept that the Government dump the cost of its mismanagement, the wrong courses it has taken, on the most helpless groups in our society. Today, naturally, no reference was made to the wrong decisions that may have been taken. Simply, they look to the future and say: Well, things are fouling up elsewhere, and so are they in Canada, and the Government, of course, is not to be blamed, everyone else, so to speak is except this administration that has been here for the last 15 years.

The Minister states there will not be much change, but finally had to admit that sacrifices will have to be made by everyone including mothers and children who are not responsible for this Government's wrong decisions and mismanagement. If the Bill really changes nothing, why ask some Canadian mothers and families, in significant number to accept self-denial to pull the country out of its present mess? This country, as the Minister remarked, is in a rut and she wants mothers to make sacrifices which may be minor as far as this legislation is concerned, but which are very heavy in the case of senior citizens. And this Government does not only appeal to senior citizens and mothers, and finally children, to bear the brunt of a situation they did not create, it will force their co-operation willy nilly. So if the Minister is so eager to have mothers join in the national drive for sacrifices, it is because they are bound to lose something. I suggest this is indecent, it is unacceptable that the Minister should call on Canadian mothers to suffer the consequences of a mismanagement they are not responsible for. This is why I object to the principle of making those families, mothers and senior citizens pay for this Government's errors. I believe there is no one in this House so lacking in compassion as to accept with equanimity that helpless innocents be forced to shoulder the problems Canada is now facing. And we are asked, without any hesitation to co-operate with a Government which is leading us into bankruptcy. We are asked to co-operate with a Government which has made but the wrong choices, especially these last few months. How could we be willing to co-operate with a Government which is responsible for Canada's current situation? If only as a matter of principle, I would reply by a firm no if a Minister or the Government were to ask me to support this Government's mismanagement with which we have been forced to live for so many years and for which it is mostly to blame. I do not want to waste the time of this House, Mr. Speaker, but I want to say that when a group has to pay even an insignificant amount—because while it is true, as the Minister said earlier, that the Bill does not represent a major change since it is simply changing four quarters for a dollar, as we say in Quebec, the principle remains the same whether we are speaking about four dollars or $50—when people who are certainly not responsible for this situation are asked to partly assume this responsibility for this Government's mismanagement and these people are certainly in no position to pay, I believe—

Miss Bégin: With $38,000, they cannot pay this?

Mr. La Salle: —even if it is $4, for people with children who earn under $26,000—

Miss Bégin: They cannot pay with an income of $38,000?

Mr. La Salle: The Minister is absolutely certain that they are able to pay. However, one thing is certain, the Canadian people know they will have to pay because the Government has no compassion for those affected by the legislation now under consideration, and I hope that I shall have the opportunity later to speak about Bill C-131 concerning senior citizens, who will certainly be affected. But the Minister has found a formula to shuffle $18 in here, $36 in there, to come up with $50 and say that after all this shuffling, the families involved will not have much to pay. However, the Minister has spoken about a sacrifice, therefore it implicitly means a loss. The Government is dealing severely with people who are not responsible and who should not be left holding the baby. And the Government could not care less who is going to suffer, whether they be mothers, children or senior citizens, all will have to pay for its failure. That is what I had to say, Mr. Speaker, and that is also why I shall vote against this bill, because I feel very strongly that some people who can hardly afford to pay are being squeezed by the Government. The Minister may feel differently, but it is not the first time I have to deal with the Government Members opposite. But the fact is that it is my duty to tell the Government that it is not only damaging the country as a whole, but is directly attacking people who deserve more compassion than they are getting today.

• (1720)

[*English*]

Mr. Howard Crosby (Halifax West): Madam Speaker, let me first consider the basic provisions of Bill C-132, which amends the Family Allowance Act. The purpose and sole reason for this legislative action is the implementation of the Government's infamous six and five restraint policy. We are

being asked to apply this policy to those families who have children under the age of 18 years. In specific terms, the Family Allowance payment, now fixed at $26.91 per month, will be increased to a limit of 6 per cent in 1983 and 5 per cent in 1984. As a result, the absolute limit will be $1.61, for a monthly payment of $28.52. This is slightly more than $19 for the full year.

On the face of this, Mr. Speaker, it may seem to be a very small amount with which we are dealing, but in the aggregate, across the whole of Canada, considering all the families involved, it becomes a very large amount. More important, it is not only its effect in dollars and cents upon Canadian families, but it is a signal that the Government of Canada is sending to lower income families across the nation. The signal is that it is going to reduce inflation at the expense of the ordinary, low-income Canadian, the very people we want to help in this time of recession. The Government of Canada is indeed sending out the signal, "We are going to take money from you in order to improve the economy of the country". We have to ask ourselves, is that what we want to do? Is that the kind of policy we want to support in this Parliament of Canada? We must ask the important question, why is the Government taking this action in the name and under the guise of "restraint"? The answer is quite simple. The Government is attempting to save $115 million in 1983 and $200 million in 1984.

This Government, which grandly proclaimed a policy by which it paid families a monthly stipend to insulate and protect them from the ravages of inflation, is now cancelling its contract with Canadian families. It is now saying, "What we told you since 1945, we are no longer prepared to implement. We are going back on our word to the Canadian people. We are going back on the promises which we made to provide a certain level of income to all Canadian families. We are reassessing the policy, and the reason we have to reassess it is our spending over the past decade has caused a massive deficit, so the first people we are going to cut off is the families of Canada, and next will be the old age citizens".

The Government of Canada has created the problem and now it asks Parliament to assist it to resolve the problem. It wants to cut off the benefits which are going to the people in Canada who are most in need of assistance.

There are 3.6 million Canadian families affected by Family Allowance, and the Minister tells us that only 1.2 million of those families who receive Family Allowances will be adversely affected. The families so adversely affected will be robbed by the Canadian Government to the extent of $17 in 1983 and $30 in 1984, for each child. Is it not a sad state of affairs, Mr. Speaker, when the Canadian Government has reduced the economy and its Treasury to such a point that it has to turn around and say to Canadian families, in addition to old age pensioners, "We now have to take back from you the statutory benefits which we conferred on you many years ago. We now have to take these benefits from you because we have the country in such a financial position that we can no longer carry these benefits"? In other words, the Minister of National Health and Welfare (Miss Bégin) and the Government are making poor Canadians pay for its mismanagement of the financial affairs of this country.

Our difficulty in this Parliament is simply this: we realize and recognize the financial mess in which the Government has put this country, we realize the massive deficit which has built up over the years by the Government has to be dealt with, but at the same time, is this the right and proper way to deal with it? Is it right and proper that we try to save this kind of money by taking from the families of Canada what amounts to a very small portion of the family income, but in aggregate is very large? And this is done in the name of restraint, all in the name of getting the economy back on track, of reducing inflation so that, in turn it will reduce interest rates in Canada.

But what is the net result of this legislative action? The Government of Canada is going to spend $95 million more in this area. It is simply reallocating funds, taking it from one group of Canadians and giving it to another. One wonders how this machination came about. What counsels of Government recommended this change of policy in the case of Family Allowance after almost 35 years of continuous payments? We have to ask ourselves these questions. The Canadian people have to ask the Government, what is it doing? Has it lost control of the financial affairs of Canada to the point where it has to grab money wherever it can and take its chances, regardless of the effect on Canadians?

• (1730)

The Minister of National Health and Welfare has said that the funds will be reallocated and only a small number of the persons involved will be adversely affected because, in the case of families with incomes under $26,330, they will benefit from an increase in the Child Tax Credit. In the result, there will not be any bad effect on Canadian families. We have to ask ourselves this: if the net result is an expenditure of $95 million more in public funds and if, as the Minister proclaimed a moment ago in this House, the net result is that Canadian families will not be in a more difficult position as the result of the change, then why are we making the change? How does this help Canada as a nation? How does it help us come together to resolve our economic problems?

The answer becomes very clear, Mr. Speaker, and it is very unfortunate for the Canadian families directly affected by a tax measure of this kind; it is simply the Government's posture. It is trying to fool the Canadian people. It has said, "We have messed things up for ten years, but now we are going to resolve them. Here is how we are going to resolve them. We are going to cut back on this benefit. We are going to cut out that benefit. We are going to save money here. We are going to put those savings in another place, and all will come out right in the end."

If Canadians had any faith in the Government of Canada under the Prime Minister (Mr. Trudeau), if Canadians had any reason to believe that the Government had the capacity and ability to solve the problems it has created, there might be

reason to support a measure like this. The fact is that Canadians have lost faith in the ability of the Government to resolve the problems that exist in Canada. They are starting to recognize that these kinds of solutions are not solutions, but merely a pretext. They are a public fraud.

The Minister of National Health and Welfare stands up in the House and tries to convince Members and the Canadian people that the Government is doing something right in this case; that by cutting back in this minute way on a small benefit, in talking about amounts like $1.61 per child per family, we are doing something to save the Canadian economy; that by applying the so-called six and five program in this way, some good is going to come about.

I am no economist, Mr. Speaker, but the people of Canada are not qualified as economists either. I do not think anybody really believes that. I do not think there is one person in this country, other than on the Government benches, who really believes that these kinds of measures are going to have any real effect on the economy of Canada. They will simply cause difficulty for those Canadian families who require this money. They will do nothing to advance or change the course of financial transactions or anything else related to the economy.

What we are dealing with, in a sense, is a public fraud. The Government of Canada, under the Prime Minister, has said, "We are going to deal with the problems that we created. We have now a policy that will reduce inflation. That is the great enemy in Canada. If we reduce inflation, we reduce interest rates; if we reduce interest rate, the economy will pick up and create jobs and opportunities for Canadians."

What are we to say to a Government which perpetrates that kind of fraud on the Parliament of Canada and on the people of Canada? How could this measure possibly change the course of the economy in Canada? It is nothing more than the word we are not allowed to use in Parliament but I can use it in another context. It is fraud. It is fraudulent. It is not going to accomplish anything.

What the Government of Canada is doing through the medium of the Minister of National Health and Welfare—whom I could easily believe is once again a dupe in this process because her knowledge in other fields is at such a low level that I can understand how her officials could convince her of the rightness of her course—what the Government is really trying to do is to create the idea and the perception that the Government is moving to solve the problems in the economy but cutting back on social service payments.

That only applies to the Canadian families affected by the cutbacks in family allowance, it applies to the health care system, the educational system and to senior citizens. There is an idea abroad in Canada that we have spent too much of the national resource on social services. There may be some basis for that idea, but what the Government of Canada is not doing is coming to grips with the real problem. It is reassessing its priorities and reassessing its ability as a Government to provide social services. It is dipping in here and there under the guise of an over-all policy called six and five. It is changing this provision and that benefit and so on, to try to pretend to Canadians that it has a plan to solve the problems in Canada.

Let me switch to the economy and say that when there is a deficit in current spending of $26 billion and when that is added to a debt, to bring the total debt for Canada to over $130 billion, it must be recognized that some action has to be taken. There is no way that working Canadians across the country, 10 or 11 million of them in this fiscal year, can incur, as individuals, a further debt of over $1,000. That is the effect of a deficit of $26 billion spread over the work force in Canada.

We realize that something has to be done to stop that. What has to be done is to take effective economic action, not merely taking $100 million away from families through the reduction of the indexing of family allowances.

We are talking about a Government that is losing $500 million in the postal service when we could actually have a postal service that produces revenue. We are talking about a Government that over-spends by $300 million on a program to market dairy products. We are talking about a Government that loses $1 million per week or $52 million per year, on an airport in the Province of Quebec. Yet that same Government comes to the House of Commons saying, "We can accomplish something by cutting back to the extent of $1.61 per month on The Family Allowance."

I defy any Member of the Government to justify that kind of action. I defy any Member of the Government to stand up in this House and say that they agree with that kind of action.

If the Government wants to save $100 million and reduce inflationary pressures through Government spending, I am sure it could find ways, if it used any kind of good sense or imagination to do so, and probably save another $200 million or $300 million, without affecting children, old age pensioners and senior citizens.

It does not want to do that. It wants to create a drama and say, "We are cutting back so hard that we are getting right to senior citizens and children right across Canada. That is how close we are budgeting. That is how fine we are cutting expenditures."

It is a fraud, Mr. Speaker, and I will tell you why. The six and five program hits 500,000 civil servants across Canada. The Government says it will cut salary increases to six and five, but what does it do with Michael Pitfield, the Clerk of the Executive Council? It gives him a 6 per cent increase so that he draws over $100,000. That is not all. It signs a separation contract with him and says, "Mr. Pitfield, when you leave the service of the Government of Canada, you have a pension for life." That is what it does with the public funds. I realize that when you add up the benefits to Mr. Pitfield, they only amount to a quarter of a million dollars. That is all Mr. Pitfield gets out of this Government for the ten or 12 years of service he has given it. It is a pittance. It does not make any difference, I realize that. It is the example. What it is willing to do for Mr. Michael Pitfield is to give him a quarter of a million dollars, but here is what it is willing to do for the children across

Canada. It wants to take $1.61 a month away from the children of Canada. What kind of thinking is that? I say to everybody across Canada that they should not think Mr. Pitfield is the exception. That is the unfortunate part of it. He is the rule of the Government of Canada. How can the Minister of National Health and Welfare stand in the House of Commons to try to justify such an action with the expenditures that she and others who sit in Cabinet have approved? Mr. Pitfield is only one example.

• (1740)

Let us talk about the jets which they just bought for $26 million. They are taking $100 million away from the children of Canada and they are spending $26 million or more than a quarter of that amount on jets. Does anyone in the House of Commons think that that is appropriate action? I ask any Minister whether that is the right and proper thing to do. Is that the way to finance things in Canada? They take $1.61 a month away from every child eligible for Family Allowance and spend a quarter of it on jets. They spend a quarter of a million on Michael Pitfield and on long-term superannuation contracts. They allow the postal service to lose $500 million a year.

I give up with this Government. I can stand in the House of Commons and point out these things, criticize and waste my time. I have statistics here whereby I could project the Government's deficit of $26 billion across the Canadian population and tell each working Canadian what it is costing him or her. I could do all these things, but what is the point? The Government is in control and it will not listen. It will not do anything. It has all the mannequins across the way who stand up when they are told to stand up to justify these policies, and we are left to criticize.

I know this thing has to be brought to an end. But they will not do it. They will take away $1.61 from each child in Canada. They will continue to spend to the extent of a $26 billion deficit. They will continue to give favourite public servants like Michael Pitfield increases, while cutting back on other public servants. They will continue to buy jet aircraft and fly them all over Canada. They will continue to spend $5 million on Canada's birthday and change the name from Dominion Day to Canada Day by mischief in the House of Commons. We will not stop them in the House of Commons, but I say to Government Members that we are putting it all down and I hope the people of Canada listen. I hope they are putting it all down, because the day of reckoning will come. When that day comes, even though the Minister of National Health and Welfare does not have to come out of her safe seat in the Province of Quebec and does not have to worry about a 44,000 vote majority, let me tell her that there are other ways for the people of Canada to get back at that kind of activity. There are other ways for the people of Canada to show the Minister and her whole Government what they think of the way they have governed the affairs of Canada.

I can only say to the people of Canada that they had better start thinking about it now and they had better not be fooled. When the day of reckoning comes, they want to remember things like the $1.61 taken away from the children of Canada. Also they want to remember things like the $26 million spent on jets. They want to remember the $5 million they spent on firecrackers on Canada's birthday. They want to remember all things like Michael Pitfield and his $250,000-plus benefit.

All Hon. Members on this side of the House, and certainly my Progressive Conservative colleagues, will remind them day after day what the Government is doing. It will not get this Bill through the House and passed without it being recorded and registered with the people of Canada what the Government is doing and why it is doing it. We will go on and on from this day forward.

Let me address the following remark to the Minister of National Health and Welfare. I have never had the chance to address her in the House. The Minister does not understand the situation in Canada. She stands up in the House of Commons and pretends to understand the problems in the health care field. What will she do to solve the problems in the health care field? She is going to get rid of the physicians of Canada. She is going to clamp down on physicians and make things more difficult for them, and they will want to move to the United States of America and other places. That is how she will control and improve health services, and this is what she will do with social services. She will stomp on anyone who gets out of line, because she and her Government are in control. I like them to do as much of that as they can because they are hurting the people of Canada, and the people of Canada are finally realizing how the Government is hurting them and how the Government has stooped to the level of taking away $1.61 per month from our children. They are taking it away to finance this nonsensical purchase of jets, nonsensical contracts with senior public servants like Michael Pitfield and a variety of unnecessary purposes.

Our job—and I am sure my colleagues share this view with me—is to point these out continually. We will not let them get away with that stuff. The people of Canada now realize, as we get into the economic crisis, the mistakes they have made. They cannot cover them up with some phony six and five program. They cannot pretend that they are being very careful with the income and assets of the Canadian Government—the property of the Canadian people—simply because they are cutting back on essential benefits and services like health care, Family Allowances and old age pensions.

This is what we are reduced to in the House. Perhaps we are pointing out the obvious, but I think Canadians will forgive us if, after all these years of Liberal rule and all the fraud they have committed on the Canadian public, we are not taking any chances this time.

We have another Bill before the House about Old Age Assistance. Let us remember the election campaign when they promised $35 a month to senior citizens. They said, "Look, this is what we think about senior citizens, those deprived persons in Canada—we will provide them with this benefit of $35". Then they turn around in the House of Commons and come up with Bill C-131 to reduce that benefit. I could refer to a long list of Government promises, but I do not have that

much time. I could only summarize it by saying that we in this Party are fed up with the fraud practised by the Government of Canada on the people of Canada. We realize that they can, for a period of time, fool the people of Canada. We realize that that is what they are trying to do with the Bill before the House, where they take away $100 million from one set of children and pretend to give a benefit to another set of children, with a net increased expenditure to the federal Treasury of $95 million. And they call that restraint to fool those people in Canada who realize that they have over-spent and that there must be restraint!

I think one thing is becoming clear. Canadians are fed up with this kind of fraud. They recognize it, they realize what it is, and all the rhetoric, explanations and statistics from the Government side will not bail them out of this situation. When the Minister of National Health and Welfare rises again in the House to defend the little people in Canada and to say how the Government of Canada will protect them, I hope she remembers the $1.61 which she has taken away from the children of Canada. Let us remember that, let us talk about that. I hope she remembers about the physicians whom she is driving out of medical practice when she talks about improving medical care. It gets that personal; it has to get that personal. When we are dealing with fraud, we have to charge persons with fraud and convict them of fraud. That is what I am doing here today. I am charging the Minister of National Health and Welfare with fraud, and I have the evidence here to convict her.

Some Hon. Members: Hear, hear!

Mr. Jim Schroder (Parliamentary Secretary to Minister of National Health and Welfare): Mr. Speaker, after hearing the last speaker I think of a United Way slogan which I hesitate to steal, but it goes something like, "Because of you it is working". I believe that today we are seeing the essence of frustration in the Opposition. Opposition Members realize that the six and five program is working, that we will reduce inflation and that there is nothing they can do to stop it. What they are doing is using various kinds of subterfuge and spurious arguments to try to make it sound as if it is not working. I think they will fail in this process, because I do not believe Canadians buy it.

It is interesting to listen to Opposition Members because they talk as if they had Canadians in their pockets. I want to make it clear to them that I do not share that view; I do not think they have.

• (1750)

I know it is popular to be critical. After all, I think the job of the Opposition Members is to be objectively critical and to try to make sure that the right questions are asked and they get the right kind of answers. But what are they doing in this debate? Opposition Members are attacking this Bill with shotguns in their hands as though it were a target, firing off in all directions. Opposition Members are not really talking about the Bill and what it is all about. They are talking about us taking things away when really what we are doing is giving something away.

The purpose of this Bill in a package and in the context of the six and five argument is to change the inflationary expectations and therefore to reduce inflation. It is not to save money or to change the system. Opposition Members are trying to suggest that we are trying to save a lot of money. They are saying, "Look at the pittance you are taking".

Miss MacDonald: That is what the Minister of Finance said.

Mr. Schroder: We hear Opposition Members saying this will not save that much money and it really will not accomplish very much. It really will not do much to the deficit. But we are concerned about the fact that we want to reduce inflation. When we reduce inflation, then we make the indexing more realistic. What is the use of having an 11.5 per cent indexation if inflation takes all of it or more? Is it not better to have a program such as we have, which tries to reduce inflation, reducing indexation to 6 per cent so that we will end up with a very little, if any, loss in pension because we are stabilizing things? That is what the big complaint is about. What people want to know is why you cannot do something about stabilizing the situation. We are trying to do that with this Program.

Last evening I spoke in the debate. I said that none of these programs are in isolation. One cannot look at the deindexation of these programs in isolation. I said last night that if reducing Old Age Security payments were in isolation, none of us could support doing that. We probably could not support this Bill if it were in isolation, but when it is part of a package, which is designed not only to reduce inflation but also to accomplish what reducing inflation does, which is to promote economic recovery, we can. Without this economic recovery or economic growth, there will be even greater pressure in the future on these social programs so that we must work toward reducing inflation, generating economic recovery which in turn will help us to generate more jobs and complete the circle of restoring economic growth.

You would think, from the speeches we have heard, that this Bill is an attack on universality. I have already explained to you, Mr. Speaker, and to Members that this method of six and five or deindexing is not an attempt to change the system. The system is still there. We are saying to people that they will still get an increase but the increases are being reduced slightly, ever so slightly. But the system is still there. The system is still working. What we are attempting to do is to increase the real value of what people will get by reducing inflation. Therefore, I come back to my argument that because this is working, this is why we are getting attacked from all directions in the form of spurious arguments about what is happening instead of hearing concentrated arguments on the Bill.

The Hon. Member for Vancouver East (Mrs. Mitchell), probably inadvertently, referred to this Bill as if it were a mother's pension, and the pension was the mother's. I would

draw to her attention that Family Allowances are payable to all children under the age of 18.

However, I am pleased to speak on behalf of Bill C-132 which extends the six and five program to Family Allowances. In other words, this Bill is another part of the package. Despite its brevity, a scant 17 lines, if I recall correctly, this Bill is an important part of the Government's economic recovery program. I have to emphasize that over and over again. I would like to focus my own remarks on the economic rationale behind this measure for this Bill represents much more than a short-term cost-cutting exercise. It is part of a carefully balanced economic strategy and it is a good illustration that sound economics and sound social policy can work together.

We have heard many lectures on the economy and certain kinds of economics, but this is a good illustration of how sound economics and sound social programs can work together.

The Minister of National Health and Welfare has explained that the Bill is simple enough. The monthly Family Allowance will only be allowed to increase by a maximum of 6 per cent in 1983 and 5 per cent in 1984. After that, full indexation to the consumer price index will resume.

Mr. Gass: You are talking out the Bill.

Mr. Schroder: This is an illustration again that we are not disturbing the system. The system is still there.

Mr. Gass: Question.

Mr. Schroder: The scale of the Family Allowance Program best explains the importance of this measure.

Family Allowances are paid monthly to 3.6 million families on behalf of 6.7 million children under the age of 18. Payments during the 1981-1982 fiscal year total led just over $2 billion. This is clearly a Program of such magnitude that it could not be ignored in any effort to restrain over-all Government expenditures. Goodness knows, we have heard enough about Government expenditures and that we should be doing something about controlling Government expenditures. Here we have a program which involves $2 billion a year, and we are attempting in a way to include this in our six and five program which is an attempt to establish economic recovery. Yet we are being criticized, and we hear said that it is not very much and we should not bother with it. Well, $2 billion is a lot of money.

Clearly a program of such magnitude cannot be ignored. The effect of Bill C-132 will be to generate savings of some $265 million over the two-year period, but that is not really that important. What is important is its effect on reducing inflation.

Mr. Taylor: You are filibustering your own Bill.

The Acting Speaker (Mr. Corbin): Order, please.

[*Translation*]

Order, please! It now being six o'clock, the House stands adjourned until tomorrow at two o'clock, pursuant to Standing Order 2(1).

At 6 p.m., the House adjourned, without question put, pursuant to Standing Order.

HOUSE OF COMMONS

Thursday, December 2, 1982

The House met at 2 p.m.

• (1405)

MOTIONS UNDER S.O. 43

[*English*]

GOVERNMENT EXPENDITURES

COST OF DAVEY-JOYAL REPORT ON RESTRAINT PROGRAM

Mr. Lorne Greenaway (Cariboo-Chilcotin): Madam Speaker, I rise to move a motion under the provisions of Standing Order 43. Yesterday all Members of the House of Commons received a two-and-a-half-inch-thick binder containing a report by Senator Keith Davey and the Secretary of State (Mr. Joyal) on the supposed success of the six and five program. The Economic Council has just stated that the apparent success of the six and five program is, in fact, due to market forces, and not to the efforts of the Government's expensive advertising campaign. Therefore I move, seconded by the Hon. Member for Red Deer (Mr. Towers):

That the Liberal Party reimburse the taxpayers of Canada for the cost of this report, and the cost of all six and five propaganda, on the grounds that it is misleading advertising.

Madam Speaker: Is there unanimous consent for this motion?

Some Hon. Members: Agreed.

Some Hon. Members: No.

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TRADE

CALL FOR HALT TO RESTRICTIONS

Mr. Dave Nickerson (Western Arctic): Madam Speaker, I rise to move a motion under the provisions of Standing Order 43. Noting the failure of the recent GATT talks in Geneva to arrest the destructive wave of protectionism which could well result in contractions in world trade reminiscent of the depression years of the 1930s, I move, seconded by the Hon. Member for Bow River (Mr. Taylor):

That this House calls upon the Governments of Canada and the other nations of the world to pursue policies designed to encourage and maximize world trade and to cease erecting unnecessary barriers to international commerce.

Madam Speaker: Is there unanimous consent for this motion?

Some Hon. Members: Agreed.

Some Hon. Members: No.

* * *

SHIPBUILDING

GOVERNMENT POLICY

Mr. Ray Skelly (Comox-Powell River): Madam Speaker, I rise to move a motion under the provisions of Standing Order 43. Whereas the Government promised to implement a Canadian marine industrial strategy by autumn, 1980, and we are still waiting for that policy announcement; whereas during the previous two years over $1 billion in Canadian shipbuilding orders have been awarded to offshore competitors because Canada lacks an effective marine industrial strategy; whereas we are losing tens of thousands of jobs and billions of dollars in industrial spin-off benefits because of the Government's continued inaction; and whereas the Canadian shipbuilding industry is facing its worst recession in a decade, I move, seconded by the Hon. Member for Vancouver-Kingsway (Mr. Waddell):

That the Minister of Industry and Regional Economic Expansion immediately bring forward the Government's long promised shipbuilding policy, or make a statement in this House of Commons as to why the Government refuses to produce a shipbuilding policy and a policy to develop a Canadian merchant fleet.

Madam Speaker: Is there unanimous consent for this motion?

Some Hon. Members: Agreed.

Some Hon. Members: No.

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FINANCE

PURCHASES OF ART—ELIGIBILITY FOR CAPITAL COST ALLOWANCES

Mr. John Bosley (Don Valley West): Madam Speaker, I rise under the provisions of Standing Order 43. The November, 1981, budget, despite any slight modifications since that time, has seriously interfered with the sale of art work in Canada. The removal of the work of non-living artists from capital cost allowance eligibility has had devastating effects on purchases of art work including that of the living artists the changes were to help. I move, therefore, seconded by the Hon. Member for St. Catharines (Mr. Reid):

That the Minister of Finance announce reversal number 45 to the effect that capital cost allowances will again be allowed for the purchase of all art works.

S.O. 43

Madam Speaker: Is there unanimous consent for this motion?

Some Hon. Members: Agreed.

Some Hon. Members: No.

* * *

CANADA POST CORPORATION

COMPENSATION FOR LOSSES CAUSED TO PATRONS

Mr. S. J. Korchinski (Mackenzie): Madam Speaker, I rise under the provisions of Standing Order 43 on a matter of urgent and, I am tempted to say, depressing business. Since the Canadian public has repeatedly received mail, much of which includes accounts which fall due on certain dates, since the mail often arrives late rendering it impossible to make payment by mail and have it arrive at the account office in time to avoid credit charges being added, and whereas Canada Post would like to remain as the sole agency for delivering mail in Canada without any guarantee of service, I move, seconded by the Hon. Member for Fraser Valley East (Mr. Patterson):

That Canada Post establish a permanent fund so that patrons who have charges or other related expenses as a result of slow delivery may have recourse to recovery.

Madam Speaker: Is there unanimous consent for this motion?

Some Hon. Members: Agreed.

Some Hon. Members: No.

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MUNICIPAL AFFAIRS

PERMISSION TO ISSUE TAX-FREE BONDS

Mr. Bill Yurko (Edmonton East): Madam Speaker, I rise under the provisions of Standing Order 43 on a matter of urgent and pressing necessity. The federal Government has not carried out its grandiose plan to provide low-cost mortgages for home buyers through a special tax-free investment fund. Nevertheless the same objective can be partially achieved by permitting municipalities across the nation to issue tax-free bonds for capital construction of utility systems as well as servicing residential subdivisions. Therefore I move, seconded by the Hon. Member for Lethbridge-Foothills (Mr. Thacker):

That the Government bring forth legislation immediately to permit municipalities to issue tax-free bonds, to raise capital for needed municipal capital works projects, and thus generate jobs. Such a policy would use tomorrow's potential federal tax dollars to create jobs today.

Madam Speaker: Is there unanimous consent for this motion?

Some Hon. Members: Agreed.

Some Hon. Members: No.

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• (1410)

UNEMPLOYMENT INSURANCE

DEMAND FOR EXTENSION OF BENEFITS

Mr. Ian Deans (Hamilton Mountain): Madam Speaker, I wish to raise a matter which is both urgent and critical. There are tens of thousands of unemployed workers all across the country who will be running out of UIC benefits within the next few weeks. In Hamilton alone, between December 6 and December 20 of this year, in excess of 3,000 workers will cease to qualify for unemployment insurance benefits. I therefore move, seconded by the Hon. Member for Beaches (Mr. Young):

That this House demand that the Government extend UIC benefits to those whose claims are exhausted and to those who through no fault of their own, are now required or will be required to apply for welfare.

Madam Speaker: Is there unanimous consent for this motion?

Some Hon. Members: Agreed.

Some Hon. Members: No.

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METRIC CONVERSION

CALLER TO OTTAWA RADIO PROGRAM

Mr. Gordon Towers (Red Deer): Madam Speaker, I rise under Standing Order 43 with regard to a very grave matter. On November 24 I appeared on a two-hour open line radio program about forced metric conversion on station CJSB, Ottawa. One caller who identified himself as Bob was, I am informed by a "brown envelope" source, actually a senior media relations officer of the Metric Commission who was phoning in under an assumed name, when his real name is Peter McCulloch. Therefore I move, seconded by the Hon. Member for Central Nova (Mr. MacKay):

That since the forced metric conversion program was introduced by stealth and it would appear now that its paid minions are still practising stealth to carry out a dubious mandate, this House condemns deceit, duplicity, misrepresentation and impersonation used by a public servant who holds a position of public trust, and that the Metric Commission apologize to CJSB and its listeners for this arrogant and shameful act of public mischief.

Madam Speaker: Is there unanimous consent for this motion?

Some Hon. Members: Agreed.

Some Hon. Members: No.

POLITICAL PARTIES

ALLEGED AMWAY SUPPORT FOR PROGRESSIVE CONSERVATIVE PARTY

Mr. Jesse P. Flis (Parkdale-High Park): Madam Speaker, I also rise under the provisions of Standing Order 43 on a matter of urgent and pressing necessity. In view of the fact that Amway Corporation is facing charges of defrauding Canadian customs of $28 million, in view of the fact that Amway has been instrumental in getting a number of Members of the Progressive Conservative Party elected, and considering the fact that the Official Opposition is pressing the Government to reduce the national deficit, I move, seconded by the Hon. Member for Lambton-Middlesex (Mr. Ferguson):

That the Progressive Conservative Party, because of its flirtatious activities with Amway, pay the $28 million that Amway owes to Revenue Canada.

Some Hon. Members: Oh, oh!

* * *

THE PRIME MINISTER

Mr. Blaine A. Thacker (Lethbridge-Foothills): Madam Speaker, whereas our beloved Prime Minister will soon leave Canada for another sovereign sojourn abroad, I move, seconded by the Hon. Member for Bow River (Mr. Taylor):

That the Prime Minister's personal valet be asked to remind the Prime Minister each morning that over 20 per cent of our young Canadians are unemployed as a result of his Liberal Government's policies which have so effectively destroyed business climate during his reign.

Madam Speaker: It is getting worse and worse!

* * *

LABOUR CONDITIONS

PROGRAM SUGGESTED TO ATTACK UNEMPLOYMENT

Mr. Vince Dantzer (Okanagan North): Madam Speaker, every month, every day, and in fact every hour, this House and the country hear of factories closing, businesses going broke and people being put out of work. Even the Minister of Finance admits that we are facing a tragic situation with regard to unemployment. Therefore I move, seconded by the Hon. Member for Red Deer (Mr. Towers):

That the Prime Minister for the first time in this session do as he has promised, take federal dollars and put in place a national program to rebuild our communities, restore our infrastructure and renew our industrial strength in order that we may at least begin to attack what can only be described as a horrendous problem of unemployment.

Madam Speaker: Is there unanimous consent for this motion?

Some Hon. Members: Agreed.

Some Hon. Members: No.

AUTOMOTIVE INDUSTRY

IMPORTATION OF JAPANESE MANUFACTURED VEHICLES

Mr. Neil Young (Beaches): Madam Speaker, I too rise on a matter of urgent and pressing necessity. Considering that despite two years of controls on Japanese cars imported into Canada, their share of our sales market has risen from 22 per cent to 30 per cent, and considering that the Minister of Industry, Trade and Commerce has been unable to negotiate reductions in the importation of Japanese vehicles for 1983, I move, seconded by the Hon. Member for Hamilton Mountain (Mr. Deans):

• (1415)

That this House direct the Minister to introduce measures immediately to ensure that Japanese automotive imports be limited to 15 per cent of our market.

Madam Speaker: Is there unanimous consent for this motion?

Some Hon. Members: Agreed.

Some Hon. Members: No.

ORAL QUESTION PERIOD

[*English*]

FINANCE

EFFECT OF BUDGET PROVISIONS ON PRIVATE SECTOR

Mr. Don Blenkarn (Mississauga South): Madam Speaker, my question is directed to the Minister of Finance. The Minister has gone around this country since October 27 and he has said everywhere that we would be relying on the dynamism and the creativity of the private sector in the creation of growth. Yesterday the Minister tabled the third set of Ways and Means motions since the November 12 budget. Except for minor alterations in those Ways and Means motions, the anti-productivity and anti-creative stance of the budget of November 12 still stands in place. How does the Minister expect Canadians and business to have confidence when he says, on the one hand, that the dynamism and creativity of the private sector is to be the engine of growth while, on the other hand, he files motions and conducts tax policy which is exactly the opposite?

Some Hon. Members: Hear, hear!

Hon. Marc Lalonde (Minister of Finance): Madam Speaker, I would like the Hon. Member to read carefully the Ways and Means motion which was tabled yesterday. I refer him to the numerous adjustments I announced in my October 27 statement which imply several hundreds of millions of dollars of relief in taxation to the workers of this country and to the small business community and the business community at large. He will realize that the measures and changes I have

announced will be of significant help to the business community and the investment community as well as to the workers of the country.

I also want to refer the Hon. Member to statements which have been made by spokesmen for the business community since my statement of October 27. These statements indicate that the changes I have proposed are positive steps which will help recreate greater confidence and encourage more investment. Therefore I invite him to rely on the words coming from the business community itself with regard to this matter.

MANUFACTURING SOFT COSTS

Mr. Don Blenkarn (Mississauga South): Madam Speaker, the Minister knows perfectly well that the business community was counting on him to be a Minister who would reverse some of those terrible provisions. After he gave his statement on October 27 he indicated that he might do something with respect to soft costs which are incurred when a manufacturer extends his plant or makes alterations or additions to his plant, thus creating new productivity and new jobs. The Ways and Means motion filed yesterday does nothing with respect to the soft costs issue here. The Minister knows it is a serious matter. If we want to have advancement and growth, we must have some assistance for business. The Minister has done nothing. When will he come clean?

Hon. Marc Lalonde (Minister of Finance): Madam Speaker, I came clean on this subject several weeks ago. I refer the Hon. Member to a press release which was reported in the newspapers of this country, a copy of which he has received, in which I indicated that changes had been made with regard to MURBs and to soft costs. These changes were announced a few weeks ago and also appear in the Ways and Means motion and will find themselves in the Income Tax Act which I hope to introduce next week.

Following those changes, the Hon. Member can refer to press statements attributed to developers who have indicated that the changes I announced will likely stimulate some $400 million to $500 million of additional investment in the construction industry during the course of next year. I think that is a very positive development. I invite the Hon. Member to refer to that press release and to the press reports on that particular subject.

Mr. Blenkarn: Madam Speaker, I would ask the Minister to refer to his own Ways and Means motion. With respect to soft costs, it does nothing for someone increasing or expanding his plant.

REQUEST FOR CHANGES IN BUSINESS TAX PROVISIONS

Mr. Don Blenkarn (Mississauga South): The Minister knows there was testimony before the Standing Committee with respect to capital cost allowances. He knows that there are all sorts of innovative machinery that must be purchased, in the automotive and electronic industries particularly. Why does he continue with this half capital cost bankrupt theory of November 12? Why did he not change the capital cost jurisdiction to make sure at least that those in high tech situations, those who must improve productivity to be competitive in the world, could take advantage of a fast write-off for their plant and equipment?

• (1420)

Hon. Marc Lalonde (Minister of Finance): Madam Speaker, I am sure that my hon. friend will be able to point out a number of provisions that I have not changed. Indeed I have indicated that it was not my intention to agree to all representations that were made asking for a tax break or tax relief right, left and centre.

The Government has to be responsible, and the Minister of Finance has to carry out his duties in a responsible way. I have agreed, as I said, to a large number of changes which I felt were appropriate in the current circumstances.

As far as the capital costs allowances are concerned, I examined this question very carefully and very thoroughly. I compared it with the situation in the United States, and in other countries which are in competition with us. Over all, our regime of capital cost allowances with the provisions that are contained in the Ways and Means motions, compares quite favourably with the regime that is available in other countries. I think this is good enough in the current circumstances.

REQUEST THAT MINISTER TAKE ACTION

Mr. Don Blenkarn (Mississauga South): Madam Speaker, the Minister says that the capital cost allowance system is satisfactory, but he knows that business profits this year from manufacturing retailing, et cetera are less than 50 per cent of a year ago, and a year ago they were terrible.

Why does the Minister carry on with this horrendous penalty against business and at the same time expect business to supply the jobs we need for our young people? Why does he continue with this foolish attitude expressed in last year's Budget, an attitude based on statistics that were totally out of date at that time and are now horrendously out of date? Why does he continue to penalize industry and business? Can he not do something to make his protestations around the country seem at least honest?

[*Translation*]

Hon. Marc Lalonde (Minister of Finance): Madam Speaker, the Hon. Member is referring to a specific provision in the Ways and Means Motion that was tabled in the House. It is true that corporate profits were down considerably during the past year. I said that it was a matter of concern for all Canadians, for myself and for this Government. However, the changes suggested by the Hon. Member will not solve the problem. What is needed is a solution that will stimulate our entire economy, and with it, the demand for goods produced by our manufacturers. The general drop in profits in our economy is a result of the present slowdown in the international economy,

and that situation is not going to be changed very much if we make minor adjustments here and there. In fact, even if I did take the Hon. Member's advice, meaning that corporate taxes would be removed entirely, even if I did, there would still be a drop in profits. In the circumstances, I think the suggestion made by the Hon. Member is irresponsible.

[*English*]

INCOME AVERAGING ANNUITY CONTRACTS

Hon. Don Mazankowski (Vegreville): Madam Speaker, my question, too, is directed to the Minister of Finance. I am sure the Minister of Finance has received many representations concerning the iniquitous treatment of I.A.A.C.s and the capital gains reserves, which is still a remnant of the MacEachen November Budget. Is the Minister prepared to consider any changes to the provisions governing the income averaging annuity contracts and, if not, why is he not prepared to entertain changes.

Hon. Marc Lalonde (Minister of Finance): Madam Speaker, my officials and I have examined those issues very carefully. I have examined the representations that were made before the Joint Parliamentary Committee and also the report of the committee. I indicated in my statement in October that there were a number of adjustments that I was ready to make in the current circumstances. I have come to the conclusion that these particular provisions contained in the Ways and Means motion are the right ones in the present circumstances.

• (1425)

I would argue that the various provisions contained in the Ways and Means motion have been the subject of discussion and debate for well over a year. It is high time that Parliament came to a resolution of these issues. I will be very happy to debate those provisions when we come to the consideration of these issues, either in Committee of the Whole or the Standing Committee, if it is decided to refer it there. However, I would advise my hon. friend that the provisions that I have put forward are those which I arrived at as being the most fair in the current circumstances, taking everything into account.

ROLE OF PRIVATE SECTOR

Hon. Don Mazankowski (Vegreville): Madam Speaker, my supplementary is also directed to the Minister of Finance. Since these provisions place a burdensome upfront tax, particularly on small businesses and farmers who in some cases are forced to borrow to pay their upfront taxes, and since this also has the effect of increasing the level of taxation by as much as 25 per cent, how does the Minister square his current position with his statement that he is going to rely upon the private sector and individual initiative, as well as the creativity of the individuals within the private sector, to generate the kind of wealth and confidence that are needed?

Hon. Marc Lalonde (Minister of Finance): Madam Speaker, as well as trying to generate the required wealth and the incentive, we as parliamentarians have a requirement to try to have a reasonably fair tax regime. In the circumstances one has to bear in mind whether there are exceptional advantages given to limited groups of individuals compared to others.

As I said, a large number of changes have been made to take into account representations that have been received by the parliamentary Committee and by myself as Minister of Finance. I believe the current changes go a long way to accommodate the strongest points that have been put forward, but there are other issues and points on which we must proceed as has been proposed, or with some slight amendment.

I remind my hon. friend that, with regard to small business, I have made several changes to accommodate and help small business, such as putting the 12.5 per cent dividend tax only on future dividends and not on past dividends, not elevating the taxation on health and dental care plans, and not proceeding at this time with the wholesale tax. All these provisions will be of great help to small business.

* * *

LABOUR CONDITIONS

ANNOUNCEMENT OF LAY-OFFS AT BOWATER PLANT IN NEWFOUNDLAND

Mr. Rod Murphy (Churchill): Madam Speaker, my question is directed to the Minister of Finance. Yesterday we learned that 750 people in Corner Brook will be losing their jobs as a result of the partial closure of the Bowater plant. Considering that this closure will have a significant effect on the economy of that Province, is the Government willing to investigate charges made by people in the Province that, through its other operations around the world, Bowater is dumping paper products on the world market, and that it has refused to modernize the plant in Corner Brook over the last 30 years?

Hon. Marc Lalonde (Minister of Finance): Madam Speaker, I will take notice of the suggestion made by the Hon. Member and examine whether it would be appropriate to have an investigation made of this situation. Indeed, if there are elements of evidence that could justify such an investigation, I will certainly discuss it with my colleagues.

ELECTION PROMISE

Mr. Rod Murphy (Churchill): Madam Speaker, I thank the Minister for the answer he has given. However, I remind him and the House that, in the 1980 election, the Liberal Party as part of its platform announced, and I quote:

> Liberals will expand and strengthen the Foreign Investment Review Agency to include a periodic review of all firms ... to assess the performance of those companies.

The Mayor of Corner Brook said that they have been told for years that the company had been making money. Will the Government admit now that its failure to act on its own election promise has resulted in lay-offs occurring without us knowing whether or not they are necessary? Will the Minister

also tell us whether or not the Government is ready to introduce legislation as it promised in 1980, before any other lay-offs occur in this country?

• (1430)

Hon. Marc Lalonde (Minister of Finance): The answer to the first question, Madam Speaker, is absolutely no. The answer to the second question, I believe, has been answered by the previous Minister of Finance in his budgetary statement last November or last June.

* * *

INDUSTRY

PLACEMENT OF SACKVILLE, N.B. FIRM IN RECEIVERSHIP

Mr. Lyle S. Kristiansen (Kootenay West): Madam Speaker, my question on the matter of employment is directed to the Minister of Public Works, who is also responsible for New Brunswick's affairs in Cabinet. The Minister recently received representations from Tantramar MLA Bob Hall, and other local New Brunswick leaders, regarding the imminent placing into receivership of Sackville's largest commercial employer, Enterprise Foundry Co. Limited, a 110-year old locally owned company with 200 employees. In view of the fact that the company was placed into receivership at noon today, will the Minister tell us why there has not been a response to the request of the company president to call him back and discuss ways and means of saving or restructuring the company's position? Second, what have the Minister and the Government done, or are prepared to do now, to assist in preserving these 200 jobs and removing the Royal Bank's bolt from the door?

Hon. Roméo LeBlanc (Minister of Public Works): Madam Speaker, I need your guidance as to whether we are answering questions on a regional basis or on a departmental basis. But, certainly, I did not wait for the Hon. Member's new MLA in New Brunswick to try to do something on this issue. However, I believe the question belongs to my colleague, the Minister of Trade.

* * *

MINES AND MINING

ANNOUNCED CLOSURE OF PINE POINT MINES IN NORTHWEST TERRITORIES

Mr. Dave Nickerson (Western Arctic): Madam Speaker, my question is directed either to the Minister of State for Mines or the Minister of Indian Affairs and Northern Development, whichever considers himself best qualified to answer. However, both of these Ministers should be aware of the latest disaster to hit the Canadian mining industry, that is, the announced closure of Pine Point Mines, which is the biggest private employer in the Northwest Territories. Hundreds of people will be affected by the lay-offs. What is the Government planning to do to help those people who will be affected by the closure?

Hon. John C. Munro (Minister of Indian Affairs and Northern Development): Madam Speaker, many of the programs of my colleague, the Minister of Employment and Immigration, are available, and I am sure this has been communicated to the employment people, to say nothing about the very significant programs announced by my colleague, the Minister of Finance, here a few weeks ago in terms of the NEED Program which will be available sometime in early January or February.

I might also indicate, Madam Speaker, there are other places in the Territories where there is virtually a boom economy and many job offers are open to employees. I am referring, particularly, to Norman Wells, which project this Government, in a very far-sighted way, announced about a year ago. I am told they are advertising for employees right now to go to Norman Wells. Perhaps some of the employees there will still find job opportunities in the Territories.

Mr. Nickerson: I thank the Hon. Minister for that announcement regarding Norman Wells, but I do not know if that is really going to help the miners in Pine Point too much, immediately.

REQUEST THAT MINISTER INTERVENE

Mr. Dave Nickerson (Western Arctic): My supplementary question, Madam Speaker, is in two parts. First, could the Minister give us his assurance that he is prepared to meet personally with officials of the steelworkers' union, and officials of Cominco, to see if anything can be worked out to help prevent lay-offs and, hopefully, to prevent closure? Second, could he undertake to review the rates charged by Crown Corporations such as NCPC and the Canadian National Railway? Could he review those rates to see whether a reduction in those rates might mean that the mine would not have to close and lay off both mine workers and railway workers?

Hon. John C. Munro (Minister of Indian Affairs and Northern Development): Madam Speaker, my answer to the Hon. Member's first question is, yes, of course, I would be more than happy to meet with Cominco and the steelworkers anytime they desire, to see whatever can be done by my own Department, of the Departments on my colleagues, which would be of real assistance in this situation, because it is an unfortunate one. My answer to the Hon. Member's second question regarding NCPC rates is, yes, we can check to see if some action on the part of NCPC might alleviate the situation, and I will get back to the Hon. Member on that.

LABOUR CONDITIONS

ANNOUNCED LAY-OFFS BY BOWATER CORPORATION IN NEWFOUNDLAND

Hon. John C. Crosbie (St. John's West): My question, Madam Speaker, is directed to the Minister of State for Economic Development, and is with regard to the West Coast of Newfoundland. The Bowater mill announced yesterday they were shutting down No. 7 machine, which will result in a permanent loss of 746 jobs. The company stated they do not expect things to improve until 1985. The plant will have to close for eight weeks in the first quarter of 1983, in any event.

I point out to the Minister that the unemployment rate in Newfoundland is 19.2 per cent, and in the West Coast area 10,000 people are out of work out of a work force of 51,000, a rate of 20.3 per cent before this shut down happens. It is a devastating blow to the City of Corner Brook. Given this situation, will the Minister and his Department of the Government initiate steps immediately to see what can be done to persuade or to assist Bowater to change that situation? If the situation cannot be changed, are there other Government programs or projects which could be put in place on the West Coast of Newfoundland? Newfoundland, economically, is a wasteland from one end to the other, and the seriousness of this situation now on the West Coast cannot be exaggerated.

Hon. Donald J. Johnston (Minister of State for Economic Development and Minister of State for Science and Technology): Madam Speaker, we are all very concerned with the situation described by the Hon. Member. The matters which have been raised will certainly be taken up by the Economic Development Committee of Cabinet. I am sure that my colleague in Industry, Trade and Commerce and my colleague in Employment and Immigration are already seized of the problem and undoubtedly will have recommendations to bring forward to their colleagues.

REQUEST FOR MINISTERIAL ACTION

Hon. John C. Crosbie (St. John's West): Madam Speaker, this is not a problem which can be solved by the Minister responsible for employment. The unemployment insurance payments in Newfoundland this year are going to be doubled. The amount is simply fantastic and staggering. These are people who have had permanent jobs since the 1930s in this mill in Corner Brook.

Someone is talking to the Minister. I would like assurance that he can hear me. What action can the Government take, apart altogether from the normal processes, to assist western Newfoundland? Can the Minister hear me? One of the Liberal Members is harassing the Minister.

In addition, Madam Speaker, is the Minister taking action in connection with the closure of the Burin fish plant on the south coast of Newfoundland, and the tragedy that hangs over that industry? Is the Minister going to take action on the Kirby Task Force to do something to save the fishing industry as well? We have two disasters, at least, at the moment in Newfoundland.

Hon. Ed Lumley (Minister of Industry, Trade and Commerce and Minister of Regional Economic Expansion): Madam Speaker, contrary to what the Hon. Member stated, the Government of Canada has been a little bit in advance with respect to Bowater. As a matter of fact, in July of this year, after discussion with Bowater, we signed a DREE contract for over $14 million in an effort to ensure that Bowater would be competitive, assuming the international markets would turn around, to provide jobs for the people in that particular area.

With respect to Corner Brook, perhaps the Hon. Member would be willing to talk to his political colleague, the Premier of the Province, concerning the possibility of locating the Fisheries College in Corner Brook. We made representations that we would like to have the Fisheries College located in a community outside of St. John's, such as Corner Brook, and the Premier of the Province insisted that it be in St. John's.

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TRADE

UNITED STATES SUBSIDIZATION OF WHEAT EXPORTS

Mr. Lorne Nystrom (Yorkton-Melville): Madam Speaker, in the absence of the Minister of State for International Trade, my question is for the Deputy Prime Minister. I am sure he will understand the question because of his role at the recent GATT ministerial conference in Geneva. Last month the United States announced the Blended Credit Program, which is a new program for subsidizing the exportation of wheat from that country. It is worth about $1.5 billion over the next three years, and is in contradiction to the position which they took at GATT.

• (1440)

Has the Government or the Prime Minister petitioned the United States asking them to withdraw that very destructive program? If they have, and the answer is no, can he assure us there will be a similar program for Canadian farmers so we do not lose our world markets?

Hon. Allan J. MacEachen (Deputy Prime Minister and Secretary of State for External Affairs): Madam Speaker, as the Hon. Member knows, all these particular problems were discussed at the recent GATT ministerial meeting. One of the problems not solved was the question of ceasing subsidies. It was the most difficult part of the conference. But there is a work program established to deal with trade in agricultural products over the next year or so, and it is hoped that out of that some common effort will be made to deal with the problem the Hon. Member has mentioned.

Oral Questions

NEW EMPLOYMENT EXPANSION AND DEVELOPMENT PROGRAM

SIGNING OF AGREEMENT WITH SASKATCHEWAN

Mr. Simon de Jong (Regina East): Madam Speaker, I note that the Province of Saskatchewan and the federal Government have signed an agreement under the NEED Program, and I congratulate the two Governments for taking action in establishing a job creation program in Saskatchewan. However, there are some basic and valid concerns by workers in Regina, and in Saskatchewan generally, where they are afraid that many of the jobs to be created are jobs now being done by organized workers, and that the salaries provided under the NEED Program will be half of what they are getting now. They are afraid that the NEED Program is just another instrument to be used to reduce the people's standard of living. Can the Minister of Employment and Immigration give us any assurance that the jobs created under this Program are not jobs now being done by organized workers?

Hon. Lloyd Axworthy (Minister of Employment and Immigration): Madam Speaker, I would be very pleased to give the Hon. Member that assurance. The guidelines of the agreement we signed with Saskatchewan enunciate, first, that the group of people eligible for employment under the Program are those who have exhausted unemployment insurance benefits. Secondly, the work projects are incremental to work now going on, not replacement of existing work. Thirdly, there is the opportunity to top up the basic $200 average wage we are putting forward. Municipalities or other organizations have the opportunity to go beyond that to a higher wage level if it is in their interest to do it. We have absolutely no interest in trying to replace those on the job; rather it is to provide additional work for those who have exhausted UIC benefits and who want to go back to work rather than simply go on welfare.

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NATIONAL PARKS

BANFF LAND EXCHANGE—REQUEST FOR COMMITTEE INVESTIGATION

Mr. Gordon Taylor (Bow River): Madam Speaker, in the absence of the Right Hon. Prime Minister I will direct my question to the Deputy Prime Minister. Referring to the post-employment conflict of interest guidelines which demand that former Ministers not be involved in commercial operations connected with their former portfolios for two years, and given that the hon. Judd Buchanan was involved in a land deal in Banff involving Lot 17, on September 17, 1980, and Lot 23-2 on August 25, 1980, and given that Mr. Buchanan was President of the Treasury Board from November 24 to June 3, 1979, will the Government now freeze this project and order a complete investigation of this matter by a parliamentary committee?

Hon. Allan J. MacEachen (Deputy Prime Minister and Secretary of State for External Affairs): Madam Speaker, I do not see any reason to freeze this project on the basis of what the Hon. Member has said.

Mr. Taylor: Madam Speaker, most Governments would investigate before they came to that conclusion.

ROLE OF TREASURY BOARD

Mr. Gordon Taylor (Bow River): Madam Speaker, my second question is directed to the Hon. Minister of the Environment. Treasury Board refused to approve the land exchange in Banff in December, 1981. Why was the land exchange executed in November, 1982, not referred to Treasury Board?

Hon. John Roberts (Minister of the Environment): Madam Speaker, I have already answered that question in the House, perhaps in the absence of the Hon. Member. It is because there were substantial changes negotiated as a result of the view which Treasury Board took of the transaction. Those changes were so substantial that Parks Canada officials were satisfied that it was in the interests of Parks Canada and the town of Banff to proceed with the new arrangement, which was entirely within their power to do.

REASONS FOR NOT CONSULTING TREASURY BOARD ON SECOND TRANSACTION

Right Hon. Joe Clark (Leader of the Opposition): Madam Speaker, the Minister of the Environment has missed the point. The first transaction required Treasury Board approval. Treasury Board refused the first transaction. It was not given the opportunity to refuse the second transaction. Why was Treasury Board not called upon to judge the second transaction after it had been called upon and refused to accept the first transaction?

Hon. John Roberts (Minister of the Environment): No, Madam Speaker, the hon. gentleman is mistaken. Treasury Board approval for the first project was not required, but given the disparity in the values of the land exchanged, the Parks Canada officials decided to seek the opinion of Treasury Board, which they did.

Mr. Nielsen: Exactly.

Mr. Roberts: Treasury Board gave that opinion. The officials then went back, as I have already indicated, and negotiated a substantially different arrangement. On that substantially different arrangement Parks Canada officials did not feel a need to consult Treasury Board again. They were sufficiently confident that they did not feel the need to seek a second opinion.

Mr. Clark: Madam Speaker, what the Minister has said is that, so long as Treasury Board was obedient, Treasury Board would be consulted. But when it became clear that Treasury

Board would not approve a transaction which smacked of patronage, Parks Canada and the Minister declined to put that matter before Treasury Board. That is what the Minister is saying.

Some Hon. Members: Hear, hear!

PROPERTY SELLING PRICE

Right Hon. Joe Clark (Leader of the Opposition): Madam Speaker, since the Minister responsible for Parks Canada has spoken of land values, will he confirm that one of the properties involved had been purchased by Mr. John Gow in 1972 for $25,000, and that eight years later it was sold by Mr. Gow to the company in question for $250,000?

Mr. Benjamin: That is called free enterprise.

Mr. Nielsen: Not in this case.

Hon. John Roberts (Minister of the Environment): Madam Speaker, in reply to the first part of the Hon. Member's question I must repeat—I have made it clear again and again in this House—that there was no intervention on my part to overrule, change or transform recommendations which came from civil servants. So the question of patronage which he continues to cite in his questions is certainly not applicable in this situation.

As to the second part of his question, the details and financial arrangements which took place in relation to the property before Parks Canada entered into the situation, I am in no position to respond.

Mr. Clark: Madam Speaker, the Minister may claim he is in no position to repond, but he has a duty to be in a position to respond to questions which may very well involve serious patronage and which may very well involve the Government of Canada approving projects which should not be approved.

ASSESSED VALUE OF PROPERTIES SOLD TO DEVELOPMENT COMPANY

Right Hon. Joe Clark (Leader of the Opposition): Madam Speaker, will the Minister undertake to find out the assessed value of each of the pieces of property involved in the transaction, the price paid for those properties when they were purchased by individuals who subsequently transferred them to the company involved, the Buchanan-Gow Company, and all other information which relates to the value of the properties, so that the House of Commons will be in a position to judge that information? Will he table that information in the House of Commons so that all the people can see it, rather than taking the Minister's word that the Minister did nothing wrong?

Hon. John Roberts (Minister of the Environment): Madam Speaker, the Hon. Member continues to use and repeat the word "patronage". He has been specifically and repeatedly challenged to come forward with any concrete allegation which is verifiable and which he is prepared to support. He has continually refused to do that.

As to access to documentation, I am quite prepared to present to the House and to individuals any documentation which would be available under access to information legislation. If he wants other specific information let him table a question on the—

Some Hon. Members: Oh, oh!

Mr. Roberts: —Order Paper and we will provide whatever specific information which he wishes to have to which he is entitled.

Mr. Taylor: What are you afraid of?

* * *

UNEMPLOYMENT INSURANCE

PLIGHT OF PERSONS EXHAUSTING BENEFITS—REQUEST FOR AID TO MUNICIPALITIES

Mr. Nelson A. Riis (Kamloops-Shuswap): Madam Speaker, my question is for the Minister of Finance and has to do with the increasing number of Canadians who find themselves no longer eligible for UIC benefits and who are, for a variety of reasons, not eligible for welfare as well—those people who fall into the cracks between social service programs. In some places this has now reached crisis proportions. The City of Kamloops is one of those places which has been forced to open up a food bank and emergency guidance centre, and just in the last two days the mayor has had to assemble a special crisis committee to deal with this increasing problem.

Would the Minister consider establishing a special fund to assist particularly hard pressed municipalities with this special problem? Failing that, would he reconsider his decision not to extend UIC benefits for an extended period of time? If it is the source of money about which he is concerned—and I am sure it is—would he consider restoring the tax that was cut for upper-income Canadians in the previous budget?

• (1450)

Hon. Marc Lalonde (Minister of Finance): Madam Speaker, the Hon. Minister of Employment and Immigration has pursued negotiations with the Provinces pursuant to the decision to set up a special $500 million program to create jobs for those people who will see their unemployment insurance benefits expire. He has had discussions with a number of Provinces. I am happy that the Government of Saskatchewan has agreed to co-operate and add funds to those of the federal Government, and that the Government of Ontario has agreed to add another $100 million. These provincial Governments are setting a good example which could and should be followed by the other provincial Governments under whose responsibility come the municipalities.

I remind the Hon. Member that the Provinces waste no opportunity to remind the federal Government that municipalities are their responsibility, not ours, and that anything concerning the municipalities should be under the jurisdiction of provincial Governments.

I think the solution is more through the federal and the provincial Governments working in co-operation, and I hope that through this co-operation we will indeed be able to do as much as can be done for those who see their unemployment insurance benefits expire.

* * *

CORPORATE AFFAIRS

ANNOUNCEMENT OF BANK BRANCH CLOSURES

Mr. David Orlikow (Winnipeg North): Madam Speaker, my supplementary question is directed to the Minister of Consumer and Corporate Affairs. Recently the Bank of Montreal announced that it would close 100 branches across Canada. The Royal Bank announced that it will close a number of branches and cut back on the hours some of its branches are open. This will have a very serious effect upon employment in banks, and an even more serious effect upon the services which banks provide, particularly in one-industry towns such as Wabush, Newfoundland, Duck Lake, Saskatchewan, and Barrière, British Columbia. Will the Minister investigate the serious effects these closures and cutbacks will have on employment in the industry and on the level of service of banks, which is so important to meeting the needs of Canadians? Will he discuss these decisions by the banks with their senior officials?

[*Translation*]

Hon. André Ouellet (Minister of Consumer and Corporate Affairs): Madam Speaker, I am somewhat surprised the question should be directed to me. I shall, of course, look into the matter. I will discuss it with my colleague, the Minister of Finance. As for services being withdrawn from certain communities, I am sure that in this very competitive area, when one bank branch closes, perhaps another bank will open a branch in the same location to provide this service. Otherwise, perhaps the Canada Post Corporation, through its many post offices across Canada, could provide this kind of service to people who have been abandoned by the banks.

* * *

[*English*]

HEALTH

NATIONAL CONFERENCE ON AGING

Mr. Vince Dantzer (Okanagan North): Madam Speaker, my question is directed to the Minister of National Health and Welfare. The Minister will recall that last summer there was a conference on aging in Vienna and that there was a strong Canadian delegation, due no doubt to her efforts. Shortly after the conference reports were circulated that the Minister intended to follow up the conference with an all-Canadian conference on aging. Is there any truth to that statement? Does the Minister plan to call a Canadian conference on aging in the near future, or at all?

Hon. Monique Bégin (Minister of National Health and Welfare): Madam Speaker, I hope the Hon. Member is not my official critic on pension matters, because this was announced officially last September. I could send him copies of the speech which I repeated to more than one audience. The National Conference on Aging, by and with Canadian participation here in this country, to follow up on the international conference last summer in Vienna, will take place in Canada in the month of June.

Mr. Baker (Nepean-Carleton): Withdraw Bill C-131 as the first step.

Mr. Dantzer: I am glad that I am the critic on pensions, but I become very discouraged being that critic.

* * *

PENSIONS

PRODUCTION OF GREEN PAPER

Mr. Vince Dantzer (Okanagan North): Madam Speaker, I have repeatedly asked the Minister when we will have the green paper on pensions. Perhaps she could tell us today precisely when the paper will be released.

Hon. Monique Bégin (Minister of National Health and Welfare): Madam Speaker, it is a great pleasure for me to announce that the green paper on pensions will be released in the second week of December. I am not sure of the exact date of the press conference.

Some Hon. Members: What year?

Miss Bégin: Hon. Members opposite are always mixed up about times. We are not talking about two or three years ago; we are talking about this year, in ten days' time.

Some Hon. Members: Hear, hear!

* * *

ENERGY

PRICE CHARGED FOR UNLEADED GASOLINE

Mr. Tom McMillan (Hillsborough): Madam Speaker, my question is directed to the Minister of the Environment. Senior officials of Environment Canada have charged that the oil companies are overcharging Canadians by as much as 12 or 13 cents a gallon for unleaded gasoline, considering the actual cost of production. The Government of Canada has apparently spent thousands of dollars on studies which have demonstrated, in the words of one of the Minister's officials, "The price difference between leaded and unleaded gasoline is absolutely ridiculous". What action has the Minister of the Environment

recommended to his Cabinet colleagues to deal forthrightly with this price-gouging at the expense of Canadians?

Hon. John Roberts (Minister of the Environment): Madam Speaker, the study to which the Hon. Member refers is one of a series of studies which are being done under the aegis of Environment Canada. The studies have been proceeding now for something like a year to 18 months. As I say, it is one of a series. We expect that the whole series of studies will be completed sometime very early in the new year. When that takes place, my officials and I will try to bring together the conclusions which will be drawn from all those studies and then find some way of consulting with the public in a discussion of their over-all conclusions and findings.

The Hon. Member asks what action we intend to take. I do not intend simply to impose or provide a series of recommendations without further consultation with interested parties, without further consultation with the public. I believe that consultation should take place on the entire set of studies we are conducting, not simply on the basis of one of them.

REQUEST THAT PETRO-CANADA ROLL BACK PRICE

Mr. Tom McMillan (Hillsborough): Madam Speaker, my supplementary question is also directed to the Minister of the Environment. Obviously his officials have drawn their own conclusions about the studies. They are not awaiting any further recommendations or studies by themselves or by anyone else. They have concluded that, without a doubt, there is a price-gouging.

Petro-Canada's prices for unleaded gasoline are apparently, according to the same officials, as exorbitant as those of other oil companies. In light of that fact, will the Government at least instruct its own oil company, Petro-Canada, to roll back the predatory prices it is charging Canadians for unleaded gasoline?

Hon. John Roberts (Minister of the Environment): Madam Speaker, no doubt there are a variety of ways in which this situation can be approached. I would prefer to wait and see the entire base of information that we have as a result of all the studies, before spontaneously acting with one approach in relation to one of them.

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CUSTOMS AND EXCISE

EXCISE TAX PAID BY CANADIAN CANCER SOCIETY

Hon. Walter Baker (Nepean-Carleton): Madam Speaker, my question is directed to the Minister of National Revenue. It concerns the interpretation of the Excise Tax Act which has imposed federal sales tax on the importation and manufacture of publications dealing with the education of the public in the field of cancer, the detection of cancer, and its available cures. This has added a burden of about $100,000 per year onto the Canadian Cancer Society and its volunteers. The Minister has listened to his public servants and has refused to reconsider that decision.

In light of that extra burden on the organization, would the Minister again look at the problem to see whether there could be a remission order issued with respect to the matter? Failing that, would the Minister of National Revenue be prepared to recommend to the Minister of Finance an amendment to the statute which would at least exempt the Canadian Cancer Society from that kind of taxation, so that its volunteers will not be burdened with that extra amount of work? Would he undertake to do that, please?

[*Translation*]

Hon. Pierre Bussières (Minister of National Revenue): Madam Speaker, in his comments the Hon. Member, a former Minister of National Revenue, seemed to be saying that I was blindly obeying—perhaps I am extrapolating somewhat here—my own officials. I would like to inform the Hon. Member that in this particular case, the Minister of National Revenue is complying with an order of Parliament which changed the tariff item for the importation of certain types of publicity material by certain organizations, including the Canadian Cancer Society. After changing the provisions of the Customs Tariff for this particular tariff item, it was necessary to charge sales tax, since, as the Hon. Member will recall, the issue was that imported printed matter should also be subject to sales tax. As Minister of National Revenue, I am applying provisions that were approved by Parliament in 1980, if I remember correctly, and this is a matter of equitable implementation of the Excise Tax Act as passed by this Parliament.

• (1500)

[*English*]

REQUEST FOR CHANGE IN EXCISE TAX ACT

Hon. Walter Baker (Nepean-Carleton): Madam Speaker, I have a supplementary question for the Minister of National Revenue. I asked the Minister to look at the law from the point of view of a remission order. The Minister did not answer that question. I also asked him to consider a change in the law because the volunteers for the Canadian Cancer Society have to collect about an extra $100,000 a year just to pay the tax on those things.

Will the Minister comply with those two requests, given the fact that, whatever Parliament may have said, it was a mistake in terms of the justice and the equity of the case? Will the Minister make a recommendation to the Minister of Finance for the inclusion, in the next budget, of a change in the Excise Tax Act, on the understanding that that particular change, if it were dealt with on its own, would go through this House very quickly?

[*Translation*]

Hon. Pierre Bussières (Minister of National Revenue): Madam Speaker, the Hon. Member is saying that Parliament made a mistake in approving this change in the tariff item

governing the importation of printed matter for certain organizations, including charitable organizations, and thus the Canadian Cancer Society. I am not so sure Parliament made a mistake here, since there was a measure of inequity involved, namely, publicity material printed in Canada was subject to sales tax, while imported publicity material was not, so that the Canadian National Institute for the Blind was paying 9 per cent excise tax on material it had printed in Canada while another organization, the Canadian Cancer Society, was importing its printed material without having to pay the tax, because of the problem with the tariff item. The Hon. Member is asking whether I would be willing to recommend a remission of duty and taxes in this particular case. The Hon. Member should be aware that if we do it in this case, we will have to do the same for all charitable organizations paying excise tax on material printed in Canada. As for recommending to the Minister of Finance that the excise tax should be amended to exempt charitable organizations from payment of excise tax, I am sure that as a former Minister of National Revenue, the Hon. Member will understand that the entire issue must be considered within the broader perspective of assistance to charitable organizations.

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PETITIONS

TABLING OF REPORTS OF CLERK OF PETITIONS

Madam Speaker: I have the honour to inform the House that the Clerk of the House has laid upon the Table reports of the Clerk of Petitions stating that he has examined the petitions presented by Hon. Members on Wednesday, December 1, 1982, and finds that the petitions meet the requirements of the Standing Orders as to form.

* * *

[*English*]

BUSINESS OF THE HOUSE

WEEKLY STATEMENT

Mr. Nielsen: Madam Speaker, I have a few questions for the Government House Leader. Assuming the division bells ring on the termination of the debate under the provisions of Standing Order 75C at approximately eight thirty o'clock, and assuming the vote is completed around nine o'clock, would the Government House Leader inform us what we will be dealing with for the remainder of this day, for tomorrow and as far into next week as he can go?

Mr. Pinard: Yes, Madam Speaker. Later today we will be dealing with the second reading stage of Bill C-132, concerning the Family Allowances Act.

Miss MacDonald: There they go, cutting off the children.

Mr. Pinard: Tomorrow, since we have an agreement, we will call Bill C-132 which will come to a division no later than four o'clock tomorrow afternoon. This is as a result of a meeting among House Leaders this morning and a subsequent one that was held at 1:30 p.m. this afternoon.

[*Translation*]

As far as the business of the House for next week is concerned, we shall proceed with consideration of Bill C-133, at the beginning of next week, to be followed by consideration of Bill C-131. Thursday will be the last opposition day for this supply period.

[*English*]

Mr. Nielsen: Madam Speaker, I do not know how the Government House Leader's reference to the word "agreement" is going to be taken by the Hon. Member for Hamilton Mountain, but I assume that we are of a mind that second reading of Bill C-132 will be completed and the matter referred to committee by the end of the day tomorrow. In the meantime, is the Government House Leader saying that the designated day under the notice given by the Minister of National Health and Welfare yesterday will be Monday? If not, which day next week will be the designated day for the conclusion of second reading of that measure?

Mr. Pinard: Madam Speaker, I just indicated that we will be dealing with Bill C-133 next week, which is a most important and urgent Bill. We will start with that on Monday. The allocated day which the Hon. Member is talking about will follow second reading of Bill C-133, which we hope will get to second reading early in the week. Most likely it will be some time in the middle of next week, probably Wednesday. In any case, I said that the first item of business next week would be Bill C-133.

As we will get second reading of Bill C-132 later tomorrow, then the appropriate committee can deal with Bill C-132, pending second reading of Bill C-131. We are not wasting time; we are being very practical. The last allotted day, as I have just indicated in French, will be next Thursday. All of this is subject to change with reasonable notice.

Mr. Nielsen: Madam Speaker, so that we have it abundantly clear, there is no specified designated day for Bill C-131. We are, therefore, in limbo of a day being designated pending completion of Bill C-133. I believe that is the way to interpret it.

Mr. Deans: Madam Speaker, the House business as put forward by the Government House Leader is as I anticipated it would be. As far as tomorrow is concerned, we recognize the importance of Bill C-132 being given proper and adequate committee study. It is a very important Bill affecting a large number of people and families across this country. We want to have adequate time in committee to deal with it, and because

of that we do think the matter will come to a vote tomorrow for second reading in order that adequate time will be available for the committee to study the matter.

Mr. Pinard: Madam Speaker, I would like to know from the Hon. Member whether he has the same views on Bill C-133. If so, we could send it to committee next Tuesday.

Some Hon. Members: Oh, oh!

Mr. Deans: Madam Speaker, I did not anticipate that I would be asked a question. Could I have it repeated?

Mr. Pinard: Madam Speaker, are the dispositions of the Hon. Member the same in so far as Bill C-133 is concerned, and that after a reasonable length of time the Bill be sent to committee as soon as possible so that witnesses can be heard?

Mr. Deans: Madam Speaker, in response to that specific question, there is no doubt in my mind that after a reasonable length of time that Bill will be disposed of and sent to committee. There is no doubt in my mind that that Bill contains matters that are very detrimental to retired civil servants in this country, and there is also no doubt in my mind that it will be in committee for a prolonged period of time in order that those people's views can be heard.

ROUTINE PROCEEDINGS

[*English*]

PETITIONS

MR. GREENAWAY—PREVENTION FROM PROFITING FROM CRIME

Mr. Lorne Greenaway (Cariboo-Chilcotin): Madam Speaker, it is my duty to present a petition signed by 2,820 citizens of Cariboo-Chilcotin riding in British Columbia. This is by far the largest petition that I have had the honour to present in the House to date.

The purpose of this petition is to express the strong opposition by the citizens of Cariboo-Chilcotin to the publication of any books and the reaping of any financial gain through the sales of any publication by convicted mass murderer Clifford Olson. The nature of the petition is to urge the House of Commons to examine what measures may be taken to prevent Clifford Olson from further profiting from his heinous and repugnant crimes through the publication of a book.

• (1510)

The petitioners hope that, in your examination of the petition, you will find the petition in order and that you will exercise the discretionary powers vested in the office of Speaker of the House to refer this matter to the appropriate committee of the House of Commons for full consideration.

Time Allocation

BUSINESS OF THE HOUSE

ALLOCATION OF TIME TO CONSIDER SECOND READING STAGE OF BILL C-131

Hon. Monique Bégin (Minister of National Health and Welfare) moved:

That, in relation to Bill C-131, an Act to amend the Old Age Security Act (No. 2), one additional sitting day shall be allotted to the consideration of the second reading stage of the Bill; and

That 15 minutes before the expiry of the time provided for Government business on that day, any proceedings before the House shall be interrupted, if required, for the purpose of this Order and, in turn, every question then necessary in order to dispose of that stage of the Bill shall be put forthwith and successively, without further debate or amendment.

She said: Madam Speaker, some Members of the Opposition have asked why we are moving time allocation on Bill C-131. The Opposition has already debated Bill C-131 on second reading for three solid days and evenings. There have been 23 Opposition speakers who have stood up, 17 Conservatives and 6 NDP. Five speakers rose to speak on the Government side.

Up to this time we have heard a clear intent from the Opposition Parties to vote against the Bill and it was publicly said in some quarters of the House that they will even prevent the vote on second reading.

Mr. Baker (Nepean-Carleton): No. Who said that?

Miss Bégin: Have the Opposition been talking to the Bill? If any Members have any new proposal to put forward on this Bill, they will have the chance to do so this afternoon. However, during the entire debate on this Bill we have heard repeated one single speech which was probably prepared by the research bureau of the Conservatives.

Some Hon. Members: Oh, oh!

Miss Bégin: Those Members were speaking of everything under the sun except Bill C-131. What they did say about Bill C-131, I must say, was filled with misinformation and allegations that were wrong and dangerous. Some Members stated emphatically that our legislation would affect universality. The fact is that universality is being maintained. Other Members have said that we are taking money from the poor. This is false because every pensioner who receives the supplement will have full indexation of both their pension and supplement.

Opposition speakers referred to the deficit, unemployment, Ministers' travel expenses and the Bill on public service pensions which is to be debated later. All of these subjects were lumped together to give people the impression that these Bills, each of which has its own intent, are directed against senior citizens.

I must say that the figures cited by Opposition Members were sadly out of date in many cases and, in fact, incorrect. Therefore, these figures give misleading information to the public about the impact of this Bill.

I repeat that pensioners who receive the Guaranteed Income Supplement will not be affected by this Bill. The majority of pensioners, more than half, receive the supplement and they

will get the full indexation on the supplement as well as the value of the full indexation of the basic pension. They will not suffer any decrease in their benefits. All pensioners will receive an increase in their pension as compared to the amount they receive this year. All pensioners, including those with excellent means and income, will receive an increase in their pension cheque in January, but it will be slightly less than anticipated. A key factor in this debate is that the Government has ensured protection for those most in need. This is the objective of the redistribution which we have always fought for.

[*Translation*]

In fact, the 6 and 5 program to be implemented by Bill C-131 must be accepted in order to stabilize the effects of the fight against inflation. And I think this is something the Members of the Opposition do not want. The Progressive Conservatives supported the 6 and 5 program to fight inflation, to cut it in half so that 12 per cent and 10 per cent will become 6 and 5, if everyone does his share. It means pensioners with adequate incomes, women with children who are able to manage, and that is only one-third of this group, taxpayers, Members of Parliament and Ministers. Our own salaries have been cut, and many Canadians are starting to follow our example and support this policy. In fact, we may be seeing the beginning of a success story. Inflation started to drop last July, and what is needed now is a joint national effort. The Official Opposition said yes, we agree with the 6 and 5 program. They agreed at first.

However, when it comes to areas where implementation of 6 and 5 is not as easy and where conversely, it is very easy to indulge in petty politics, then the Opposition all of a sudden becomes very stand-offish and will not have anything to do with these aspects of the program. It only wants to go along with the easy parts of the program. It has done nothing to promote the program and that doesn't need an Act of Parliament, and I am referring to the program that our Government Members and our Ministers and of course the Prime Minister (Mr. Trudeau) are publicizing across Canada at meetings where they are urging co-operation by employers and employees and unions, many of whom have made a tremendous effort. As a result, a start has been made with reducing inflation and we did not necessarily need an Act of Parliament to achieve this. Now that programs are being used to continue the fight against inflation and now that we are asking people who are relatively well-off to do their share as well, the Opposition has withdrawn its support and is trying to sabotage this effort.

[*English*]

I repeat that I do not regret nor do I apologize for moving this motion of time allocation because of the repetition of the same speech, which concerned everything except the subject, or gave wrong information on the subject, which is only creating worry in a segment of our population that does not need more worries.

I believe that we should proceed with the Bill and send it to committee so that pension cheques will ar ive in time. This afternoon we are engaged in a debate on time allocation for which I ask all Members' co-operation.

Mr. Blaine A. Thacker (Lethbridge-Foothills): Mr. Speaker, the Minister of National Health and Welfare (Miss Bégin) should be ashamed to stand there as a Liberal and support this Bill. In true socialist tradition the Liberals will rewrite history. They have been taking credit for supposedly helping the poor for years so they can describe themselves as great Liberals. When they now have to cut back their aid as a result of the inflation which they have caused, they are trying to rewrite history by saying that everyone is prepared to support these cutbacks and no one will be significantly hurt. They say that these measures do not represent an abandonment of universality. That is not true.

We are proud that 17 Members stood to give their views. Every Member on this side would like to stand and oppose the Bill but the Liberals will not let us. Only five Liberals found the courage to stand up and speak. Then when they stood, they were speaking for the Government. Were they trying to represent the views of 1.2 million Canadians, senior citizens, a substantial number of whom make barely over $8,900? Were any of the Liberal Members standing for them and speaking out? No, not one. Five stood and, in a mealy-mouthed way, tried to back up the Government; but they are so embarrassed that Hon. Members opposite with any sense of honour will not stand and speak for the Bill.

• (1520)

Therefore, the Minister must come in and impose closure. That is what we are faced with here. Let us not kid ourselves, this is closure. This is denying the right of elected citizens to stand up and say: "I have senior citizens who are being hurt". The Minister would deny us that right and she should not stand up and be proud of that.

The Minister tried to say that the six and five program is cutting inflation in this country. Nothing could be further from the truth. Senior citizens know what is cutting back inflation—the depression—because they have lived through it. They saw similar types of situations during the twenties, which then brought the country to its knees during the thirties. They know that inflation must be stopped and they want it to be stopped fairly. It is the depression which the Liberal policies are bringing upon this country. That is what is causing inflation to drop, not the six and five program.

The Liberals are closing off the debate because they do not like publicity; we are starting to get the point through to individual Canadians that this program is not fair. This Bill is unfair imposition on 1.2 million Canadians who are at the low end of the income structure.

Are there any cutbacks of expenditure of the Government? Has there been restraint on the part of Deputy Ministers who are making $90,000? Do you know what they will receive next year, Mr. Speaker? Barely 30 days from now, they will receive an automatic raise of $5,400. What are we taking from senior

citizens? We are taking away $209. They will make $209 less next year than they were entitled to receive under the regular system of inflation indexing. However, the Deputy Minister will receive an additional $5,400. We, as Members of Parliament, will receive close to $4,000, yet we expect our senior citizens to receive less than before. That is not fair. None of us stands here saying that is fair, but the Government is putting it through.

That is the state of Liberalism in the country today. Liberals are prepared to ride on the backs of the few. This Bill is just part of a triumvirate. They are even going after mothers receiving Family Allowances. Why do they not go after themselves and cut back their jet flying back and forth across the country? They even fly, as we have often said, like the geese. They fly in great flocks across the country.

Mr. Epp: Convoys!

Mr. Thacker: Conveys!

Mr. Epp: For protection.

Mr. Thacker: As the Hon. Member says, it is probably for protection. However, they are not cutting back on themselves.

The other Bill upon which closure will be invoked, Bill C-133, is with respect to retirement allowances. It will affect seniors who have worked for our own Government for years, who have paid into the regular pension benefits plan and have also paid an extra 1 per cent for protection against inflation. They paid that 1 per cent, not out of their hearts, but rather pursuant to a signed, sealed and delivered contract. Our civil servants performed their end of the contract. They then retired in the fullness of time. However, the Liberal Government with the support of all its members, some of whom spoke rather bravely, will stand to support this cutback when the time for the vote comes, and the contract will be broken. The Government will break a contract that was signed. It has no sense of what it means to negotiate a contract, even though civil servants have fulfilled their end. The Goverment will unilaterally break that contract.

Mr. Siddon: I wonder what the Speaker thinks of that?

Mr. Thacker: Mr. Speaker, what do you say about that? What do you think of a Government that would do that? Has there been any cutback on the movement of these Canadian projects to the ridings where Liberal Cabinet members live? There is not one cutback there. Liberals will look one square in the eye and say: "If you vote for us, we will give you something; but if you do not vote for us, we will move that project out and put it in a Liberal Minister's riding". They have done that, resulting in extra cost of hundreds of millions of dollars across this country.

Are there any cutbacks on Crown corporations? No. In fact, it has been the very opposite. We now have a new Crown corporation, CDIC, which will require an entirely new structure of accountants, lawyers and administrators. Joel Bell will come in and will probably earn $90,000, $100,000 or maybe $150,000. The Government will never tell us how much it is paying because it does not want Canadians to know. However, there will be no cutbacks on Crown corporations.

Have there been any cutbacks on sabbatical leaves? No. The Government hired a civil servant and paid him $150,000 to attack an industry, to destroy the only industry in Canada which could have carried us through this inflationary period, the depression. While all the rest of the world was mired in depression, we could have been strong. We could have been a source of capital and a source of energy to the world. But no, the Government hired a civil servant for $150,000 to destroy that industry, and then what did it do? It rewarded the guy. The Government sent him to Paris for a sabbatical, costing $200,000 extra.

Have there been any cutbacks on Government guarantees? The Government is prepared to guarantee the big boys who are prepared to kick in money to the Liberal campaign and all that, but it will not protect the little, individual Canadian, the senior citizen who is trying to eke out an existence in Toronto, Montreal or Vancouver and is earning nearly $8,900. Is the Government prepared to help that person? No way. I am sorry, senior citizen, but you do not carry enough clout. The Liberal Government does not like the senior citizens of this country and they will make them pay. They do not like mothers who have families either, and will make them pay. If one has a family in this country, one will be in trouble under a Liberal Government.

If one dares to work for the Government, if one dares to perform one's end of the contract and pay the extra 1 per cent, thinking that the Government will honour its contract, the Government does not like that person and will take it away from him. I feel very badly for any of the civil servants who are coming up to retirement age, because they will be hurt.

Does anyone ever get fired from these Crown corporations? If Crown corporations make errors, or the management fails, are employees retired or fired? Never. In private industry we know that if 100 corporations start, at least 24 per cent will fail through inefficiency or bad management. Has any Crown corporation, in the entire history of Canada, ever failed? Never. That is because they come back to the Government which created them. The Government is into everyone's tax pocket and simply spends more tax dollars to keep Crown corporations going, with the result that there are now over 600 of them. That has caused a reduction of the tax base in Canada, and because Crown corporations are not paying their fair share of taxes, it means that the rest of us, as individuals, must pay more. Therefore, the Government cannot give senior citizens what they genuinely deserve.

When it comes time to show restraint and to try to put a program in place which is fair across the board, do the Crown corporations pay their fair share? No way. The Government goes for the poor little senior who has paid his way in the country. Most of these senior citizens fought in the war and many are now suffering grotesque disabilities as a result, whether psychological or physical. They need us more than ever, but the Liberal Government is letting them down.

Mr. Ian Deans (Hamilton Mountain): Mr. Speaker, I want to begin by saying that we in this party believe that we cannot tamper with the pensions of senior citizens.

Some Hon. Members: Hear, hear!

Mr. Deans: I want to say to the Conservative Members that all the bleating which we are hearing today is quite inconsistent with yesterday's statement by the Conservative House Leader, who said he was quite prepared to deal with the Bill and let it go through. I do not quite understand why, all of a sudden, the Conservatives are pretending to be opposed to the measure introduced by the Minister. There is no question in my mind but that the support of the Conservative Party for the six and five program is absolute. They quite well understood, when six and five was brought in, that it would affect pensioners, as it would affect many other people in society. Suddenly to pretend to be opposed to it because there would be some political gain is a disgusting manoeuvre which should in no way be allowed to occur in that Party.

Some Hon. Members: Oh, oh!

Mr. Deans: There is no way the Government can justify moving to limit the debate on this particular piece of legislation today. This legislation goes to the very heart of the social welfare programs that we in this country have long supported. It goes to the very root of the incomes of senior citizens, regardless of where they live in the country and regardless of what their ability is to meet their financial obligations. There are hundreds of thousands of senior citizens in this country for whom any reduction in their income, considering the increase in inflation, will prove to be disastrous.

• (1530)

Yesterday when I spoke I said we were not only opposed to this Bill but we were opposed to any reduction of any kind. Not one single penny, not one red cent, should be taken from senior citizens in this country.

Some Hon. Members: Hear, hear!

Mr. Deans: They were the people who came through the depression when there were virtually no pension programs. They are the people on whose backs this country was built. It is to them that we turn with pride when we look at the accomplishments that we have made in this country. All of a sudden we are asking them—no, we are not even asking them, we are telling them that inflation brought about in part by this Government's mis-spending has to be fought by senior citizens' incomes being reduced.

Mr. Speaker, I know that you yourself do not agree with this measure and I know that there must be, somewhere in the Liberal benches, others who care about the impact of what is happening here today. I know that there must be some on the Liberal benches who have an understanding of what this measure will mean. Not only does it mean a reduction in purchasing power for senior citizens in 1983 and in 1984, but it means for every single year of their life from today on they will have less income to spend than they would have had and their income will constantly be behind the rate of inflation. It means that we have accepted in principle that senior citizens are not to be given incomes that even begin to meet the requirements exacted by an economy that does not show pity for those who do not have an independent source of wealth.

I say through you, Mr. Speaker, to the Minister, withdraw this Bill. Withdraw this action today; withdraw this Bill.

The Minister stands up and with tears in her eyes tells us that it is a small amount that she is asking senior citizens to give up, and it does not really amount to a lot of money. If it is such a small amount, why the hell does the Government need it? If it is such a small amount, surely the Government can find other sources of income in order to guarantee that these seniors will not be asked to make this contribution. My goodness gracious, we are looking for something like $30 million to $60 million over the period of time that this measure will be in place.

Is the Government saying that we cannot find that amount of money within the waste that currently goes on in various and many Government ministries? Is the Government saying that the information program of the Government is more valuable than meeting our commitment to senior citizens, so that they can have a decent income? Is the Government saying that the appointment of another 15 Senators is more important than allocating that money to meet our commitment to senior citizens' incomes? Is the Government suggesting that bailing out Dome Petroleum is more important than meeting the commitment to our senior citizens?

Is the Government suggesting that these small amounts that the Minister speaks about are more appropriately carried by senior citizens whose incomes are already inadequate, rather than carried by those whose incomes are far more than they need? Is the Government suggesting that it could not reasonably have asked those in the upper 10 per cent of the income earners of this country to carry some of the additional burden, so that it did not have to take this action? Surely to God this is not what the Government is saying.

I suggest to you, Mr. Speaker, that this is in my judgment one of the worst pieces of legislation I have seen since I entered the House of Commons. It stands alongside the worst legislation I have seen in 16 years of politics. It is completely against all the things that I believe, and that I believe that the Liberal Party believe, with regard to social justice.

I put to you, sir, that not only are we opposed to it, not only do we intend to vote against it, not only do we think that bringing it to a vote is inappropriate and wrong, but we think this Bill should be delayed by whatever means is available to every Member of this House to guarantee that the Bill never passes; and that is what we intend to do.

Some Hon. Members: Hear, hear!

Mr. David Smith (Parliamentary Secretary to President of the Privy Council): Mr. Speaker, I think it is important to get

back to what the purpose of this two-hour debate today is really all about. It is not about the merits of this Bill.

Mr. Lewis: There are no merits.

Mr. Smith: It is about whether or not a reasonable amount of time has occurred to discuss this Bill in general principle, so that it can come to a vote on second reading. The Bill will still be able to go to committee, still be capable of being examined on a clause by clause basis at great length, if committee members so decide; but what we are really discussing here today is whether or not there has been ample time and opportunity to discuss this Bill in general principle—because that is what second reading is all about—and to allow it to come to a vote. I think that that is the pertinent question.

We discussed this Bill on November 18 for two hours, again on November 25 for three and a half hours and on November 30 for three hours. That adds up to eight and one half hours. In addition to that there will be another two hours in which it will to some extent be debated today. There will also be a full day of debate which will follow, in the event that this motion carries.

In addition to that, if one goes back to the last budget debate, the principle which this Bill will bring into legislation was then debated at great length. The point that I think is really pertinent here today in this debate is, has there been ample opportunity for this Bill to be discussed in general principle so as to allow it to come to a vote at the second reading stage? I think that any reasonable and fair-minded person would have to say yes to that.

Some Hon. Members: No, no.

Mr. Smith: That is not to say that they need feel that they want to vote for it. I accept the good faith of the Hon. Member for Hamilton Mountain (Mr. Deans) when he says that every fibre of his body is against this Bill. Fine; he is entitled to that viewpoint. But I do not think that entitles any one particular Party to drag out debate indefinitely, to prevent the Bill from coming to a vote.

What we had here today was a speech from the Hon. Member for Lethbridge-Foothills (Mr. Thacker), who somehow would lead us to believe that the Conservative Party is prepared to stop the Bill by whatever means might be at their disposal. That, of course, is not the position that the Conservative House Leader took yesterday when he indicated that he was prepared to see the Bill go on to committee. I think if you look at the position that the NDP has taken at this stage, they have indicated in no uncertain terms that they will do anything they can to prevent it from coming to a vote.

Yesterday their House Leader, as reported on page 21173 of *Hansard*, said:

> —I want to make clear that we are unalterably opposed to the passage of Bill C-131.

Again he said:

> —voting against a piece of legislation is one way to indicate opposition. We are not only opposed to the point where we want to vote against it, but we are opposed to the point where we do not want to facilitate its passage in any way.

Today, in speaking to this motion, he said that the NDP was prepared to use whatever means available to them to prevent this Bill from coming to a vote.

Mr. Deans: Right on!

Mr. Smith: If you look at the speech given by my good friend, the Hon. Member for Beaches (Mr. Young), on November 18, as reported at page 20805 of *Hansard,* he said:

> We in the New Democratic Party unequivocally state our opposition to this Bill. As far as we are concerned, we will not be happy until the Government withdraws that Bill.

Mr. Deans: That is right.

Mr. Smith:

> This Bill is an offensive piece of legislation and it should not be allowed to pass through this House. . . . We will have no part of this Bill at all in this corner of the House.

● (1540)

I am not disputing that he feels strongly about what he said. He has a right to those sentiments. What I am suggesting is that a deliberate pattern has been indicated here which demonstrates that the New Democratic Party is not prepared to allow this Bill to come to a vote at second reading stage. He then said as reported at page 20809 of *Hansard:*

> In conclusion I will say that if this Bill is not withdrawn by the Government it is the view of this Party that it cannot be allowed to be rammed through the parliamentary process.

When we have debated it for over eight and one-half hours, for another two hours today, and another full day next week, plus all the references that were made to the principle in question during the budget debate, that is hardly ramming it through. Even after all this time will have been spent on it, it still will not have got to study by the committee. He went on to say:

> If and when it is referred to committee individuals and organizations wishing to have input into this measure must have an opportunity to do so.

I do not know whether there will be a lot of witnesses before the committee. There will not be any witnesses unless that Party allows it to get there and at least makes a pitch to make representations on that Bill. By preventing it from coming to a vote on second reading, they are preventing any opportunity for this Bill to be the subject of input by witnesses.

On November 30, the Hon. Member for Kootenay-East Revelstoke (Mr. Parker), as reported at page 21150, said:

> My Party will be opposing this legislation in the strongest possible terms. The Whip of the Conservative Party asked me whether our speakers would be rising in the House to speak on the Bill. We will rise to speak on it as long as it remains in the House.

Mr. Keeper: Read the whole speech.

Mr. Smith: I read the whole speech. The Member is entitled to his viewpoint. The point of this debate today is whether

there has been sufficient and adequate time to debate this Bill in general principle so that it can come to a vote on second reading and go into a committee. That is what this debate is all about.

There have been a lot of red herrings brought into the heated argument that we have had so far that are not particularly helpful. Nobody likes to say to anybody: "You are going to have less as opposed to more". The act is that if you are going to have a restraint program that means anything, it has to be across the board.

Although I disagree with the position of the NDP, they are a little more honest than the Tories. They never worry about where the money will come from. The Tories like to have it both ways. They say they are all for restraint, all for slashing spending, in principle they will go along with the six and five program. However, when it comes to applying it to any identifiable group of individuals, they like to score little political points by defending them like Horatio at the bridge. I do not think that is honest; it is sitting on both sides of the fence. I do not see the Hon. Member for York-Peel (Mr. Stevens) here today. I would be interested in hearing his comments.

In any event, the pertinent issue today in this debate is whether a reasonable amount of time has been spent on this stage of the Bill. Any fair-minded individual would have to conclude it has. We should allow it to come to a vote and go to committee for further examination. Those who are opposed will have ample opportunity to make their views known at that stage. When it comes back to the House, they will have an opportunity to vote against it then as they do now. At least the elected representatives of this country should be allowed to vote on this issue and proceed to the next stage.

Mr. Dave Nickerson (Western Arctic): Mr. Speaker, those Liberals are at it again. I do not know why they do it. There is no reason. It must be that they enjoy the use of closure.

On his own admission just five minutes ago, the Parliamentary Secretary to the President of the Privy Council (Mr. Smith) admitted that this issue had been debated for less than three days; less than three days on second reading of a Bill that will affect in perpetuity every Canadian as they approach the age of 65. That cannot be considered too long a debate. The debate has only just started.

The Minister of National Health and Welfare (Miss Bégin) rose in her place this afternoon and pointed out that Bill C-131 is very important. She said we have to get through it, that they could not allow any more debate, that debate had to be closed off after three days. When asked when another day would be designated for the vote on second reading, she shrugged her shoulders. She did not know when the vote would take place. The order of business for next week is Bill C-133, an issue you have something to do with, Mr. Speaker. On one hand the Government says today this is an important item that has to be dealt with quickly. In the same breath, it says it does not know when it will come back and be voted on. There is no need for closure in this instance.

Mr. Smith: "Time allocation".

Mr. Nickerson: The Parliamentary Secretary should have listened to what the House Leader of the Official Opposition said yesterday. He made the proposal that if it was part of the package, we would deal expeditiously with Bill C-131 and allow it to come to a vote on second reading, in the same way as we would like to see the vote in this House on Bill C-133 to find out how the five originally honest Liberal backbenchers vote. I do not know how many of them are left now. I remember seeing in print that at least one of the supposedly honest Liberals could not vote for Bill C-133 in its present form. I want to be here when the vote is taken to see which way that Member votes.

If the Government had listened to what the House Leader of the Official Opposition said yesterday, it would have seen the opportunity to work together with those on this side. We wanted a package deal with the series of Bills dealing with the six and five program, we do not like what the Government is proposing and we want to have an opportunity to make improvements. We know the program will get through for no other reason than they hold the majority in this House. However, we had hoped to make some improvements to those Bills, perhaps improvements which you, Mr. Speaker, would find worthwhile.

Maybe we would have improved Bill C-133 so that it did not come back to the House in its present form and those who say they cannot support it in its present state could support it after amendments brought forward by the Conservative Party. That is not to be the case.

For some reason, the Government is scared of the NDP. I cannot understand why. I certainly would not be scared of them. I do not think they are any great danger to anybody. In fact, it is a Party that is self-destructing. I do not think they could take on anybody.

Today the House Leader for the NDP said this is the most fundamentally wrong social service legislation that has been proposed in 16 years, but how many Members do they have here? They have four Members here to deal with the most important piece of legislation in 16 years. They could not have kept this debate going and the Parliamentary Secretary knows that. That Party is so badly divided it is not funny. It is a Party that is falling apart.

• (1550)

I notice that Members of that Party are drifting all over the House, continuously leaving the benches of the Opposition and wandering over to take a back seat on the Liberal side. For example, the Hon. Member for Thunder Bay-Atikokan (Mr. McRae) is an ex-NDPer, and recently we had another illustration of someone wandering over from the NDP to the Liberal Party. In any event, Mr. Speaker, it is not much of a philosophical switch at all.

This, then, is the Liberal attitude which they show us today and have shown us on several occasions in the past where they needlessly imposed closure. They say: "Look at us; we are the rulers and we are going to show you people in the House of

Commons how we operate things here. We don't want you to debate this. We are tired of listening to what you have to say."

I do not know how many times the Liberals have invoked closure in this one session of Parliament. Not only do the liberal members have this attitude of arrogance towards the Canadian people and towards Members on this side of the House, but they also have that attitude towards their own grassroots supporters, and these people are rapidly catching up with what the Liberal hierarchy is doing to them.

A few weeks ago, here in Ottawa at the Liberal convention, the grassroots of that Party, what few are left, suspected that the Government was up to something and adopted a resolution designed to arrest these things which they suspected were going on. They adopted a resolution at that convention which told the Government to maintain universality in its social programs. I remember seeing the Minister of National Health and Welfare on television raise her hand in support of that motion. At the very same time as she was doing that, she was scheming underneath how to get rid of universality. This is the way the Liberal Government operates. At that debate, I remember old-time Liberals like Senator Croll spoke passionately of how they brought in the system of universality in the first place. They spoke of the parliamentary battles they had fought. They spoke with pride of the accomplishments of the old-guard Liberals of the Pearson era and before—before this bunch got in, Mr. Speaker.

Bill C-131, which we have before us, is the end of universality. That cannot be denied. All the arguments which have been presented that the old age pensions are still going to increase just do not wash. We are going from a system of universality in social programs to the concept of means-tested social programs. This is being done gradually. This year, the old age pension escalation will be capped at 6 per cent, but the GIS will continue to grow at the rate of inflation or a little better. Because inflation is going to be with us as a result of the deficit which the Liberal Government continues to run up, after a while, in proportion, the OAP will become insignificant in comparison with the GIS. It can then be discarded and we will have a fully means-tested Old Age Security system, if that is what I can call it—because, in my opinion, it will no longer be a security system.

The old concept of universality is that you pay in taxes or in various impositions, and automatically on attaining a certain age or succumbing to an infliction, you are entitled to the services which are there to be provided. Under the Liberals we are getting away from that universal system and going into a means-tested welfare system. We will all be on welfare.

The results of Bill C-131, in the long run, are inevitable and they are an integral part of the scheme of the present Minister of Finance (Mr. Lalonde) and his predecessor. I can tell the House that Canadians will not be fooled in this matter. What is probably more important right now is that the Members of their own Party will not be fooled; they are going to turn around and vote against these people because these Party Members know what the Government is doing.

If this Bill goes through it will be the end of universality and the end of Old Age Security. And this is being accomplished through closure.

Mr. Jim Schroder (Parliamentary Secretary to Minister of National Health and Welfare): Mr. Speaker, it is my pleasure to rise this afternoon and talk about this time allocation motion. I have been concerned ever since I came into this House as to how we tend to mismanage our time. I wish to quote from the proceedings of the Special Committee on Standing Orders and Procedure, where it says at page 7:7:

> The purpose of parliamentary procedure is to enable a democratic assembly to operate effectively and fairly.

At the end of the paragraph it says:

> As time is a limited commodity, parliamentary procedure should ensure that the time available for parliamentary business is used as effectively and as fairly as possible.

With respect to "fairly", we have had eight and a half hours of debate, 23 speakers from the Opposition and five speakers from the Government side; and in considering the speeches which have been given, I am struck by the lack of new information which is coming forward.

Time allocation is a good management tool. The all-Party Committee has just made recommendations which have been approved in the House in an attempt to streamline the legislative procedures of the House. It seems to me that time allocation is a method of good House management. It apportions the time effectively. I think it is important when you are debating a Bill such as this that it move quickly through the various positions, so that senior citizens are not kept dangling, so there is some assurance to them of what is going to happen. There has been ample time for the Members of the Opposition to get their objective criticisms across.

The Hon. Member for Nepean-Carleton (Mr. Baker) stated very nicely, I think, that time allocation is not closure but is a gentle form of ending the debate. John Kenneth Galbraith, in "The Scotch" in 1964, said, and I quote:

> Only a thin line divides the articulate man of wisdom from the windbag. The Scotch expected a man to prove his wisdom by putting it to good purpose.

It strikes me, given the speeches from the Opposition during this debate, they are not really putting their time to good purpose. It seems to me that if they have some constructive criticism, the way to put it to good purpose is to get this Bill to committee where they can make their constructive suggestions and we can move the Bill ahead. In listening to the Opposition speakers we get the impression that they are not putting their time to good purpose.

• (1600)

Now, John Andrew Holmes, in an article called "Wisdom in Small Doses"—we are certainly getting that from the other side—said that speech is conveniently located midway between thought and action, where it often substitutes for both. When you look at what has been happening in this debate, there is no question that we are in this sort of nebulous position. The motion which the Minister has put forward this afternoon

represents an attempt to move from the limbo between thought and action, from speech to action. It really represents an attempt to use the time of the House for action taken on the basis of reasoned thought and debate.

Mr. Deputy Speaker: The Hon. Member for Lanark-Renfrew-Carleton (Mr. Dick) rises on a point of order.

Mr. Dick: Mr. Speaker, I was wondering if the Parliamentary Secretary to the Minister of National Health and Welfare (Mr. Schroder), recognizing that he spoke the Bill out last night and he is speaking again today, would agree that the Bill would be in committee today if he had not talked it out last night; and I was wondering if he would permit a question on that.

Mr. Schroder: If there is time at the end of my remarks, Mr. Speaker.

Mr. Dick: His second speech in less than 24 hours.

Mr. Axworthy: And they are all good speeches.

Mr. Schroder: We are trying to manage our time properly and the Opposition insists on interruptions which really make no significant contribution to the debate. I will just have to continue with my speech, and if they listen I presume they might learn something.

Some Hon. Members: Hear, hear!

Mr. Schroder: I think my next quotation is very apt for Members on the other side, particularly the Hon. Member who has just interrupted my speech. Sir William Osler said in 1919: "Consider the virtues of taciturnity: speak only when you have something to say".

Mr. Lewis: Take your own advice.

Mr. Schroder: If Hon. Members on the other side would listen to this, they might recognize the fact that while they maybe made some good points in this debate, they made them over and over and over again.

Mr. Lewis: That is because you do not catch on quickly.

Mr. Schroder: The purpose of this debate is to add objectivity to the issue, to add some new points. That is the science of debate. After 23 speakers it is becoming increasingly obvious that they have nothing new to say. Another quotation, which I could perhaps take credit for if I wanted to but which is anonymous, is to not speak unless you can improve on silence. I think, Mr. Speaker, that what we can do with around this House is a little more silence.

Some Hon. Members: Hear, hear!

Mr. Lewis: Starting now.

Mr. Schroder: Especially from the Opposition. Perhaps in reforming the House we should have incorporated a silent period during debate which perhaps would have been good for all of us. Certainly by continuing this debate, the Opposition can no longer improve on silence. They cannot even improve on what they are saying. You know, most of us are ordinary people.

An Hon. Member: Speak for yourself.

Mr. Schroder: Ordinary people merely think of how to spend time. You can draw your own conclusion, because I am talking about the Opposition. But those with talent try to use time.

Mr. Lewis: Save him from himself, Mr. Speaker.

Mr. Deputy Speaker: I regret to interrupt the Hon. Member but the time allotted to him has expired. He may continue with unanimous consent of the House.

Some Hon. Members: No.

Mr. Lorne McCuish (Prince George-Bulkley Valley): Mr. Speaker, I heard a Member opposite comment that really the issue before us right now is whether or not we should be discussing the Bill at length, whether or not the Bill should be passed in principle. I do not know just exactly what principle the Hon. Member was considering. I know the principle which I worry about in this Bill, and I know it is not being addressed by Members opposite. If we are discussing principle, we must discuss the decency which should be inherent within this Bill.

Here we have a Bill which is a method whereby the Government can save money, money to help compensate for the gross deficit that Members opposite so irresponsibly have brought on the people of Canada. We cannot talk about the principle of the Bill without talking about who is going to be affected by it.

Bill C-131, an Act to amend the Old Age Security Act, was introduced in this House in October. It was the Liberal Government's way of offering a thanksgiving gift to the senior citizens of Canada. It was the Liberal Government's way of saying: "thank you, golden oldies; thank you for what you have done for Canada. Thank you for what you have offered to Canada. Thank you for the dedication and the love you have bestowed on your country. We want to thank you for this, and this is the way we are going to do it."

This country now has a misery index of 22 per cent, and the Government is going to attack the senior citizens as the most helpless group within our country. The Government is going to hit them because they are easily hit. They are down and Members opposite are ready to kick them. It is the Liberal Governement's way of showing gratitude and appreciation for what has been done. That is why I rise, Mr. Speaker, because I am concerned with who is being hit by this atrocious piece of legislation.

Who are these people affected? They are people who went through a depression, a world war, people who waited behind for their loved ones to come back from that war. They are people who suffered their way out of that world war, people who put everything they had into bringing Canada back on its feet. They are people who worked hard during the post-war

years, people who were burned out because in their three score and ten years they lived three lifetimes. What is Canada's gift to these people? We are going to limit them to a 6 per cent increase on their old age pension in the first year and 5 per cent in the second year.

• (1610)

I do not think there is anything more to the Bill than I have just stated. It is not a complex Bill. There is nothing that can be done by amendment. There is nothing in the Bill which should prompt any Hon. Member opposite to give support to it.

I do not like this Thanksgiving present; as a matter of fact, I no longer like Thanksgiving.

Mr. Simmons: Do you want to abolish that too?

Mr. McCuish: I would like an opportunity to go to the chopping block and take the turkey with me who is responsible for the Bill.

Some Hon. Members: Hear, hear!

Mr. Roger Simmons (Burin-St. George's): Mr. Speaker, this entire debate is nothing if not entertaining. I know Mr. Speaker has been preoccupied in the past few minutes with process. I commend what my good friend, the Hon. Member for Prince George-Bulkley Valley (Mr. McCuish), has said. I suggest that you read it at leisure, Mr. Speaker, for its comic effect, when you have the time to absorb what he said. Then, if possible, you should get hold of some of the more recent pontifications of his colleague and friend, the Hon. Member for York-Peel (Mr. Stevens), when he talked about what he and his Party would do if they were in Government.

An Hon. Member: The slasher.

Mr. Simmons: Yes, the slasher. He talked about how he would save several billion dollars overnight. They cannot have it both ways. I say to the Hon. Member for Prince George-Bulkley Valley that they should really tell the people of Canada how the slasher will find all that money. They know how; they know exactly how. They do not propose saying it unless they have to, but I think it is time that we called their bluff.

They cannot any longer in one mouthful tell the people of Canada that they would be the great artists of restraint and that they would find billions upon billions of dollars, without also telling them how they propose to find those billions of dollars. They cannot in the next mouthful turn on the tears. They cannot give the old tear-jerker speech with a straight face, as the Hon. Member for Prince George-Bulkley Valley just did. He cannot have his cake and eat it too; he has to do one or the other. He has to gang up on his buddy from York-Peel and say: "Slasher, old man, you are misleading the people. I, from Prince George-Bulkley Valley, am in favour of universality. I am in favour of perpetuating those social programs for the good of the Canadian people about whom I just gave a tear-jerker speech." That is what he has to say. Also he should say: "Slasher, I do not believe you although I belong in the same Party, because if you, slasher, find all those billions of dollars, I have a sneaking suspicion that you will take the money at the expense of those people about whom I have just given a tear-jerker speech."

Which is it? Are they for social programs which this Government brought in? Are they for old age pensions? Are they for payments from the public treasury to people who cannot help themselves? They may be for them. They say they are for them, but they were terribly silent and absent when the need for such programs was first recognized. Without exception, it took a Liberal Government on every occasion to take the initiative for all the programs we have been debating over the past few days.

That great tear-jerking Party is good at making tear-jerking statements. Its Members were noticeably absent when we were looking for someone to formulate a program to address the needs of senior citizens and mothers who needed Family Allowance income. They were very much absent in those days, but now the old band wagon syndrome has taken over. Now they see a good thing, and there is a good thing. After 30 or 40 years of banging away at them over there, we in the Liberal Party have convinced them that this is a good thing. Now they rush in to be the champions of what once they despised. They rush in now to be the champions of programs which they never had the gall, the gumption or the foresight to bring in.

I become a little short of temper, a little hot under the collar, when I see the unadulterated hypocrisy of people who, in successive mouthfuls, can say that they will save $50 billion or $60 billion. That is what the slasher said. He said that they would get the deficit down and have a balanced budget in seven years. I say: "Tell us how, slasher; tell us how you will obtain a balanced budget and do all the things the Hon. Member for Prince George-Bulkley Valley also said you should do".

My good friend from Guelph, the Parliamentary Secretary to the Minister of National Health and Welfare (Mr. Schroder)—

Mr. Kempling: He talked out the Bill last night.

Mr. Simmons: If I could have the attention of Hon. Members opposite, a few minutes ago the Parliamentary Secretary talked about silence. I do not often disagree with him, but I disagree with my good friend from Guelph because I think there has been a lot more silence than he said there was.

Mr. Kempling: Oh!

Mr. Simmons: The Hon. Member for Burlington (Mr. Kempling) is not quiet for very long. I say to him that there is a difference between empty-headed noise on the one hand and intellectual noise on the other hand. There has been an absolute intellectual silence for days on that side of the House on this particular debate. The intellectual silence has been absolutely deafening.

An Hon. Member: You are deafening.

Mr. Simmons: One of the earlier speakers today on the Tory side of the House talked about—

Mr. Kempling: Tell us what he said.

Mr. Simmons: Still he babbles. Do they wind him up in the morning?

Some Hon. Members: Oh, oh!

Mr. Simmons: I hear a lot of noise over there. Perhaps there is some kind of crystal installed in them that keeps them going, and they only have to replace the battery once a year. They just keep babbling. He or one of his friends—and he has a couple—talked about people moving from one side of the House to the other. It somehow bothered them that people should move from one side of the House to the other. I shall not impose upon the House my particular views on that subject. Suffice it to say that I have been here fairly regularly for the past three years and I have not seen any people move from this side of the House to their side.

Mr. Deputy Speaker: Order. With all due respect to the Hon. Member, I must call his attention to the motion before the House.

Some Hon. Members: Hear, hear!

Mr. Simmons: I fully thought that I was on the motion all the way. Less than 30 seconds ago I appealed to you, Mr. Speaker, to check *Hansard* to see the very informative discourse of the Hon. Member for Prince George-Bulkley Valley. If there was any suggestion that I was suggesting he was off the subject, I apologize to all concerned.

Someone else on that side of the House mentioned universality earlier today and talked about getting rid of it. It is the same old con game, the same old mugs game, where they spread fear all the time. Clearly the Government is on the record, not only in terms of words but in terms of actions over many years, as being very much for universality. I know that people on the other side have come lately to the cause—welcome. We have been part of the cause, espousing the cause and putting our money where our mouth is for a number of years on the issues of old age pensions, Family Allowances and spouses' allowance.

Mr. Lewis: We do not have that much money.

Mr. Simmons: I know this is an embarrassing subject for them, but it is something they have to live with. Before they talk about getting rid of universality, I say to them that that old smear tactic, that old playing on the fears of helpless people, is too low. They should not engage in it under any circumstances. It does not help them politically. It does not do anything for their self-dignity. It does not do much for my respect of them. Why do they not get off the kick about who is supposed to be ridding the country of universality? It will not be this Government. If they have some ideas, if they are caught thinking out loud about what they would do, if and when they are in power for a few fleeting moments, let them say it. Let them have the courage of their convictions. Otherwise, it the same old tactic—let us play on the fears of the helpless out there; let us do the old tear-jerking routine again; let us spread the word that maybe, just maybe, the Government will tamper with universality! That is good for a few kicks; that is good for a few votes. It is the same old approach. They have not changed one whit. There is nothing new. I wish at least for the sake of variety and a bit of novelty in this debate that these fellows once in a while would get their act together and come up with something more original than playing on the fears of helpless people who cannot be here to defend themselves.

• (1620)

Mr. Deputy Speaker: Order, please. I regret to interrupt the Hon. Member but the time allotted to him has expired. He may continue with unanimous consent. Is there unanimous consent?

Some Hon. Members: Agreed.

Some Hon. Members: No.

Mr. Deputy Speaker: It does not appear that the Hon. Member has unanimous consent.

Mr. Vince Dantzer (Okanagan North): Mr. Speaker, the other day when I spoke on Bill C-131 I indicated that I was not very happy about the prospect of speaking because it is a real shame that one has to speak in this House on such an horrendous bill. However, today I am very happy to speak on the closure motion on Bill C-131. I think it is a great privilege for anyone in this House to oppose this type of closure which has become standard practice by this Government during this session.

Closure is really an undemocratic procedure to enact in this House. I remember many years ago that I was disgusted by a Liberal Government when it imposed closure on what was known as the pipeline debate. That was way back in 1957. It was then that I became interested in being active as a Conservative. Therefore, on this occasion I am very happy to speak once more against this practice which this Government seems to have made a part of its regular bag of tricks.

In the late 1950s there was a fellow by the name of C. D. Howe who was the one responsible for closure. He was the C. D. Howe of "What's a million?" fame. With this Government, the phrase is "What's a billion?" And on and on it goes. For the past two days on this side of the House we have been speaking on behalf of a very large group of people in Canada in the debate on Bill C-131. But these people are a minority. They are our senior citizens. These are people over the age of 65 who receive Old Age Security and the Guaranteed Income Supplement in order to support them in their retirement. However, two and a half days is not enough time for any group of people to oppose adequately a Bill which attempts to take rights away from a minority. Yet that is what this Bill is doing and it is why we have to speak out against closure.

The people on the other side of the House know, and they know full well, that it takes several days of debate in the House of Commons before word filters out across Canada about what is happening. I dare say that right now half of our senior citizens and half of their organizations do not know the extent to which this cutback will affect them through this program of six and five. I see the Minister shaking her head, but it is true. Bill C-131, in spite of the fact that the Government denies it, is lowering the income and placing many people on the poverty line who were not on the poverty line before. That has to be so because this Government is taking away the purchasing power of our senior citizens over the next two years.

It is all very well and good for the Minister of Finance (Mr. Lalonde) to say: "Thank God we will be in the promised world of six and five next year". If we are, the Minister knows the proper person to thank. But I suggest to you, Mr. Speaker, that we are not in the world of six and five. The rate of inflation in this country is still over 10 per cent. It is still in the two-digit range.

Our senior citizens who are at or near the poverty line will have less purchasing power, which will place more and more of them on the poverty line or below. It is that group of people who are near that line who will be so seriously affected by this Bill.

This Bill does attack the universality of the old age pension scheme, which is the basic support for our senior citizens. Several Members have commented on this in the past few days and it really is the only remark that upsets the Minister of National Health and Welfare (Miss Bégin). The Parliamentary Secretary to the Minister of National Health and Welfare (Mr. Schroder), in a most incredible statement when he was reading his speech a few moments ago, probably written by department officials, said that perhaps we should consider that we should not speak in this House unless we can improve on silence. I suggest that is why over the two and a half days of debate only five Members from the Liberal Party have spoken. Obviously, they thought they could not improve on silence.

This Government has spoken about pension reform. The Minister has travelled across the country. I suspect she has spoken in every major city in Canada about pension reform. She advised us today that we will have some indication of what pension reform is all about in the near future. But let us take a look at the record of this Government, a Government that refuses to allow us to debate this issue so that the people of Canada will know what this Government is doing to its senior citizens.

In this Government's budget, the first thing the Liberals did was to penalize our senior citizens in terms of their savings and investments. The Government followed that with Bill C-131 and what it proposed to do via Bill C-133. This Government has done nothing to improve the status of pensioners in this country. I think our senior citizens should know that and we in this House should be allowed to inform them. It would be a far different thing if the pension system were in trouble.

Certainly if this Government, like some other governments in the world, the United States in particular, were having real problems with the social security system, I am sure that Members in this House would co-operate in finding ways to finance what is an ailing system. For instance, our Canada Pension Plan is in trouble now. You can rest assured, Mr. Speaker, that we will give this Government the co-operation it needs to improve that system. But the basic support system for the aged is not in trouble. The OAS is working perfectly well. It is the kind of income support that any country would be proud to give their senior citizens.

This leads me to ask this Government and this Minister, why are they attacking this system? We recognize there is a demographic problem, but that did not affect Old Age Security assistance. We recognize that inflation is a problem in this country. But surely a government that spends money the way this Government has cannot place its problems on the backs of our senior citizens.

Let us look at what this Government has done. It has spent $13.7 million on Bombardier by way of guarantees. This Government has made a $200 million loan guarantee to Chrysler; there is a $500 million investment for Dome Petroleum; a $34 million debt guarantee for de Havilland; a $125 million guarantee to Massey-Ferguson; and a $20 million investment in Minaki Lodge. What about its recently set-up Crown Corporation of which this Government is so proud? I am referring, of course, to Petro-Canada, which is paying $18,000 a day in rent for empty space in Calgary. But now this Government is saying that it needs to fight inflation on the backs of the elderly.

My colleagues and I will continue to oppose closure on Bill C-131 as long as we are able. We will continue to oppose the Bill itself because it is highly unjust to the senior citizens of our country.

• (1630)

Mr. Hal Herbert (Vaudreuil): Mr. Speaker—

Mrs. Mitchell: I rise on a point of order, Mr. Speaker. I wonder about the sequence of speakers. We have had three from each side—

Mr. Deputy Speaker: The sequence of speakers has been observed scrupulously.

Mr. Herbert: Mr. Speaker, I want to stick fairly rigidly to the subject of the motion, which does not concern the subject matter of Bill C-131.

I am a member of the Committee which has been reviewing the regulations of this House of Commons. One of the matters that we have discussed is the problem of getting legislation out of the House. The Members of the Opposition Parties that are represented on that Committee recognize that the Government has a right to govern, and the Members of the Government Party on that Committee recognize that the Opposition has a right to oppose.

I do not believe that any Member of the Committee has suggested that opposing a Bill went to the extent of being able to block its passage other than by a vote on the floor of the House. Therefore, our discussion centred around how we can bring an issue to a vote on the floor of the House. One of the suggested changes to the regulations of the House that has been accepted and will be effective next year is a limitation on the time for speeches. It is hoped that this procedure will aid somewhat in the passage of bills at second reading. This change represents a step forward. I think it will be helpful to the Government and it will still leave all Members with the opportunity to speak. There is no restriction to the total time, but I hope that since speeches will be limited, the remarks of Members will have to be relevant because they will have to confine their remarks to a 20-minute package. After eight hours of debate, which will generally last for two or three days, speeches will be limited to ten minutes.

We have a very real problem which we must face. When I say "we", I mean all Members. The Committee had discussed the implications of our Standing Order 75 and I think it is worth quickly reviewing the three paragraphs in that Standing Order.

Standing Order 75A deals with a situation where there is agreement among the representatives of all Parties to allot a specified number of days to a Bill. A motion is then proposed and, of course, there is an immediate decision. In other words, the decision is made without debate or amendment. Under normal circumstances, one can also anticipate a decision being made without a vote.

Standing Order 75B deals with the situation where we can get substantial agreement between the Parties but not necessarily unanimous agreement. Once again there is a provision whereby the motion will allow for a fixed amount of time for the termination of the debate at that particular stage. However, since it is not unanimous, there is, in effect, a two-hour period for debating the motion, following which there is a vote.

That brings us to the third paragraph, 75C, which we are using this afternoon. Standing Order 75C deals with the situation where no agreement can be reached on time allocation and the Government sees that it is unable to bring an issue to a vote unless it takes this step under Standing Order 75C. In this particular case we are concerned with second reading. The desire of the Government at this stage is to get the Bill out of the House on second reading and into committee where it can be studied by the Members of the committee. This procedure, then, must be used because of the inability of the Government under the existing rules of the House to obtain what would ordinarily be general agreement that there be committee study.

The reason I am very concerned and wish to talk specifically about this issue is that, as many Members will be aware, there is a tremendous backlog of Government legislation. There are many Bills on the Order Paper at the present time which are awaiting passage. In addition to those on the Order Paper, there are almost 300—I repeat, 300, because that figure is very important—pieces of legislation which have been given consideration in the various Departments but which cannot be brought forward because it is obviously impossible to get anything close to that amount of legislation through the House of Commons.

I know that you have a great interest in certain pieces of legislation, Mr. Speaker, so I will deal with those. They are also pieces of legislation in which I take personal interest. It is legislation dealing with the Public Service.

Mrs. Mitchell: What does it have to do with the Bill?

Mr. Herbert: The Opposition tells me to talk about the Bill. I am talking to the motion before the House under Standing Order 75C, which is to limit debate on the Bill. That is the subject matter of the motion and to which I am addressing my remarks.

I have been working here for ten years without success in an endeavour to get important pieces of legislation brought before the House. It is not because the Government is unwilling or that the Opposition is unwilling, but because there is an inadequacy of House time to consider these measures. We cannot even bring them forward for discussion, let alone pass these measures. Therefore, we find ourselves in what I consider to be the ridiculous situation at the present time where no matter what we do among ourselves we cannot reach an agreement which will make it easy for the Government to have discussions on its proposals or, for that matter, for the Opposition to indicate its stand on these measures.

I honestly believe that it is long past the time that we face up to the fact that far too much time is spent on second reading debate in the House of Commons. I fully understand the need for time to pass between the introduction of a Bill and its passage. I understand the Opposition's point of view that there must be time for the public to be made aware of an issue. However, I do sincerely suggest that this should not occur by dragging out a debate on second reading on the floor of the House.

When the Opposition debates this motion this afternoon, I ask them to address the subject, which is the real basic problem of when we must come to a conclusion on second reading debate—not passage of the Bill—so that we can get a measure into committee where we can call witnesses and delay it, if we want, to give the public time to consider the measure. We can have freer discussion in committee while we will not block the introduction of worth-while measures in the House on second reading.

I would be very happy to hear from the Opposition, particularly Her Majesty's Official Opposition, how they intend to handle this subject if they ever—God help us—become the Government of this country.

Mrs. Margaret Mitchell (Vancouver East): Mr. Speaker, it is interesting to hear the eloquence of Government Members on closure, when they have more speakers talking on closing down debate than they do for the actual debate of the Bill itself in order to justify the extreme hardship they are asking the senior citizens of this country to bear. I suggest that the

sound of silence on this Bill would not be justified from the point of view of senior citizens.

We oppose closure because we oppose this Bill. We feel that there has not been enough time to make all the arguments, both from the point of view of our position and with regard to informing Canadians about the purpose of this Bill. It is extremely important that senior citizens and all Canadians have a chance to know what the imposition of the six and five program means as it affects pensioners by the indexing of old age pensions.

• (1640)

We also feel that the Liberals want to close down on the Bill because they have not really been able to justify their reasons for using senior citizens in this land as the victims of their economic disasters; and they have not tried to make many speeches. We think their action is unconscionable.

A few minutes ago an Hon. Member to my right said that senior citizens are the ones who suffered very much during the Depression, who fought to feed their families at that time, who have worked hard all their lives, have kept their costs down and are faced with inflated costs for their basic needs today. They are the ones who will be asked to bear the brunt of six and five restraint.

Mr. Herbert: I rise on a point of order, Mr. Speaker. May I draw your attention, Mr. Speaker, to the subject of the motion which is before the House? My contention is that the Hon. Member is not speaking to the motion.

Mrs. Mitchell: Mr. Speaker, I am sure you will agree with me that I am speaking directly to the point of the motion. As I said, the reason they are imposing closure is because of the very statements of the Hon. Member opposite. We feel the Bill has not had full enough debate and I am explaining that matters have been omitted and not fully brought forward. That is why we oppose closure, so my remarks are surely directed to the point in question.

I note the Liberals have not spoken to the issue of tax reforms. We feel that if there is such a financial problem, and indeed there is in this country, rather than curtailing the indexing of old age pensions, the Government should be considering tax reform so that those with higher incomes would pay more of the tax burden and those with the highest incomes, those in the very wealthiest sector of our society, should not have loopholes whereby they pay no tax at all. That is what should be done to cover costs, not take money from the indexing of old age pensions. That is why we oppose the closure that is being imposed on us today.

The other point raised yesterday in relation to Bill C-132, which has not been debated fully either, is that it represents an erosion of universal old age pensions to cut back on indexing in this way. We know that several times the Minister of Finance (Mr. Lalonde) has been quoted as saying that he is not sure that we should have universal social programs and the Cabinet has been considering some rescinding of universality. Therefore, we want more Hon. Members to be heard on these issues.

The Parliamentary Secretary said that there was no new information to bring forward. I am extremely upset, as will be the women of Canada, that the Liberals will not allow us to have a full debate on the impact of this Bill on women pensioners. The Minister of National Health and Welfare (Miss Bégin) knows full well that she has been sponsoring conferences across this land on women and pensions. Time after time, those in attendance have been told that women are the hardest hit by economic stress and the inadequacy of pensions.

The Bill will add a burden to the women of Canada. Over one million women pensioners live on very low incomes and most of them, far more than men, live in poverty. Single or widowed women live in abject poverty. They are isolated with no access to transportation. The high cost of living is hitting them hardest. They are facing a deplorable situation with increasing anxiety because their cost of living indexing will be cut by the Government.

Another reason we oppose closure is that women do not have adequate Canada Pension Plan coverage, and that matter will be debated at further length, I am sure. Many women either do not have Canada Pension Plan coverage at all or else it is extremely low since they worked for the lowest wages and are in and out of the work force because they raise children.

Women are also devastated when they become widowed. I am sure Hon. Members must know women friends who have lived fairly comfortable lives while their husbands were alive, but when these husbands die, they suddenly find that they are destitute. The worry which this Bill will add to their shoulders is quite immoral.

Many of the widows in this country are too proud to request the Guaranteed Income Supplement because they see this as being welfare. They have the right to a full pension which is indexed at today's cost of living. That they must pay the rising cost of fuel, must meet very high rents and costs of clothing and food which will be far above the 6 per cent increase this year, I am sure.

We also oppose closure because we have not argued enough on behalf of women pensioners, who live on average to 77 years of age, which is seven years longer than most men. They will suffer longer because of the cutbacks and the punitive actions of this Government directed toward old age pensioners. They are isolated by poverty. Many have contributed all their lives to their country and families as home-makers. They have raised Canada's children. They have worked with no pay or benefits and now they are receiving pensions. For the first time in their lives many will be receiving cheques in their own names, but the indexing on those cheques will be cut down. It is a disgrace, which is why we want the debate to continue and to hear a response from the Government.

Where is the Minister responsible for the status of women? She is not even in the House. She has not contributed to the debate. No one on the Liberal side has given justification to the women of Canada for the Bill that has been brought in or for why women will have to suffer from the cut in indexing.

I would simply like to say that an article quoting the YWCA appeared in the November 11 edition of *The Globe and Mail* giving the reasons why the Guaranteed Income Supplement is not the answer and why we must have old age pensions for women above the poverty level. The NDP Task Force on Older Women, which has held meetings right across the country, heard from women who complained that they are not adequately served by the pension program of this country. I also refer Hon. Members to an article in *The Toronto Star* today which states that older widows are the poorest in society, that the cost of living is rising dramatically and that their incomes are going down. In turn, their indexing will be cut, which is immoral.

We want the debate to continue so as to give Canadians, particularly women of all ages, a chance to hear about it and to respond. We want to hear justification from the Government for why it is taking this action and what its impact will be on women pensioners.

• (1650)

PROCEEDINGS ON ADJOURNMENT MOTION

[*Translation*]

SUBJECT MATTER OF QUESTIONS TO BE DEBATED

Mr. Deputy Speaker: Order, please. It is my duty, pursuant to Standing Order 40, to inform the House that the questions to be raised tonight at the time of adjournment are as follows: the Hon. Member for Vancouver East (Mrs. Mitchell)—Health—Funding for Planned Parenthood Association. (b) Increase in teenage pregnancies; the Hon. Member for Burlington (Mr. Kempling)—National Revenue—Movement of tax records from Hamilton to Sudbury. Complaint concerning recorded messages; the Hon. Member for Lotbinière (Mr. Dubois)—Air Transport—Quebecair 2—Government position.

ROUTINE PROCEEDINGS

[*Translation*]

BUSINESS OF THE HOUSE

ALLOCATION OF TIME TO CONSIDER SECOND READING STAGE OF BILL C-131

The House resumed consideration of the motion of Miss Bégin:

That, in relation to Bill C-131, an Act to amend the Old Age Security Act (No. 2), one additional sitting day shall be allotted to the consideration of the second reading stage of the Bill; and

That 15 minutes before the expiry of the time provided for Government business on that day, any proceedings before the House shall be interrupted, if required, for the purpose of this Order and, in turn, every question then necessary in order to dispose of that stage of the Bill shall be put forthwith and successively, without further debate or amendment.

Mr. Louis Duclos (Montmorency-Orléans): Mr. Speaker, I am very pleased to have this opportunity to take up a few minutes of the precious time of the House in order to support the motion of closure presented by the Government with a view to ending the debate. As the Parliamentary Secretary to the Minister of National Health and Welfare (Mr. Schroder) pointed out so perceptively, after nearly nine hours of debate, Opposition Members have had ample opportunity to express their points of view. Moreover, Mr. Speaker, not only are the same points being made over and over again, those same points have, for the most part, no basis in fact and are being voiced primarily to deceive the Canadian people, especially the elderly who are well aware that the achievements of the Liberal Party in formulating social programs and taking new initiatives with respect to social policy are quite exceptional, and if we look at what has been done by our hon. friends in the Official Opposition, there is no comparison.

Mr. Speaker, I am always surprised when Opposition Members shout rape when the Government, after a reasonable length of time, decides that debate has lasted long enough. After all, we were elected to run the country, and I am a member of this party because I appreciate its determination to do just that and, once the Opposition's arguments have been heard, to make decisions.

Mr. Speaker, in her speech the Hon. Member for Vancouver East (Mrs. Mitchell), who has unfortunately already left us, made it very clear that she had an abiding interest in this question. She felt that the Liberals had not approached the heart of the matter. Before the end of this debate, I want to say once and for all what the actual facts of the matter are, Mr. Speaker. I think we all agree, and no one is going to challenge this, that more than half of those who are 65 and over and receive the Guaranteed Income Supplement are not in any way affected by the provisions of Bill C-131, since they are guaranteed full indexation to the cost of living. What is the situation, Mr. Speaker, for senior citizens who are getting only their basic pension? At the present time, they are getting $246.92, which full indexation as of January 1, would have raised to $251.12, while capping indexation at 6 per cent will raise the present amount to $250.62, a difference and I think people ought to realize this before the end of this debate of exactly 50 cents per month. Mr. Speaker, if we calculate this over 1983 as a whole, considering that the projected inflation rate, according to the Government, will be 7½ per cent, I expect that if the present trend continues and I have every reason to believe that will be the case, a senior citizen receiving only the basic pension will have a loss of income of $29 in 1983

and $52 in 1984. We are no way near the catastrophic prediction made by the member for Kingston and the Islands (Miss MacDonald) who claimed that on the basis of an inflation rate of 10 per cent in 1983 and 9 per cent in 1984—one wonders where she got her figures—senior citizens stand to lose $70 in 1983 and $220 in 1984. Mr. Speaker, I think it is important Canadians should know that between January and March 1983, senior citizens will have a loss of income of 50 cents per month, and this applies to 47 per cent of the population, while the other 53 per cent will be receiving the basic pension and Guaranteed Income Supplement with full cost-of-living indexation.

This is certainly not the catastrophe being predicted by the Cassandras in the Opposition. Mr. Speaker, people ought to realize that for this Government, the all-important thing is to win the fight against inflation. And it is important because we must not forget that many pensioners receive only the basic pension because they are already receiving benefits from private pension schemes which are often not or only partially indexed, and these are the people who will benefit most if we succeed in bringing inflation rates down as far as possible.

I would also like to comment briefly on what was said by the Member for Beaches (Mr. Young), who claimed that the Government was neglecting single pensioners and was doing nothing to improve their situation. I would like to remind the House that in 1979, when the Liberals were still in power—we did, of course, have that unfortunate period of eight or nine months in 1979—so before we were removed from power, we had increased the Guaranteed Income Supplement for singles by $20 and as soon as we were back in power, after the end of the Progressive Conservative interregnum, we added another $35. The increase for singles is the same as that for couples, because we realize that singles who are now receiving about 56 per cent of what a couple is getting, should probably get more, because as we all know, there are fixed costs whether you live in a house or a senior citizens' residence or an apartment. In fact, the cost of living for a single person may be about two-thirds of what it is for a couple. We realize we must do more for singles. I know that the Minister of National Health and Welfare (Miss Bégin) is very keen on this, and that as soon as economic and financial conditions permit, we shall act accordingly.

Mr. Speaker, in June 1982, the Minister of Finance announced that about $105 million could be saved by capping indexation of basic pensions. We are glad to see that the actual savings will be less, because it is an obvious sign that we are winning the fight against inflation. In concluding, Mr. Speaker, I wish to say it is high time we ended this debate. I think that within reasonable limits, the Opposition parties have had ample time to express their views, and besides, they will have an opportunity to make constructive proposals when the Committee meets for a clause-by-clause study of this Bill.

[*English*]

Mr. Dick: Depending on what the Speaker says, perhaps we should suggest that it is five o'clock.

Mr. Deputy Speaker: Is there unanimous consent to call it five o'clock and proceed to Private Members' Hour?

Some Hon. Members: Agreed.

Mr. Deputy Speaker: It being five o'clock, the House will now proceed to consideration of Private Members' Business as listed on today's Order Paper, namely Private Bills, Notices of Motions for Papers, Public Bills.

There being no items on the Order Paper under the heading Private Bills, the House will proceed to Notices of Motions for Papers.

PRIVATE MEMBERS' MOTIONS FOR PAPERS

[*English*]

CANADA COUNCIL GRANTS

All items preceding Motion 112 allowed to stand.

Mr. J. R. Ellis (Prince Edward-Hastings) moved:

That an humble Address be presented to His Excellency praying that he will cause to be laid before this House copies of any publications or items published as a result of grants given by the Canada Council to Mr. Bill Bissett.

He said: Mr. Speaker, in the very refined language of the motion, I would in fact wish that copies of the material published by Mr. Bissett be put on the desks of every Member of the House of Commons. Perhaps if that happened we would have no more of the nonsense of publishing this sort of thing. There was no difficulty getting the books published by Mr. Bissett. In fact, they are available in the National Library of Canada. I have an armful of them with me.

• (1700)

Three years ago, in the spring of 1979, a number of colleagues and I spoke disparagingly of the federal Government through the Canada Council making funds available to Mr. Bissett. Mr. Bissett sued a number of us. I want it to be known that I would challenge Mr. Bissett to carry out that suit or to start a new suit, whatever he wants, because the material that he produces is simply garbage. I will give a description of it to a greater degree in a moment. I want it on record that I am prepared to go outside the House, where I have no immunity, and read this speech or any part of it, in case Mr. Bissett thinks that I am doing this in the House of Commons in order to be immune from challenge in the courts. I am not.

I fought for some time to try to find words to describe what I am talking about today. As my temperature rose higher and higher and as I read some of the material, I looked back at what some of my colleagues had said. I decided as a calm afterthought that I would read what had been said by one of my colleagues on December 13, 1977, just five years ago, when this matter was raised. I will read one paragraph referred to

during the "Late Show" when the Hon. Member for Fraser Valley West (Mr. Wenman) was speaking. He discussed the material that I am discussing this afternoon and this is what he said:

> This material, supported and masquerading in the name of art, is a demeaning degradation of human experience. It is in my view neither creative nor beautiful, it is not even grotesque or ugly beautiful, it is neither uplifting nor fulfilling, it is not even passionate or erotic; it is simply vulgar degradation of the human experience—vulgar and demeaning at a level well below that of funky graffiti written on the back of washroom doors. This type of vulgarity deserves to be placed in a category of the hate literature of pop art and should not be censored but rather branded as unfit for human consumption, and discarded on the rubbish heap to rot in its own vulgarity.

That as well as anything I could say describes the material published by Mr. Bill Bissett, yet the Canada Council continues to provide him with money. One might have thought that when this matter was first raised in 1977 the Canada Council would have had a look at what Mr. Bissett was saying and, as a result of that look, perhaps change some of its grants, but no. Since 1967, when Mr. Bissett received $2,500 to write poetry, up to and including 1982 when he has a short-term grant to write poetry, he has received a total of $53,274. I should be careful. There was one small grant to take him to Glasgow to the song and poetry festival at the expense of the taxpayers of Canada, where I hope he enjoyed himself.

I am not unaware of the benefits of the Canada Council or of its source. My memory tells me it was introduced at the time that Mr. Diefenbaker was Prime Minister of Canada. It was created to support the arts in Canada. That is a very worth-while enterprise and a very worth-while subject for the Government of Canada.

A number of people in Prince Edward-Hastings have received Canada Council grants. I have no fault with their grants. Let me go a step further and say that I do not pretend to be a critic. There are many things the Canada Council supports that I find of little value. My taste does not go to some of the avant-garde art. My taste tends not to be supportive of some of the literature, dance and theatre, but I find absolutely no fault with that. They are the chosen works of artists in Canada and are looked on as such. I would not criticize them. I am sure there are Canadians who support that train of culture.

Nor would I censor the work that is being produced by Mr. Bissett. If he wants to produce the kind of garbage that he does, if he can find help to get it published and sold in the stores of Canada—although I cannot for the life of me understand who would take it—that is fine. By all means. I have absolutely no objection. What I object to very strenuously is the fact that he is using money from the taxpayers of Canada, through the Canada Council, to do this. Far worse than that, with the kind of garbage he puts out he is in fact stealing. I am confident that in any given year there are applications for grants from the Canada Council that are far more deserving than this. I am sure that if this money could be put towards such things as ballet, symphonies, books or dance, or any such worthy causes that Canada Council supports, I would have no argument.

If the Canada Council felt they needed to have an example of poorly written trash full of suggestive lines and four letter words, surely one example would have been enough, or even two. One can only stomach so much of this degradation. Because the books were available, I tried to work my way through some of them, but so help me I could not. I doubt that 10 per cent of the words in the book are properly spelled. There is some kind of tone to it; and when I get the meaning of the poem, I can hardly read it. I chuckled when the Minister answered the first two of my three questions. He actually spelled one of the titles wrong. He spelled the title "Poems", as you or I would spell it. Mr. Bissett, however, spells it "Pomes". I suppose there is some poetic licence in that, but it seems that even our staid Government sees the need to use the English language as it was intended.

I will give some explanation of what is in the books. I will not hold them up in the House of Commons. I know it is against the rules, but I would not do it in any event for fear that the cameras might get too close. Someone might be looking and would get a chance to read it, and I do not want to be responsible for disseminating that sort of thing.

• (1710)

In the books there are—I was going to say "explicit human acts", but surely they are not human. Surely the things described in his books are sub-human. The sort of thing which is described by Mr. Bissett in his works are beneath the dignity of the majority of Canadians.

Finally, I was warned at one point during the attempt by Mr. Bissett to sue myself and others that the press of Vancouver, particularly Talon Press and something by the name of "blew ointment press"—how does that name grab you?—have been responsible for taking money from the taxpayers to print this sort of thing. I frankly include them in my criticism, knowing they may well be upset, because they are as culpable as Mr. Bissett.

I am not going to take the 20 minutes allotted to me. I have set out, I think satisfactorily, how bad this material is. I could perhaps have taken a thesaurus and repeated two or three passages from it to find more adjectives to cover the despicable nature of the material, but that would do very little good. The whole purpose of this exercise, as far as I am concerned, Mr. Speaker, as the motion says in very fine language, would be to have the Government produce some of this material and put it on the desks of Hon. Members so they can see exactly what the Canada Council, an arm of the federal Government, is doing with the taxpayers' money.

I am being totally non-partisan, you will notice, Mr. Speaker. I have not blamed the Government or any of the Ministers in the questions I originally put on the Order Paper. The Ministers very quickly answered them. On this particular evening I have no desire to castigate anyone on the Government side. I expect there will be some Liberal Members responding to what I have said. I merely want to draw to the attention of the public of Canada the way in which some of the

taxpayers' dollars are spent, with the fond hope that perhapss-omewhere down the road, someone from Canada Council will have the courage to say no when this sort of thing is brought before them again, and they can go on and do the work they should be doing.

Mr. Gus Mitges (Grey-Simcoe): It is a great pleasure for me, Mr. Speaker, to participate in this debate in support of the position taken by my hon. colleague, the Hon. Member for Prince Edward Hastings (Mr. Ellis). I support his motion questioning the wisdom of the Canada Council giving grants to one by the name of Bill Bissett, a self-styled poet.

There is no question, Mr. Speaker, that we have a responsibility to keep our culture and heritage alive and to keep our identity ever present. However, there is also no question that some recipients who have been granted funds from Canada Council, ostensibly for this very purpose, have not followed through. To them, Canadian patriotism and nationalism has become not the last refuge of the scoundrel, but the first sanctuary of the rip-off artist. One glaring example is the person by the name of Bill Bissett, who seems obsessed in the writing of poetry with repeating obscene four-letter words over and over, which really depicts what many people think his poetry is all about.

Regardless of the protestations of concerned citizens all across Canada, which were completely ignored by the Canada Council, the pundits in that Department continue to fund this individual so he can produce even more of his so-called poetry which no newspaper in the country would ever think of printing. As my colleague from Prince Edward-Hastings stated, this man has received some $53,274 of Canadian taxpayers' money from the Council to produce his filth. If he had used his own money, that would be his own personal business; but for Canada Council to continue to fund him, courtesy of taxpayers' dollars, is wasteful and unforgivable. Writers who write what people will not read serve no purpose other than their own self-indulgence. If such people want to feed their own self-indulgence, then let them do it with their own funds, not with the hard-earned money of other people, such as Canadian taxpayers. Let them write on their own time and expense. There is always the possibility that in the process of earning a living, they might even become better writers.

I do not think it is the responsibility of the taxpayer to support writers when no one will pay to read their works. For that matter, why should the taxpayer support theatre which no one will pay to watch? Tax dollars were never meant for the purpose of providing writers, actors or producers with an ego-satisfying outlet or income. There is nothing wrong with amateur drama groups, but I do not believe they should be subsidized by the state.

I have personally been actively involved for over 20 years in an amateur drama group in my own home town of Owen Sound, the Owen Sound Little Theatre. Not once has our group requested financial assistance, either provincially or federally. We have always stood on our own two feet, ever improving ourselves and our play productions, which has helped to maintain continued and active support by the people in our community over the years. Such grants, I believe, only serve to smother motivation and incentive, not to mention desire and ambition. If it cannot be accomplished without grants, then it is not worth being done.

Canada Council makes awards to some 90-plus publishers and periodicals in Canada. I believe this not only encourages mediocrity, but it punishes the talented. If publishers did not receive public money they would be more discriminatory about what they publish. They would really have to hustle to sell books and promote authors.

There is no question in my mind that art and cultural have always been part of human nature and will continue to survive in one way or another despite any intervention by the State. If the Canada Council is going to continue to dole out taxpayers' dollars, it must tighten up its requirements and more actively critically investigate every application before it is approved. In other words, the people in Canada Council must take extra pains to live up to their mandate and trust so that they are never violated.

The people at Canada Council are not an entity unto themselves. They are answerable to their peers; at least, they should be. But despite all good advice and constructive criticism, Canada Council always turns a deaf ear and continues to carry on in a haphazard manner. Members of Parliament who have seen the obscene poetry of Mr. Bissett have expressed utter amazement that Canada Council have supported such works. Even reprimands from the Auditor General has not fazed Canada Council. The Auditor General's report on the Canada Council cited the "lack of adequate documentation on some of their files both for applications submitted and for subsequent action on individual projects", and that this inadequate documentation was "very extensive, costing the taxpayers several million dollars".

• (1720)

It is a sad state of affairs, Mr. Speaker, that the Canada Council is not even accountable to the Secretary of State (Mr. Joyal). The Council reports through him directly to Parliament. This is a totally inadequate way to allow for ministerial responsibility for accountability by the Canada Council to Members of Parliament for the spending of millions of dollars annually. This is totally unacceptable in a democracy. What it means is that the taxpayer will never be allowed to know or pass judgment because the Canada Council refuses access to information by Members of Parliament and the Minister. All I can say, Mr. Speaker, is, how autocratic can one get?

Let me repeat that Canada is still a democratic country, not a dictatorship as the Canada Council would like us to believe. All of us in public office, elected or otherwise, are responsible to the people of this country and not the other way around. I fervently believe that the Canada Council should get their act together, shed their arrogance and disdain for others, get out of their cocoon and become part of the real world. People who continue to live on cloud nine can do so if they wish, but they are not the kind of people in whom I would put faith and trust to manage and disburse millions of taxpayers' dollars. Commonsense, Mr. Speaker, is the bottom line. It is too bad that

this is an unknown quantity as far as the Canada Council is concerned. Let us hope it will change before much more damage is done.

Mr. Simon de Jong (Regina East): Mr. Speaker, I thank you for the opportunity of participating in this debate. It is ludicrous, to a large number of Canadians to see Parliament debating poetry when people are losing their jobs and their homes, and the country is in a major social and economic crisis. It will create the impression that we do not know how to use our time more effectively.

I for one do not believe that it is Parliament's function to debate the merits or otherwise of a particular poet and his poetry. I have no objection to debating whether to give cultural agencies like the Canada Council money grants to carry on cultural activities. In fact, I wish Parliament would spend more time debating that issue. But for us to discuss the merits of a particular decision or method of decision by the Canada Council is a waste of time.

However, there is a larger question involved, that of censorship. When Parliament begins to decide what is appropriate and what is not appropriate poetry, then I think we start down the road of censorship, a slippery road indeed. I remind Hon. Members that it was a Conservative Government which appointed Mr. Applebaum and Mr. Hébert to write their report. The second recommendation of that report is as follows:

> To the extent that the functions of cultural agencies and offices require the exercise of impartial, critical judgment in the support of cultural activity, they should be exempt from political direction in the form of ministerial directives of either a general or specific nature.

I think that also includes Parliament. The decision as to what form of art or which artist is acceptable is a decision to be made by their peers, not by Parliament. When Parliament becomes involved it threatens academic and intellectual freedom.

Mr. Mitges: At taxpayers' expense.

Mr. de Jong: Mr. Speaker, the Hon. Member mentions the taxpayers' responsibility. I think in this sense he is right. Parliament has and should have the opportunity to debate money being spent for the arts. But, as I mentioned before, I wish we could spend more time debating the general topic of public support for the arts and not art itself.

We are debating today the question of a particular poet, Mr. Bissett. Well, I am not going to stand here and argue the merits or lack thereof of Mr. Bissett's poetry. Art, Mr. Speaker, is in the eye of the beholder. I know many people consider Mr. Bissett to be a well known and important Canadian poet, and in Canadian literature courses in most universities Mr. Bissett's poetry is mandatory reading. His poetry has been published in over 47 publications. Now, Mr. Speaker, publishers do not publish poetry unless there is a demand for it. Obviously there must be some demand for his poetry, and for Hon. Members to suggest that he is only published by disreputable publishers is inaccurate. His poetry has appeared in such publications such as "The First Encounter", "Saturday Night", and the "Paris Review". The latter two are well known literary and intellectual publications. For us to say that they should not have printed his poetry I think is intellectual nonsense.

Certainly Mr. Bissett's poetry is difficult to read. It is part of what is called the "Black Mountain" school of poetry. Some people call it the concrete school. In my understanding of that school, the visual presentation of the words is as important as the actual meaning. The sounds that the poem creates are as important as the literal meaning. I am no expert on poetry, and I do not think that any Member of this Parliament is. Essentially, this school of poetry is another way of looking at the world, taking different aspects of reality and presenting them to us.

Some poets go out of their way to get a reaction from their readers using certain words over and over again. You know, they say it is a blow against the tyranny of words. That is their justification for using words which the previous speaker felt were offensive words. I am not outraged by them. To me they are words you hear on the street. They hold no tyranny for me. This is not my taste in poetry; but for us to try to suggest that the Canada Council should not make a grant available to any person is outrageous and not appropriate.

• (1730)

I have one other point which I should like to bring to the attention of the House. An Hon. Member has suggested that no legitimate poet or critic considers Mr. Bill Bissett's poetry of value. Again that was wrong. For example, Milton Acorn, a well-known and well-respected Canadian poet has defended Mr. Bill Bissett and his poetry. I could mention other well-established and well-known poets who have come to Mr. Bissett's defence. I ask the question again: who are we to make such judgments here?

Generally the type of words and images used by Mr. Bissett in his publications do not conform with my tastes, but I do not become as upset as have previous Conservative speakers. They called them obscene. There is mild obscenity in some of his poems, to be sure, but I would rather see Parliament debate what I really find obscene—war, nuclear weapons, hunger, torture and repression in the world. I think these are appropriate topics for discussion in Parliament. If we are to discuss obscenity, let us discuss the real obscenity which exists, not the merits or demerits of a poet.

Some Hon. Members: Hear, hear!

Hon. Bill Jarvis (Perth): Mr. Speaker, I am very much indebted to the Hon. Member for Regina East (Mr. de Jong) for providing me the incentive to rise. I am not quite sure why he participated in the debate, having found it such a tragic waste of time for the House to devote one hour to cultural matters, then professing that the House should not give its blessing to censorship or sit in judgment of the works of art of fellow Canadians, and then proceeding to defend the artist.

However, I should like to deal with his points one by one. First, let me talk about the effective use of the time of the

House in terms of economic stress over cultural matters. This was a display of either the ignorance or the hypocrisy of the NDP. I come from what is generally regarded as a cultural community, Stratford. People from all over the world, but mainly Canadians and Americans, spend $7 million a year buying tickets for the Stratford Festival. For every dollar spent on a ticket, $3 is spent on accommodations, food, souvenirs and travel. These dollars do not go to multinational companies but to small-business people, not only in my riding but in London, Kitchener, and the towns and villages surrounding Stratford. I have never seen a cultural dollar provide a better bang for the buck in terms of the economic multiplier effect than the $1 spent on a ticket in Stratford, in Niagara-on-the-Lake, for the Winnipeg Ballet or wherever. If my Hon. friend in the NDP is talking about providing a stimulus to the economy through cultural events, I say to him that he should come to Stratford.

This is not necessarily only a cultural debate. It is also an economic one. I have serious reservations about censorship, but I did not hear that matter raised. He made no reference to the fact that we were talking in terms of censorship. Having been given a mandate from fellow Canadians to represent them in the House, it would follow in my view that we would have a responsibility and obligation to be deeply concerned about the use of dollars which they send to us in terms of taxes and about how they are spent. Were I the chairman or a member of the Canada Council and I heard no criticism, I would be very worried. I would be extremely concerned if there were no criticism of the decisions I took. It is profoundly helpful, not only for constituents and taxpayers but for the Canada Council, for it to be the subject of criticism.

Any Member of Parliament who stops receiving letters of criticism starts worrying about the next election because the people have forgotten him. The Canada Council should worry when we in the House of Commons stop discussing what we consider to be decisions that are not in accord with the best interests of our taxpayers or constituents. That is the time to start worrying.

There is a great difference between censorship in the abstract and censorship when it relates to the expenditure of the dollars of taxpayers. I have no difficulty distinguishing between the two. It may have been a waste of my friend's time, but it certainly was not a waste of my time to hear the remarks of those who participated in the debate or to be able to criticize. When we in Stratford, who owe so much to the Canada Council, are not in accord with its judgment, we criticize.

The Stratford Festival is judged year after year. We have to stand up and be judged. If we fail to meet the level of expectation of the Canada Council, we are quite rightly cut off. There is absolutely nothing wrong with that. I think I speak on behalf of almost any arts organization with which I have had any contact when I say that the moment an organization does not permit itself to be judged by the ticket buyer, the Canada Council or the community supporting it, whether it be a Little Theatre in Owen Sound or the Stratford Festival in Stratford, the particular arts facility is doomed.

Some Hon. Members: Hear, hear!

Mr. Jack Burghardt (Parliamentary Secretary to Minister of Communications): Mr. Speaker, I am pleased to participate in the debate this afternoon raised by the Hon. Member for Prince Edward-Hastings (Mr. Ellis). I am rather interested in the most recent remarks of the Hon. Member for Perth (Mr. Jarvis). As the Hon. Member well knows—and he alluded to the fact—the Stratford Festival, in which he is very much interested, receives a great deal of support in many ways from the Canada Council. Because I come from the neighbouring riding of London West, I must add that we in the area appreciate the efforts of the Stratford Festival and what it means not only, as the Hon. Member mentioned, to the Stratford area, but certainly throughout southwestern Ontario, to London in particular and of course right across the country. There is no doubt that the Canada Council in many ways is the supporting arm of arts and culture in Canada.

At the outset I should like to indicate that it is fine to bring these matters before Parliament for debate. Certainly from time to time the Canada Council must be responsible for its actions, but I emphasize the point, as I am sure all Hon. Members know, that the Council operates at arm's length of Government and regardless of the Government of the day. As was already mentioned, grants awarded by the Canada Council, whether they be to poets, writers, musicians, theatre groups or touring groups, are done on the basis of the judgment of a panel of jurors, if one likes, who assess each individual application for a grant as it comes along.

I am sure all Members received today a very interesting document from the Canada Council which gave a report on the first seven years on the Touring Office of the Canada Council. The report detailed to a great extent the tremendous work of the Council in facilitating artists and young theatre groups, not only those in stationary positions, to tour across Canada and also on an international basis. I recommend that each Member read the report in detail.

• (1740)

As you well know, Mr. Speaker, the question of language, of literature, of the work of various Canadian poets has often been raised in this House. As a matter of fact, I believe it was the late Right Hon. Lester Person who referred to the fact that these questions kept arising time and time again. He said that members should really stop bringing such questions to the House, that perhaps they are letting failure go to their heads. Nevertheless, the matter has been raised. It is one which must always be answered, no matter how unfounded it may be. I suppose, and I can speak from experience having come from the broadcasting industry and having had the opportunity of working in that industry over a number of years, that perhaps what disturbs us is good. We can be disturbed on many fronts and on many elements. When we are perhaps disturbed, and especially when it comes from the cultural world, it sets us

thinking and acting. I would hope that Canadian art and literature would always disturb us. How then can our standards be determined, not standards for censure or suppression but community standards for acceptance and rejection? Here it seems to me that one could do worse than cite at length the criterion set for the Supreme Court of Canada, by Mr. Chief Justice Bora Laskin as follows:

> In seeking a Canadian community standard based on the average appreciation of art, the Court, in my opinion, is not limited to a settled national consensus. The average in community attitudes is better struck according to the range of exposure that that particular art, or art forms, have had in the localities of Canada where art is exhibited.

In other words, standards should be based on familiarity, on study and on considerable exposure. Judgment stems from knowledge, understanding, and responsiveness to the collective community experience—of writer, publisher or reader—which is every nation's literary heritage.

It has been the basis of the Government's cultural policies in literature to encourage and stimulate the suppliers of our literature, because the ultimate beneficiary is our nation as a whole. I am sure Hon. Members opposite would agree that our literature, no matter what its nature, enables us, in the well known words of Tom Symonds:

> —to know and understand ourselves; who we are; where we are in time and space; where we have been; where we are going; what we possess; what our responsibilities are to ourselves and to others.

Thirty years ago the framers of the Massey-Levesque Commission's Report asked plaintively:

> Is it true, then, that we are a people without a literature?

Today, in large part because of the various measures of support the Government has been able to institute, both indirectly through the Canada Council and less indirectly through support programs of the Department of Communications, we can point with great pride to an extraordinary growth in Canadian writing on the one hand and in the size and enthusiasm of Canadian audiences on the other, because Canadian writing has established its place not only in the literary history of this country but throughout the world.

The written and published words are flourishing in Canada in manifestations sufficiently varied to respond to all possible tastes. This signifies without any doubt that the spirit of artistic and intellectual freedom is alive and well and growing in Canada. Productivity and artistic maturity are proceeding hand in hand.

Today writers' lives are a collective success story in creativity, productivity and public esteem, both here and abroad. Critical attention and media recognition have been coming to Canadian writers as never before. But they also need to have enough to live on. The Hon. Member for Regina East (Mr. de Jong) criticized the fact that this Bill was being debated today and suggested that we should be talking more in terms of economic concerns. That point was picked up by the Hon. Member for Perth. I would agree with the Hon. Member for Perth to the extent that this is an economic matter, because we are concerned about Canadian writers, their livelihood and just how they are able to live. For example, and this may come as rather a surprise, the median income of full-time writers in Canada was, according to Statistics Canada for 1978, the last year for which we have complete figures, about $7,000 a year. Income from royalties amounted to about $3,000 a year. Canadian writers on their own are not making money hand over fist overnight. It is, as the Hon. Member for Perth has suggested, an economic debate and one which must be addressed with all sincerity and honesty.

Publishing in Canada is also a success story, and again not often a financial one. Canadian publishers have to face the full power and force of the highly successful great American houses, with their enormous home market base, and try to foster and increase the flow of Canadian books. In this context any support not given can be seen as leading simply to the waste of Canadian creative resources. The problem here is not how to give less, not how to censor, not how to constrict and subdue the natural flow, even if it does occasionally splash over us in ways that we might find uncomfortable. The problem here is how to support, nourish, fertilize and foster for the imaginative enrichment of us all.

It has been explained often enough in this House how grants are made by the Canada Council. For the benefit of Hon. Members present I suppose there would be no harm in repeating that explanation yet again.

All applications from individual artists are assessed by independent professionals, knowledgeable in the discipline of the applicants. For literature the juries have included such writers as Margaret Atwood, Dennis Lee, James Reaney, and Earle Birney, each of whom has won the Governor General's Literary Award. These jurors and appraisers are asked to evaluate the artistic quality of the applican't work, his career and its place in the world of contemporary literature. Obviously the assessment is not made on a few works or a few words taken out of context. There are many books of the very highest spiritual content containing passages which, taken out of their setting, can startle and shock. Yet one would be foolish to judge them on an individual basis.

The Department of Communications also gives support to Canadian literature through its Canadian Book Publishing Development Program, which is aimed at improving the corporate health of Canadian publishers. The sale of these books increased by 23 per cent over the previous year. The Federal Cultural Policy Review Committee has now come forward with recommendations for certain modifications and amplifications in the programs of support for our literature. We plan to act rapidly in response to this report. Their recommendations are of the highest importance for our future intellectural and, consequently, moral growth as a nation. I do mean moral growth, in spite of the quotations that have been cited once again here today. A nation without its full, flourishing and free literature is really like a people without a voice, without expressed thought, without defined future commitments or without a vocal conscience, no matter how that conscience finds it necessary to express itself.

• (1750)

I am sure that the Hon. Member must agree that we must continue to support our artists at this time because in all of their manifestations, even the ones we do not like, they are our voices. Perhaps they are not like the voices that are raised day in and day out in this place, but they are our voices that perhaps can have a greater effect in many ways than some of the voices we hear in the House of Commons. They help us to look to the future.

I think the point which must be stressed with respect to the criticism of the Canada Council grant to the particular writer involved is that the Hon. Member failed to point out the fact that this particular writer has written a number of books which I am sure the Hon. Member has not had the opportunity or perhaps the inclination or interest to read. Perhaps he should read them. He has taken one particular area out of context, if you will, to make his criticism. I would suggest to the Hon. Member that in order to have a better view of this particular writer's craft and his ability to communicate, he should in fact look at the entire works of that writer.

As I mentioned earlier, the Canada Council does in fact work at arm's length. I believe that all Hon. Members would have to agree that the jurors who base their decisions on the grants that might be awarded are people with a strong representation of the proessional fields which they do represent. I suggest that the Canada Council does merit our support in many ways. It merits our support to the point that when we study the Applebaum-Hébert Report much more will be said about it. Hopefully, Parliament will see fit to increase the awareness and financial support not only for the Canada Council but for all areas of art and culture in the country.

Again, I refer to what the Hon. Member for Perth had to say about the fact that this is an economic debate because this does involve dollars and cents for artists as well as for the communities which many of these artists support through writing, theatre groups and music. Symphony orchestras are an example of community support. Theatre London in my area receives support in many ways from the Canada Council. It should be encouraged to give greater support.

I will conclude with those remarks, Mr. Speaker, and trust that the Hon. Member for Prince Edward-Hastings will look at the entire work of this particular artist and not just at one particular sentence. I must refer to the Stratford Festival. Can you imagine, Mr. Speaker, that if the Hon. Member for Prince Edward-Hastings were alive in the days of Shakespeare, he would not have been able to stand up and espouse the greatness of the Stratford Festival, which we all know encourages and highlights the works of Shakespeare. Yet I do not hear any criticism of some of the words used in the great Shakespearian plays. The intent of what Hon. Members opposite have said is rather questionable. Again, let us support the Canada Council however possible.

Mr. Ellis: There is no argument.

Mr. Burghardt: The Hon. Member says he has no argument, yet he stands before us to criticize the handing out of funds to this particular artist. These artists are only doing their work.

Mr. Howard Crosby (Halifax West): Mr. Speaker, the motion presented to the House by the Hon. Member for Prince Edward-Hastings (Mr. Ellis) deals with a very specific matter but it does provide an opportunity to consider the work and the organization of the Canada Council.

In responding immediately to the words of the Parliamentary Secretary with respect to the Canada Council, I want to make it clear that we are here to ask what the Canada Council can do for Canadians, not what Canadians can do for the Canada Council. The challenge we have is to examine the work of the Canada Council to determine if it is fulfilling its mandate or, indeed, if the Canada Council in this day and age of restraint should have a mandate from the Parliament of Canada.

Just to deal briefly with that point, I remind Hon. Members in the House that this is the twenty-fifth year of the operation of the Canada Council, which I understand was organized in 1957 with a $50 million grant. I recall that this grant seemed like a large amount to turn over to the arts in those days of the low dollar values. However, 25 years later, the budget alone for 1981-82 of the Canada Council involves $62.8 million in expenditures. We are dealing with a relatively vast organization.

I was impressed by the words of the Parliamentary Secretary when he said that we can rely on the Canada Council to make arm's length decisions on matters affecting the arts across Canada. One could also ask what the relationship of the Associate Director and Director of the arts division, Mr. Timothy Porteous, is to the Government of Canada. If I am not mistaken, his claim to fame is that he is a personal friend of the Prime Minister (Mr. Trudeau). I wonder if they occasionally talk about matters pertaining to the arts.

My purpose in rising today is to deal particularly with the current situation between Canada Council and the Atlantic Symphony Orchestra. The Atlantic Symphony Orchestra has been a very important part of community life in Halifax and across the Maritime Provinces for some time now. The closure of the Atlantic Symphony Orchestra was announced this year. The problem is that the financing for this symphony orchestra is not available. I want to ask the Parliamentary Secretary and those who deal with the Canada Council to have the officers responsible conduct an immediate investigation in an attempt to save the Atlantic Symphony Orchestra, in accordance with their mandate, in order to provide that important community service to the City of Halifax, the Province of Nova Scotia and all of the Maritime Provinces. Only through action such as that will the Canada Council fulfill its mandate and serve not only the people of my Province of Nova Scotia but all Canadians.

Mr. Doug Frith (Sudbury): Mr. Speaker, in the final two minutes I would like to elaborate on one of the major points

made by the Hon. Member for Regina East (Mr. de Jong) with respect to the question, in terms of these grants that are given out by the Canada Council, as to who decides on those grants and on what basis. In other words, who is qualified to judge artistic quality? I would point out that this has always been one of the difficulties that the Canada Council has had in judging the work of artists, particularly young artists, and determining how those grants would be given.

The Canada Council is very unique in the sense that it is a creation of Government which, paradoxically, operates quite independently from Government, while remaining accountable to it. It is a structure of artists, by artists, for artists.

One of the original directors of the Canada Council stated that the Canada Council has to make decisions daily about artists in their twenties who have perhaps one volume of poetry to their name or a string quartet that has only given one performance. He said, "We are, in fact, required to look into the seeds of time and say which one will grow and which one will not."

[*Translation*]

Mr. Deputy Speaker: Order, please. The hour provided for the consideration of private members' business has expired. I do now leave the Chair until eight o'clock this evening.

At 6 p.m. the House took recess.

AFTER RECESS

The House resumed at 8 p.m.

ROUTINE PROCEEDINGS

[*English*]

BUSINESS OF THE HOUSE

ALLOCATION OF TIME TO CONSIDER SECOND READING STAGE OF BILL C-131

The House resumed consideration of the motion of Miss Bégin:

That, in relation to Bill C-131, an Act to amend the Old Age Security Act (No. 2), one additional sitting day shall be allotted to the consideration of the second reading stage of the Bill; and

That 15 minutes before the expiry of the time provided for Government business on that day, any proceedings before the House shall be interrupted, if required, for the purpose of this Order and, in turn, every question then necessary in order to dispose of that stage of the Bill shall be put forthwith and successively, without further debate or amendment.

The Acting Speaker (Mr. Corbin): Order, please. The Chair should perhaps explain to Hon. Members that the key for the bells has been mislaid.

Some Hon. Members: Oh, oh!

The Acting Speaker (Mr. Corbin): However, it being past the time of meeting, the occupant of the Chair thought that proceedings should start now as there is a quorum.

Mr. Deans: Mr. Speaker, I sympathize with you, Mr. Speaker. I would offer you a key if I had one. However, I must insist that unless the bells ring to inform Hon. Members that the House has, in fact, started, which would be quite out of the ordinary, then I think Hon. Members would be able to indicate, on a matter of privilege, that they had not been properly summoned for the evening session.

Since I am here, it does not matter to me, but I wish you would find the key, Sir, because it is important inasmuch as we will have a vote in 12 minutes, I can assure you of that, and without the bell, unless the Government House Leader is prepared, like the old bell ringer of years gone by, to take in his hand a bell and to march through the halls ringing it, we will feel obliged to ask that the vote not take place at that time.

Some Hon. Members: Hear, hear!

The Acting Speaker (Mr. Corbin): Do I see the President of the Privy Council (Mr. Pinard) rising on the same point of order?

Mr. Baker (Nepean-Carleton): They have lost the key? You have to be kidding.

Mr. Pinard: Mr. Speaker, I think we have a quorum and I understand the point made by the Hon. Member for Hamilton Mountain (Mr. Deans). I will not agree to a vote being taken without the bell calling in the Members. However, I would invite him to quote the proper Standing Order stating that the bell is required at eight o'clock to call in the Members.

Mr. Deans: I would suggest, without quoting the Standing Order, that there is clear precedent for the necessity of ringing the bell in order to indicate—

An Hon. Member: Ding dong.

Mr. Deans: —that the House has been called into session. However, in the interests of harmony, if there were unanimous agreement, I would be quite content to allow the 12 minutes which are not yet used up in the two hour debate to be used now on the clear understanding that, but for the want of a key, the vote could take place. Maybe we could agree that if we do not have a key 12 minutes from now, the vote will take place when the key arrives.

Mr. Baker (Nepean-Carleton): Somebody should check their pockets.

Mr. Pinard: Yes, Mr. Speaker, I welcome the suggestion, which I was about to make, that in order not to waste any time, due to this fortuitous event, and considering the fact that we have a quorum and Hon. Members want to conclude debate on the motion which is being debated by the House, we conclude debate after 12 minutes, and if we still have not

found the key by that time, I would even be willing to agree that we resume debate on Bill C-132 and that the vote be deferred until later, when they key is found.

Mr. Nielsen: Mr. Speaker, ordinarily I would take keen delight in entering into any discussion with respect to the application of the rules of this place. What the Government House leader has said sounds eminently sensible, and I really do not believe that I should take a part in the substantive discussion of the application of the rules, since I am hardly an expert on the bells.

[*Translation*]

Mr. Cyr: Mr. Speaker, if I may be of some service to the Chair? I would like to inform the House that in my office, I have a ship's bell, and perhaps you would care to use it to call in the Members.

[*English*]

Mr. Isabelle: Mr. Speaker, if I could make a suggestion, maybe you could order another set of keys to be made, so that the other set could be kept under the Chair.

Some Hon. Members: Oh, oh!

The Acting Speaker (Mr. Corbin): Order, please. The Chair has heard the various interventions by the Government House leader and the House leader of the Official Opposition as well as the NDP House leader. Is there, therefore, unanimous consent that we proceed in the way which was outlined?

Some Hon. Members: Agreed.

Mr. Paul Dick (Lanark-Renfrew-Carleton): Mr. Speaker, if you would just listen carefully, I think you can faintly hear a bell, and it is a pleasure for me to have this opportunity to rise and speak to the motion on Bill C-131. I can understand why the Government has brought in closure, because it is not the type of matter it would like to discuss for a very long period of time. It is not a popular Bill and, therefore, it would like to sneak it through as quickly and as quietly as possible, hopeful that the Canadian public will not know about it.

Taking away money from senior citizens and asking them to lead us in the fight on inflation is hardly fair, considering the fact that those senior citizens are the ones who led our country to prosperity. Why does the Government of the country not take the lead in cutting its expenditures instead of increasing them by 22 per cent? Perhaps it could cut its spending so that it can increase its expenditures this year by only 6 per cent and maybe, by next year, by only 5 per cent. Perhaps the Government could take the lead in cutting our deficit so that the deficit increases next year by only 6 per cent and, the year after that, by 5 per cent. This would be a new wrinkle. We would all like this and it would be a very acceptable type of Government. We have only been debating this Bill, through which the Government seeks to cut the pensions to the senior citizens in this country, for eight and a half hours. The speech made by the Parliamentary Secretary to the Minister of National Health and Welfare (Mr. Schroder) this afternoon sparked my memory a little bit. I point out that the Parliamentary Secretary spoke last night in the debate and used up the available time. Otherwise, the Bill probably would have passed last night. Not only was he not satisfied with speaking for a lengthy period of time last night but he decided to get up today and make an intervention. He spoke about how Parliament does not use its time properly and how insensitive Parliament is to an effective and efficient use of time.

• (2010)

It made me think, oh yes, we had an increase in old age pensions back in 1973, when I had the honour of being here, and I remember that it was the greatest waste of the time of the House. In 1973, when the Bill to increase old age pensions was introduced in this House, the Members of the NDP and the Progressive Conservative Party, who were then in Opposition proposed to the Government that we have two speakers per Party, and then put the Bill to a vote. The Government refused, and Members of the Government spoke for three full days on the increase of old age pensions. Then the Government Party "forced" a vote, which came to 228 yeas to zero nays. Forcing a vote on a motion when nobody is opposed to it has to be an absolutely ridiculous waste of time. But the Government Members wanted to speak on their then popular measure of increasing old age pensions, and they spoke for three full days. Yet when they are introducing a measure to cut the pension, to reduce what the people get, they want to cut it off at eight and a half hours.

An Hon. Member: Double standard.

Mr. Dick: The Government certainly has a double standard, to say the very least. It is being a little hypocritical, when they bring in a positive measure they think is going to be well received, to want to talk about it at length. They then have as many as 37 speakers speaking in favour of it so they can zerox copies and send them out to their constituents. But when they want to make cuts, and hurt the people who least deserve to be hurt in this country, they want to cut off debate.

I had an opportunity to go down to the Parliamentary Library this afternoon, after I heard the Parliamentary Secretary to the Minister of National Health and Welfare, and I want to quote from page 1793 of Volume 2 of the First Session of the Twenty-Ninth Parliament where, after the Question Period, the Hon. Marc Lalonde moved that Bill 147 to amend the Old Age Security Act be read a second time and referred to a Standing Committee. He said:

—the bill that is now before the House for second reading proposes the largest single increase in the basic old age security pension that has ever been made since the inception of this particular program over 20 years ago.

Now we are having the first cut that we have ever had in over 30 years of old age pensions, and they do not want to talk about it.

He went on:

I feel all the more privileged that the very first bill I have the honour to propose for the consideration of parliament is one which aims at substantially improving the economic condition of those 1.8 million senior citizens to whom Canada owes so much for making it what it is today.

Such hypocrisy for Marc Lalonde to say that when introducing the Bill in 1973, and try to cut off debate today.

The Acting Speaker (Mr. Corbin): Order, please. The Hon. Member should refer to other Members in the House by the name of their ridings, or their portfolio, please.

Mr. Dick: Mr. Speaker, I am not sure what his constituency was in those days, but he was the minister of health in 1973, and he finds himself as the Minister of Finance today, not being generous as he was in 1973, but introducing six and five to cut down the pensions of the senior citizens of this country. That is what the Minister is proposing; that is the double standard used by the Government today. They insisted then that we keep debating the Bill and wasting time by taking a vote on a motion which nobody opposed.

Mr. Baker (Nepean-Carleton): The worm has turned.

Mr. Dick: It was this Government which was hypocritical during the 1979-1980 federal election campaign, when it went around the country and promised among other things that it would increase senior citizens' allowances by $35. It was after the election that they then said, oh, it is only the GIS, it is not the general package that goes to old age pensioners.

Mr. Baker (Nepean-Carleton): Not the basic.

Mr. Dick: That is the second time they have deceived the senior citizens of this country.

Mr. Baker (Nepean-Carleton): That is right.

Mr. Dick: Ebenezer Scrooge was a miser, but at least he was an honest miser and he treated his foes as he did himself. The Liberal Government of today is really, in this month of Debember, playing like Scrooge, but it does not want to have an honest and full discussion about this matter. They want to cut it off because they are so embarrassed. They want to hide this matter. As a matter of fact, in the year 1973 the Liberal Government had to bring in a second Bill on old age pensions which it brought in on September 6 of that year, because it had botched the one it brought in on March 6.

Mr. Baker (Nepean-Carleton): I remember that.

Mr. Dick: They had not allowed indexing on the quarterly instalment plan. We spent seven days debating the old age security pension in 1973. Now, after eight and a half hours, they want to cut off the debate.

I understand why they might want to have a double standard but I think it is unfortunate. If they wanted to be true to themselves, and wanted to be fair or even a bit honest, then they would show the leadership required in this country.

I ask them, instead of increasing Government expenditures by 22 per cent or 17 per cent or 16 per cent, whichever figures you want to use, let them cut it to 6 per cent; and next year promise that the national debt is not going to increase by more than 6 per cent. Let them show leadership right at home in their handling of government affairs in this country, and quit trying to lay the leadership on the backs of those who are over 65, who have served this country, who have built this country into what it is today and now, after having shown leadership over the last 40 years, are being asked to show leadership a second time. I do not think that is honest or fair. I think the Government has the responsibility, and should not call upon the senior citizens who have already contributed.

The senior citizens of this country are not equally well off, but the Government is introducing a means test, and some senior citizens, as a couple, will lose almost $600 over the next two years because of this Bill. I think the Government should bring in restraint, and I believe in the six and five program being applied in certain cases, but it should be implemented where it is most important first, that part which is increasing inflation, and that happens to be the Government's own habits of spending.

My time is almost up, Mr. Speaker and I just want to say one last thing about six and five cutting off senior citizens' pensions. It is unfair, unjust and totally reprehensible.

Mr. Baker (Nepean-Carleton): Hear, hear!

Mr. Norman Kelly (Scarborough Centre): Mr. Speaker, there is nothing more edifying then participating in an important debate in front of an attentive House, so I take great pleasure this evening to be able to present my reflections on the motion that is before us on the Bill whose fate we are attempting to shape.

An Hon. Member: That should take about two minutes.

Mrs. Mitchell: We heard your reflections yesterday.

Mr. Kelly: Two arguments have been developed and hurled across at us in this two-hour debate: First that this Government is applying closure an in attempt to terminate this important debate and that it is not interested in looking at the sensitive and detailed technical arguments that are involved in this issue and second, that this Government, in a very brutal way, is determined to fight inflation on the backs of the senior citizens. I would like to look at those arguments and see if there is any merit in them. If there is, this Government is doing the wrong thing to a very sensitive segment of our society.

• (2020)

Are we invoking closure? Are we terminating this debate? Obviously the answer is that we are not invoking closure and we are not terminating debate. The hon. gentleman opposite who is walking down the aisle, in his rococo debating style has charged us with disinterest.

Mr. Deans: Are you being mean?

Mr. Kelly: No, I think I am being generous. I was actually trying to choose between rococo and Jovian. I did not know which of the two was more accurate or generous. Anyway, are we terminating debate? The answer is no.

The Acting Speaker (Mr. Corbin): Order. It being 8.22 o'clock p.m., the two hours provided for the consideration of the motion now before the House under the provisions of Standing Order 75C have expired. Accordingly, under the terms of the Standing Order, it is my duty to interrupt the proceedings and put every question necessary to dispose of the motion.

Is it the pleasure of the House to adopt the motion?

Some Hon. Members: Agreed.

Some Hon. Members: No.

The Acting Speaker (Mr. Corbin): All those in favour of the motion will please say yea.

Some Hon. Members: Yea.

The Acting Speaker (Mr. Corbin): All those opposed will please say nay.

Some Hon. Members: Nay.

The Acting Speaker (Mr. Corbin): In my opinion, the yeas have it.

And more than five Members having risen:

The Acting Speaker (Mr. Corbin): Call in the Members.

The House divided on the motion which was agreed to on the following division:

(*Division No. 262*)

YEAS

Messrs.

Allmand
Appolloni (Mrs.)
Axworthy
Bachand
Beauchamp-Niquet (Mrs.)
Bégin (Miss)
Berger
Blais
Bloomfield
Bockstael
Bossy
Breau
Bujold
Burghardt
Bussières
Campbell (Miss) (South West Nova)
Campbell (LaSalle)
Campbell (Cardigan)
Collenette
Comtois
Corbin
Corriveau
Cosgrove
Côté (Mrs.)
Cousineau
Cullen
Cyr
Daudlin
Dawson
Demers
Deniger
Desmarais
Dingwall
Dion
Dionne (Chicoutimi)
Dionne (Northumberland-Miramichi)
Dubois
Duclos
Dupont
Dupras
Erola (Mrs.)
Ethier
Evans
Ferguson
Fisher
Fleming
Flis
Foster
Fox
Frith
Garant
Gauthier
Gendron
Gimaïel
Gingras
Gourd (Argenteuil-Papineau)
Gourde (Lévis)
Gray
Guilbault
Harquail
Herbert
Hervieux-Payette (Mrs.)
Hopkins
Hudecki
Irwin
Isabelle
Johnston
Kaplan
Kelly
Killens (Mrs.)
Lachance
Lajoie
Lalonde
Landers
Lang
Laniel
Lapierre
Lapointe (Charlevoix)
Lapointe (Beauce)
LeBlanc
Leduc
Lefebvre
Loiselle
Lumley
MacBain
MacEachen
MacGuigan
MacLaren
MacLellan
Malépart
Maltais
Marceau
Massé
Masters
McCauley
McRae
Munro (Hamilton East)
Nicholson (Miss)
Olivier
Ostiguy
Ouellet
Parent
Pepin
Peterson
Pinard
Portelance
Prud'homme
Reid (Kenora-Rainy River)
Roberts
Robinson (Etobicoke-Lakeshore)
Rooney
Rossi
Roy
Savard
Schroder
Simmons
Smith
Tardif
Tobin
Turner
Veillette
Watson
Weatherhead
Yanakis—124.

NAYS

Messrs.

Althouse
Andre
Anguish
Baker (Nepean-Carleton)
Beatty
Benjamin
Blackburn
Blaikie
Bosley
Bradley
Broadbent
Cardiff
Clarke (Vancouver Quadra)
Cooper
Corbett
Cossitt (Mrs.)
Crosby (Halifax West)
Dantzer
Darling
Deans
de Jong
Dick
Ellis
Elzinga
Epp
Fennell
Fulton
Gamble
Gass
Greenaway
Gurbin
Gustafson
Hamilton (Qu'Appelle-Moose Mountain)
Hawkes
Heap
Hees
Hovdebo
Howie
Huntington
Jarvis
Keeper
Kempling
Kilgour
King
Knowles
Korchinski
Kristiansen
Kushner
Lambert
Lawrence
Lewis
MacDonald (Miss) (Kingston and the Islands)
MacKay
Mazankowski
McCain
McCuish
McDermid
McDonald (Ms.) (Broadview-Greenwood)
McKenzie
McKinnon
McKnight
McLean
McMillan
Mitchell (Mrs.)
Mitges
Murphy
Murta
Neil
Nickerson
Nielsen
Nowlan
Nystrom
Oberle
Orlikow
Paproski
Parker
Patterson
Reid (St. Catharines)
Riis
Robinson (Burnaby)
Rose
Sargeant
Scott (Hamilton-Wentworth)
Scott (Victoria-Haliburton)
Siddon
Skelly
Speyer
Stewart
Taylor
Thacker
Towers
Vankoughnet
Waddell
Wenman
Wilson
Wise
Young—97.

● (2050)

[*Translation*]

Madam Speaker: Motion carried.

Motion agreed to.

* * *

[*English*]

QUESTIONS ON THE ORDER PAPER

(Questions answered orally are indicated by an asterisk.)

Mr. David Smith (Parliamentary Secretary to President of the Privy Council): Madam Speaker, the following questions will be answered today: 4,053, 4,487, and 4,503.

Order Paper Questions

[*Text*]

EXPORTS OF URANIUM HEXAFLUORIDE

Question No. 4,053—**Mr. Siddon:**

1. How many tonnes of uranium hexafluoride were exported (a) from Canada (b) through the Port of Montreal in (i) 1980 (ii) 1981?

2. How many tonnes of uranium hexafluoride were shipped from Canada direct to the U.S.S.R. for further enrichment into the isotopes uranium 235 and uranium 238 en route to the final countries of destination during (a) 1980 (b) 1981?

3. How many tonnes of uranium hexafluoride were exported from Canada on export permits designating Finland as the ultimate destination during (a) 1980 (b) 1981 and, in each case, to the knowledge of the government (i) how many tonnes were finally received in Finland (ii) how many tonnes destined for Finland actually left the U.S.S.R. in the form of the enriched uranium isotope U235 and what is it used for (iii) how many tonnes destined for Finland actually left the U.S.S.R. in the form of enriched isotope U238 and to what agency or agencies was the material shipped and what is it used for (iv) how many tonnes of residue resulting from the enrichment in the U.S.S.R. were actually left in the U.S.S.R. and what was the final form of the residue and how was it disposed of?

4. How many tonnes of uranium hexafluoride were exported from Canada on export permits designating East Germany as the ultimate destination during (a) 1980 (b) 1981 and, in each case, to the knowledge of the government (i) how many tonnes were finally received in East Germany (ii) how many tonnes destined for East Germany actually left the U.S.S.R. in the form of the enriched isotope U235 and what is it used for (iii) how many tonnes destined for East Germany actually left the U.S.S.R. in the form of the enriched isotope U238 and to what agency or agencies was the material shipped and what is it used for (iv) how many tonnes of residue resulting from the enrichment in the U.S.S.R. were actually left in the U.S.S.R. and what was the final form of the residue and how was it disposed of?

5. How many tonnes of uranium hexafluoride were exported from Canada on export permits designating South Africa as the ultimate destination during (a) 1980 (b) 1981 and, in each case, to the knowledge of the government (i) how many tonnes were finally received in South Africa (ii) how many tonnes destined for South Africa actually left the U.S.S.R. in the form of the enriched uranium isotope U235 and what is it used for (iii) how many tonnes destined for South Africa actually left the U.S.S.R. in the form of the enriched isotope U238 and to what agency or agencies was the material shipped and what is it used for (iv) how many tonnes of residue resulting from the enrichment in the U.S.S.R. were actually left in the U.S.S.R. and what was the final form of the residue and how was it disposed of?

6. How many tonnes of uranium hexafluoride were exported from Canada on export permits designating Italy as the ultimate destination during (a) 1980 (b) 1981 and, in each case, to the knowledge of the government (i) how many tonnes were finally received in Italy (ii) how many tonnes destined for Italy actually left the U.S.S.R. in the form of the enriched uranium isotope U235 and what is it used for (iii) how many tonnes destined for Italy actually left the U.S.S.R. in the form of the enriched isotope U238 and to what agency or agencies was the material shipped and what is it used for (iv) how many tonnes of residue resulting from the enrichment in the U.S.S.R. were actually left in the U.S.S.R. and what was the final form of the residue and how was it disposed of?

7. To what other countries and in what tonnages was uranium hexafluoride exported from Canada during (a) 1980 (b) 1981 and, in each case (i) what was the name of the purchaser (ii) did the country of destination request that the uranium hexafluoride be shipped initially to the U.S.S.R. for enrichment and how many tonnes of the isotope U235 and the isotope U238 were produced within the U.S.S.R.?

8. Was each shipment in Part 7 registered with the International Atomic Energy Agency and are detailed records of all subsequent destinations of Canadian uranium, in all its forms, maintained by the Atomic Energy Control Board?

Mr. David Smith (Parliamentary Secretary to President of the Privy Council): I am informed by the Atomic Energy Control Board and Statistics Canada as follows:

1. (a) (i) 1980—8410 tonnes (t) uranium, (ii) 1981—8830 t uranium. (b) Under the confidentiality provisions of the Statistics Act, statistics on exports of uranium hexafluoride are not published separately due to the small number of reporting firms. The Act ensures that no information relating the particulars obtained from any individual return to any identifiable individual person, business or organization is disclosed.

2. (a) 1980—840 t uranium, (b) 1981—443 t uranium.

3. (a) 1980—308 t uranium, (i) 248.125 t uranium, (ii) 55 t of uranium containing 1.6 t of the uranium isotope U*in235 and 53.4 t of the isotope U*in238 left the U.S.S.R. for fabrication into fuel assemblies for use in Finnish nuclear power reactors. (iii) 230 t of depleted uranium containing 229.5 t of U*in238 and 0.5 t of U*in235 were shipped to Finland and subsequently transferred to the European Atomic Energy Community (Euratom) under terms of Canada/Euratom Agreement for the peaceful uses of atomic energy. (iv) 0.5 t of depleted uranium remained in the U.S.S.R. at the end of 1980.

(b) 1981—232 t uranium, (i) 183.9 t uranium, (ii) 30 t of uranium containing 0.9 t of the uranium isotope U*in235 and 29.1 t of the uranium isotope U*in238 left the U.S.S.R. for fabrication into fuel assemblies for use in Finnish nuclear power reactors. (iii) 130.6 of depleted uranium containing 130.3 t of U*in238 and 0.3 t of U*in235 were shipped to Finland and subsequently transferred to Euratom under terms of the Canada/Euratom Agreement for the peaceful uses of atomic energy. (iv) 0.6 t of depleted uranium remained in the U.S.S.R. at the end of 1981. This includes the 0.5 t of depleted uranium that remained in the U.S.S.R. at the end of 1980.

4. (a) 1980—None. (i)—(iv) Not applicable. (b) 1981—None. (i)—(iv) Not applicable.

5. (a) 1980—None. (i)—(iv) Not applicable. (b) 1981—None. (i)—(iv) Not applicable.

6. (a) 1980—533 t uranium. (i) 533 t of uranium were received in the Euratom destined for use in Italy. Under the Canada/Euratom Agreement materials are accounted for on a community basis rather than a state basis. (ii)—(iv) No uranium destined for Italy has gone via the U.S.S.R.

(b) 1981—692 t uranium. (i)—(iv) No uranium destined for Italy has gone via the U.S.S.R.

7. (a) 1980 (Ultimate destinations)

Federal Republic of Germany (FRG)—545 t uranium

(i) German utilities. (ii) The FRG requested that 133 t of uranium be enriched in the U.S.S.R. U*in235 and U*in238 are not produced in the enrichment process. The process involves increasing the quantity of U*in235 in part of the material by decreasing the quantity of U*in235 in the remaining part. The total amount of U*in238 and U*in235 does not change.

Belgium—844 t uranium. (i) Belgian utilities, (ii) No.

Spain—1313 t uranium. (i) Spanish utilities, (ii) Spain requested that 400 t of uranium be enriched in the U.S.S.R.

Japan—2400 t uranium. (i) Japanese utilities, (ii) No.

United States of America—1509 t uranium. This includes 1 t of uranium shipped to the U.S.A. for storage awaiting toll

shipment and for which the ultimate destinations have not been assigned. (i) U.S. utilities, (ii) No.

Korea—88 t uranium. (i) Korean utilities, (ii) No.

United Kingdom—752 t uranium. (i) British utilities, (ii) No.

Sweden—118 t uranium. (i) Swedish utilities, (ii) No.

(b) 1981 (Ultimate destinations)

Federal Republic of Germany (FRG)—775 t uranium. (i) German utilities, (ii) FRG requested that 256 t of uranium be enriched in the U.S.S.R.

France—242 t uranium. (i) French utilities, (ii) No.

Spain—110 t uranium. (i) Spanish utilities, (ii) No.

Japan—2897 t uranium. (i) Japanese utilities, (ii) No.

Sweden—71 t uranium. (i) Swedish utilities, (ii) Sweden requested that 50 t of uranium be enriched in the U.S.S.R.

Belgium—31 t uranium. (i) Belgian utilities, (ii) No.

Netherlands—82 t uranium. (i) Dutch utilities, (ii) No.

United States of America—3018 t uranium. This includes 132 t of uranium shipped to the U.S.A. for storage awaiting toll enrichment and for which ultimate destinations have not been assigned. (i) U.S. utilities, (ii) No.

United Kingdom—680 t uranium. (i) British utilities, (ii) No.

8. The International Atomic Energy Agency (IAEA) is informed of each shipment of nuclear material from Canada as required by agreement between Canada and the IAEA for the application of safeguards in connection with the treaty on the non-proliferation of nuclear weapons. Records on re-transfers are maintained by AECB.

AIR CANADA—ADVERTISING BUDGET

Question No. 4,487—**Mr. Siddon:**

1. What amount did Air Canada spend for advertising in the fiscal year (a) 1980-81 (b) 1981-82?

2. What amount did Air Canada budget for advertising in the fiscal year 1982-83?

3. What percentage of Air Canada's fiscal year 1982-83 advertising will be devoted to (a) newspapers and magazines (b) radio (c) television (d) trade show or convention exhibits (e) any other?

4. Did Air Canada declare a deficit in the fiscal year (a) 1980-81 (b) 1981-82 and, if so, what was the extent of that deficit?

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

The Air Canada fiscal year coincides with the calendar year, therefore, the following answers vary slightly from the years requested in the questions.

1. (a) 1980 $32,603,000 or 1.8 per cent of the operating budget. (b) 1981 $35,063,000 or 1.6 per cent of the operating budget. (c) 1982 The amount is under adjustment, but a similar percentage of operating budget.

2. The 1983 advertising budget has not been set yet.

3. Newspapers receive the bulk of the Air Canada advertising budget because of their flexibility. Radio and television time must be booked in advance which is a disadvantage. The actual percentages are regarded as proprietory information because of the advantages advance knowledge of the company's advertising strategies would give domestic and international competitors.

4. The annual report, tabled in Parliament on March 29, 1982 and distributed to all Members, indicated profits over the past five years totalling $200 million with $40.1 million in 1981 and $57 million in 1980.

AIR CANADA—MOUNT EVEREST VENTURE

Question No. 4,503—**Mr. Stewart:**

1. Did Air Canada sponsor, in whole or in part, a team of climbers to scale the summit of Mount Everest in Nepal and, if so, what was the total cost to the taxpayers of Air Canada's sponsorship of the climb, including (a) pre-Everest practice climbs at other locations (b) the organization of the team (c) team equipment and supplies (d) payment to Sherpa guides (e) all air fares, including return fares from Canada to Nepal (f) advertising?

2. What reason, if any, was there for the use of taxpayers' money for the sponsorship of this venture?

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

1 and 2. While Air Canada was the sole sponsor of the climb, many Canadian firms supplied goods and services. The costs for the project were covered from funds allocated to corporate advertising from earned revenues. Since advertising expenditures are normal airline operating expenses there were no costs to taxpayers. Advertising funds were used on this project because of the public impact, visibility for the Corporation, and planned route expansion into Asia in the near future following the signing of favourable bilateral agreements.

* * *

[*English*]

QUESTION PASSED AS ORDER FOR RETURN

Mr. David Smith (Parliamentary Secretary to President of the Privy Council): Madam Speaker, if question No. 4,262 could be made an order for return, this return would be tabled immediately.

[*Translation*]

Madam Speaker: The questions enumerated by the Parliamentary Secretary have been answered. Is it the pleasure of the House to have Question No. 4,262 deemed to have been made an Order for Return?

Some Hon. Members: Agreed.

[*Text*]

DEPARTMENT OF NATIONAL REVENUE—CODE OF CONDUCT

Question No. 4,262—**Mr. Crosby:**

1. Does the Department of National Revenue have written rules or regulations governing the conduct or standards of behavior for employees of the Department and, if so, are they embodied in a Code of Conduct or other specific document and is the Code or document available to the public?

Family Allowances Act, 1973

2. In the five years preceding April 1, 1982, were any employees of the Department disciplined by way of suspension, dismissal or otherwise for violations of any rules or regulations governing the conduct or standards of behaviour for departmental employees and, if so, in each case, what was the name of the employee and the date of the disciplinary action?

Return tabled.

[*English*]

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

[*Translation*]

Madam Speaker: Shall the remaining questions be allowed to stand?

Some Hon. Members: Agreed.

GOVERNMENT ORDERS

[*English*]

FAMILY ALLOWANCES ACT, 1973

MEASURE TO LIMIT INDEXATION

The House resumed from Wednesday, December 1, consideration of the motion of Miss Bégin that Bill C-132, an Act to amend the Family Allowances Act, 1973, be read the second time and referred to the Standing Committee on Health, Welfare and Social Affairs.

Mr. Jim Schroder (Parliamentary Secretary to Minister of National Health and Welfare): Mr. Speaker, last evening when talking on this Bill I indicated that in the Budget of June 28, 1982 we announced changes in two programs. In 1983, the federal Family Allowances rate will be increased by only 6 per cent instead of the full increase in the cost of living. This means that starting in January 1983 and continuing through the remainder of the year the Family Allowance will be $28.52 per month for each child, except in the Provinces of Alberta and Quebec.

This will be in place of the estimated $29.87 per month which normally would have been paid through indexing. In 1984, the Family Allowance will rise by only 5 per cent to $29.95 per child. Recognizing the fact that we are committed to helping those in greatest need, and recognizing the fact that this measure could hurt low and middle-income families with children, the Child Tax Credit payable to Family Allowance recipients once a year at tax time has been increased by $50 for the 1982 taxation year. This means that the maximum credit, which would have been $261 for this taxation year, will now rise to $343 per child, payable early in 1983, rather than the $293 announced earlier.

The result of these changes is that for the 2.5 million mothers receiving the Child Tax Credit, the increased credit will consequently compensate for the limited indexing of the Family Allowance in the next two years. The remaining 1.1 million families receiving Family Allowance, that is those with incomes too high to qualify for the Child Tax Credit, will have slightly less benefits than they would have received with the full indexing.

The limited indexing of Family Allowances has a much broader purpose than simply to trim expenditures and set an example for fiscal restraint. It is part of the strategy for economic recovery launched in the June Budget.

• (2100)

One point I want to make very strongly this evening is that nothing that we are doing changes the system. Indexation and universality are still intact. This is an extremely important message that we must get across. At the time the June Budget was being drafted, inflation was stubbornly clinging between 11 per cent and 12 per cent. This was despite a deepening world-wide recession. In the face of rising unemployment, it would have been easy to heed the calls coming from all corners of this Chamber to over-stimulate the economy. This would have set inflation rates spiralling even higher. Instead, the Government took a longer term view of the situation. It determined that we needed a comprehensive program of economic recovery. In order to put Canadians back to work, most of us agreed that it was necessary to tackle high interest rates which were obstructing new investment and consumer spending. We could not accomplish this by ourselves. As a relatively small country in the world, first we had to bring our own domestic inflation down significantly.

The first priority in June had to be inflation. Once and for all, we have to crack the inflationary spiral and end the inflationary psychology which fuels it. Only then can we achieve real solutions to the related problems of interest rates and unemployment. That is the basis for the six and five program of which this Bill is a part. It is all part of the package. The real strength of the six and five program is that it seeks to build a broad national consensus and persuade Canadians to impose a kind of self discipline on their wage and price-setting behaviour. I am confident that this approach will prove more successful in the long run than the alternatives which some have suggested.

We would not achieve the same kind of resilient and responsible economic behaviour by simply imposing wage and price controls or wading in with an indiscriminate axe among carefully constructed Government programs. Instead, we are relying on the Canadian people to participate in a common effort to reduce inflationary demands on the economy.

Having explored how the Bill fits into the over-all context of economic policy, I would be amiss if I did not also address its social policy implications. Family Allowances have an old and distinguished place in the broad range of social programs which provide assistance to Canadians. As various Ministers have often repeated, the underlying principle shaping these programs is to provide the most assistance to those who need it most.

This principle is much in evidence in the Program we are now discussing. This means that only the top one-third of

Family Allowance recipients, the one-third with the most income, will lose any benefits at all. These are the families best equipped to share in the anti-inflation campaign. The lower income families will continue to receive the same assistance.

I am afraid this point has been missed by many Members in their speeches. It is important to realize that Family Allowances are essentialy the most important component of a three-tiered system of child benefits. The other two tiers are contained in the income tax system, the child tax exemption and the Child Tax Credit. It is this package of benefits which matters, and which demonstrates the Government's commitment to protect those most in need during these difficult times.

There is one final point which I would like to stress. Again it is one which has been missed by most critics of the six and five program. The six and five program is designed to bring down rates of inflation. I cannot stress this enough. Inflation can and must be beaten. This means that the six and five program is limited to only a temporary period of transition to a world of lower inflation. Once we have achieved this goal, we will have closed the gap between the six and five limits, and full indexing will resume in 1985. Anyone who becomes unduly exercised over projections of lost benefits is assuming that inflation will stay in the 10 per cent to 12 per cent range. We simply cannot be complacent.

I am pleased to be able to remind the House that we are already seeing positive results. The Minister of Finance (Mr. Lalonde) in his economic statement pointed out that since the June budget monthly increases in the consumer price index have subsided to an average of six-tenths of 1 per cent. This is a drop from the average of nine-tenths of 1 per cent in the six months before the June budget. We are now within striking distance of 6 per cent inflation or better by the end of 1983. As far as Canadians receiving Family Allowances are concerned, this is doubly good news.

First, the gap between full indexing and the six and five limits is closing so that the impact of Bill C-132 on their monthly cheques may be even smaller than anticipated. Of course, we still must press on with the legislation.

Second, and more important, it means that the terrible strain that inflation has caused for families trying to make ends meet may begin to ease in the coming months. As we discuss this Bill, I think we all realize that there is no single piece of legislation, no tinkering with taxes or income transfers, that can do as much to help ordinary Canadians as the vanquishing of inflation.

Certainly the vast majority of the public realize this. That is why they have supported the six and five campaign from the beginning. As I said earlier, six and five is premised on building a national consensus and on the willingness of Canadians to pull together and reduce inflationary demands. It is premised on solidarity and sharing.

I would urge the House to give quick passage to Bill C-132. Brief as it is, it is also an important part of a larger campaign to tackle inflation and lay the foundations for a lasting economic recovery. It is a valuable lesson in the way sound economics and sound social policy go hand in hand.

Hon. Alvin Hamilton (Qu'Appelle-Moose Mountain): Mr. Speaker, through you, my remarks will be addressed almost exclusively to the Minister of National Health and Welfare (Miss Bégin). I believe she knows what is happening. I want to say that Bill C-132 offers to the Minister the opportunity to restore her honour in the House. It offers her an opportunity to correct an injustice that has been with us for over nine years.

Since this is one of the rare occasions when we have had a chance to amend the Family Allowances Act, it means the Minister and her staff will have to bring forward and review the regulations. Under the Family Allowances Act regulations orphans were discriminated against, and so were teenage girls. Parliament decreed ten years ago that every child up to the age of 16 or 18, depending on whether he or she went to school, shall receive the same family allowance as every other child, regardless of the means of the parents or guardians. Regulations were promulgated and brought in that disallowed orphans in Canada to have access to Family Allowances at a time when they need it the most. This was done without any protest from Parliament. Under the regulations, these orphans are assumed to be adults, and because they are assumed to be adults, they pay taxes. The only right they have to Family Allowance is if their income does not reach the deduction allowed to a single adult.

• (2110)

This is absolutely contrary to the principles of the Family Allowances Act which is supported by every Party in the House. The only rationalization that the civil servants can offer for this regulation is that when someone's parents die they must therefore be in receipt of an estate and subsequently pay taxes. If they pay taxes, they must be an adult. There are several tens of thousands of orphans in this country who have varying amounts of income from their estates and, as a result, they are barred from Family Allowances under this regulation which I have already indicated. That is absolutely contrary to the spirit and the principle of the Act.

This situation also applies to a group which I have said very little about in the House. It concerns teenage girls. I suppose there is a certain reticence about raising this subject because the regulations say that Family Allownaces go to all children except teenage girls 18 or under who are pregnant. Parliament gave the Minister or her Department no right to decide that this was an immoral act which therefore bars them from something that the Parliament of Canada indicated shall go to all children under 18, regardless of the means of the parents.

I know that when the Minister was made aware of these facts many years ago by one of her senior civil servants, she courageously stood in the House and said that she would do all she can to change the situation. My last question to her in the House concerned the progress she was making in dealing with the orphans. She said, "I have tried but I am told by the Minister of Finance that there is not enough money." I believe that was her answer.

The present Minister of Finance (Mr. Lalonde) is a former minister of her Department. He would not dare to protest when the present Minister changes these regulations. She simply has to remove the definition of an orphan, and all orphans will then be treated like every other child, regardless of their income. However, if the Minister changes the regulations in this Act, it will automatically affect the other Program, the child Tax Credit Program, because it is based on the definition of a child that is contained in the regulations under the Family Allowances Act that we are now amending.

I would suggest, now that the Bill to amend the Act is before us, that the Minister could protect her own honesty in the House, since she has given her word that she would do everything possible to change the regulations. If the Minister were to instruct her Deputy Minister to ensure that those who are presently drafting the regulations correct this anomaly, which is immoral and unjust to the orphans and pregnant teenagers of this country, I do not believe that one voice in Parliament would oppose that change. Parliament would certainly not oppose it on the grounds offered by the civil servants.

I appeal to the Minister to act on this opportunity, especially now that she has a friendly Minister of Finance who is not influenced by his officials and who is aware of these facts since they arose during his regime. Perhaps he will look the other way when these regulations are changed to eliminate this anomaly, because his honour will be restored as well. I hope that the Minister seizes this opportunity and lives up to the philosophy that I know she has, that all people should be treated equally in this country, particularly under these social programs. I accept the Minister's word, supported by her action, that she believes in what I am saying. I am suggesting seriously that now is the time for her to move. A few thousand people she never knew may bless her for it.

Mr. Stan J. Hovdebo (Prince Albert): Mr. Speaker, I rise tonight to speak on Bill C-132, an Act to amend the Family Allowances Act. This Act could rightly be named an Act to increase the number of families who will live below the poverty line. This Act, along with Bill C-131 and Bill C-133, attacks a longstanding principle which this country has learned to expect and believe. The policy of universality has served Canadians well. It is a policy which all Parties of the House have supported. All Parties have supported the principle of universality for the social programs such as Family Allowance, medicare and old age pensions.

The Minister of National Health and Welfare (Miss Bégin) has said in the House that this Bill does not affect the universality of Family Allowance. I suggest that this is an attempt by the Government to pull a red herring in order to divert our attention from the fact that old age pensions and Family Allowances are being eroded and becoming more selective through a very clever manoeuvre in the budget. Perhaps the Minister does not know what universality means.

The debate on universality and selectivity has been a central issue in the development of social services by the Government of this country. The concepts are generally considered to refer to the question of who shall benefit and how their entitlement is to be defined. Universality denotes the idea that benefits or services are made available as a social right by virtue of belonging to the entire population or to a particular group. Selectivity is the notion that eligibility for benefits and services is judged according to the individual needs, which are usually determined by an income or means test. A universal program preserves the dignity of the recipient of the social benefits. People are not divided into givers and receivers. Therefore, the stigma and the sense of alienation from society which results from this distinction is avoided. Because our system is basically equalitarian, everyone sees universal programs as being an extension of that equalitarianism. Since benefits and services are offered to everyone without discrimination, the payment is seen to be a fair and equitable distribution of the resources of the country.

• (2120)

With a truly progressive tax system, those who do not need the benefits of Family Allowances could have those benefits fully or almost fully taxed away. If we operate on a selective basis, it is necessary to distinguish the poor from the non-poor, and therefore it requires a means test. The means test separates, on a discriminatory basis, the haves from the have-nots.

Over the years, the arguments against the means test have been legion, but I would like to bring a few of them before us. First of all, the stigma of poverty is a deterrent to many people who may need the help of a particular service but who will not apply for it. Second, economic conditions fluctuate. A family may need services or assistance today, but not tomorrow. By the time they get them, they no longer need them. This makes it impossible to have the right kind of service at the right time. Third, the means test contributes to the feeling of superiority and inferiority, thus widening rather than reducing social inequities. Fourth, services targeted to the poor are always fairly highly visible and thereby are constantly under attack for their cost, for their effectiveness and for other reasons. The more affluent get their benefits in a more discreet way through the tax structure, while the poor are forced to do it visibly. Fifth, the assumption is made that such benefits to the poor will assist them in becoming no longer poor. That, in itself, is false. That argument ignores the fact that poverty cannot be changed without making a structural change to society, limiting the opportunities of the wealthy to gather, to accumulate, more privileges. Therefore, selectivity claims that everyone should operate under the free market system; everyone, that is, except those who are in need. That is inconsistent with the social policy of all three Parties in this House.

Lately, we have been treated to a spectacle of debate within the Liberal Party, which has been playing to the media, television and radio. It is the debate about the future of Family Allowances and the future of social welfare programs on a national scope. The debate seems mainly to be on Family Allowances, but the results of that debate will be felt in all the social programs that are part of the structure of this country. It will also be felt by programs such as old age pensions and medicare.

I would like to quote from an article in *The Globe and Mail* dated November 3, 1982, with reference to the Minister of Finance (Mr. Lalonde). It states:

> The Government may end universality of the family allowance program but will not cut old-age security benefits, Finance Minister Marc Lalonde said yesterday.
>
> He said in an interview he disagrees with some of his colleagues who say universal social programs are a basic principle of Liberal philosophy.
>
> And he believes Canadians may be ready to swallow an end to universality of family allowance in which all parents, regardless of income, receive monthly benefits. He thinks they may be ready to accept that such benefits should go to those most in need.

The Minister of National Health and Welfare is on the other side in this debate. On November 4, from *The Citizen* we have this statement:

> Health Minister Monique Bégin said Wednesday the Cabinet has decided not to restrict family allowance because of the current recession.
>
> But she acknowledged that in future there may have to be a "redistribution" of funds for all social programs which would mean some of them would no longer be universally available.

She is not quite sure whether universality is such a good thing. She went on to state, "Nothing is permanent in life".

The recent Liberal Party policy convention got some of these people off the hook because there they were forced by public demand, and Hon. Members know what the Liberal Party is like. It makes its policies by consensus. The convention decided that it would reaffirm the support for universal Family Allowances. That might be what the Liberals said they would do, but there seems to be a diffference amongst them as to whether universality is a Liberal penchant or not. This Bill, the Minister of National Health and Welfare says, does not touch universality. As far as it goes, that is true, but the Minister admits that it puts many families below the poverty line. The Minister said that, but then she said, "Well, we will take care of that". As reported at page 21178 of *Hansard* for December 1, 1982, she said:

> There are three elements in the system. One is the well-known Family Allowance which is taxable and goes to every child in the country through his or her mother. Another is the Child Tax Credit, of which I must say we are very proud and which was introduced in 1978. It is a mechanism to distribute the benefits only to those with the least income.

If that is universality, we have the wrong meaning. The Minister went on to say, "The Child Tax Credit is received in addition to family allowances". Therefore, what the Minister has accepted from her colleagues is a movement away from universality. By not allowing the legal indexing she is reducing the amount of money that can be received in favour of Child Tax Credits, which is a selected tax credit.

• (2130)

I do not oppose tax credits as such, if it is the best that this Government can do to keep families alive. If they cannot solve the problem any other way, we will accept that as one of the solutions. But let the Minister not say that she is not introducing a selective program and let her not discuss how careful she is to support and how often she speaks in defence of universality.

The same thing is happening to the old age pension. The song played by the Government has been: reduce the universal pension and increase the Guaranteed Income Supplement. Again, this is a reduction in the universal program and an increase in the selective program.

The Minister has lost her fight within her Party. The rank and file of the Liberal Party have lost their fight to maintain universality. Instead, universality of social programs is no longer a basic policy of the Liberal Government.

Mr. Blais: Stan, you do not know what you are saying.

Mr. Hovdebo: The Liberal Government has struck out on this issue. They struck out, first of all, on Family Allowances, which is no longer an entirely universal program because it is supplemented by selective tax credit programs. Old age pensions are no longer a universal program. They are supplemented by the Guaranteed Income Supplement. Medicare is no longer a universal program because this Government and many of the Provincial Governments allow extra billing. So the Liberals have struck out, and regardless of how many bases they steal in the next few weeks, they have struck out on social programs.

The Tories have been expressing a great deal of outrage at the possible end of universality, but the Conservatives are not all lily-white in this respect either. In fact, their move against universality came some time ago when they were in power. I can read you the following selection from *The Toronto Star* of November 3, 1979:

> The Clark Government is planning to eliminate or drastically reduce both family allowances and income tax deductions for children. The Star has learned.
>
> Family allowances, which have been paid monthly to Canadian mothers with dependent children since 1945, would no longer go to families earning $35,000 or more a year. Tax deductions for dependent children, which date back to the introduction of income tax in 1917, would disappear.
>
> Both would be replaced by the child tax credit system, which would benefit people at the lower income levels and give nothing to those in the upper income brackets.

That, Mr. Speaker, is the Conservative position, and a few days later we have this from *The Citizen:*

> Several times Welfare Minister Crombie responded to questioning in the House with the suggestion that the Government was seeking ways to "provide money to those who most need it".
>
> But challenged by the NDP's Bill Blaikie for assurances that "money saved on any detraction from universality . . . will be used for the benefit of low-income Canadians", the minister declined to do so.

So the Conservatives have also abandoned their long time position on universality. However, in this House in the last few days they have been telling us on and on and on that they support universal programs.

The Acting Speaker (Mr. Corbin): The Hon. Parliamentary Secretary to the Minister of National Health and Welfare is rising on a point of order.

Mr. Schroder: Mr. Speaker, I would like to bring to the Hon. Member's attention that there is nothing in this Bill which states any kind of change in the universality.

Mr. Hovdebo: I am glad the Hon. Member brought that up. The defence of this Bill by both himself and the Minister of National Health and Welfare has been that the selective part of their Program, the Child Tax Credit Program, will take the place of the money that these people are not going to get from Family Allowances. The Minister said that in her speech yesterday, and so did the Parliamentary Secretary. They said, we will take care of everybody with the tax credit, even though they will lose some money. But tax credits are selectivity. Therefore, they are backing away from universality on this Program.

One of the arguments about selectivity is that it is more efficient. The Minister in this case has made the assumption that more selectivity means more efficiency in the provision of social programs, such as Family Allowance. This appears to have been accepted by both the Liberals and the Conservatives.

The Canadian Council on Social Development has challenged this assumption. The Minister argues that efficiency is a cost of universality.

Miss Bégin: I never argued that.

Mr. Hovdebo: On the other side of that same argument, the Minister of Finance (Mr. Lalonde) argues that more selectivity enables the Government to target benefits to those who really need them, and at the same time they can save some money. But is selectivity really more efficient? Since 1974, when Family Allowances were made taxable, a portion of the Family Allowances have been returned to the federal Government and to the Provinces, through the tax system. To the extent that the tax system is progressive, it represents the principle of means testing which already operates within the system in regard to Family Allowances, but it is a hidden system which does not denigrate the people who are affected by it.

The Department of National Revenue already employs a small army of public servants whose work it is to administer taxes, to take back from those with relatively higher incomes relatively larger portions of the Family Allowance which they have received. To administer an additional form of selectivity, which is the tax credit, takes another army of civil servants, and payment of that group of civil servants must be subtracted from the savings which could be effected. Even the cut-off level will require a section established in the National Health and Welfare Department to process and monitor claims. Therefore, it does not appear that the process is that much more efficient than the process already in place.

• (2140)

There are other ways of doing this which might be more efficient. For example, if we desire to cut off high income earners entirely, there is a simple way of doing that. On page 4 of the income tax form, after the net tax payable has been calculated, an additional item can be added requesting that one who pays high income tax add on Family Allowance received directly to the tax payable, in lieu of showing it as income. This super taxation of Family Allowance was used from 1935 to 1947, at which time it was again taken off.

The Canada Council on Social Development, to its credit, has publicly opposed the proposal made by the Government with regard to the increased selectivity of Family Allowance through the tax credit. It has provided some figures on cost savings that are contemplated. Using the Child Tax Credit as a method of assessing the need, the Council argues that 70 per cent of the families receive the Child Tax Credit. The saving would be 30 per cent less than the amount taxed back, or 15 to 20 per cent of the total expenditure.

If we project the 1982 Family Allowance expenditure, it will be approximately $2.16 billion. After taking off the cost of administration and the six and five program reduction, the Government might save around $300 million. There are 3.6 million families which receive the Family Allowance and 2.5 million who receive the Child Tax Credit. That number will likely increase if the six and five program is put into effect. With that $2 billion spent on Family Allowance and adding the increased tax credit, the saving amounts to 1 per cent of the total expenditure for Family Allowance. A lot of heartache and a lot of poverty will result from a 1 per cent saving. Where are the priorities of this Government?

Mr. Schroder: I would like to point out to the Hon. Member that the purpose of this Bill is not to save the Government money but to stimulate economic recovery so that those people receiving—

The Acting Speaker (Mr. Corbin): Order. That is definitely not a point of order. It is debate.

Mr. Anguish: He is also incorrect.

Mr. Hovdebo: One of the ways to stimulate the economy would be to give people more money to spend. This reduction for families that need it most will hurt. This money does not stay in their pockets or go into the bank. It is spent that day or the next day. Families that are destitute or close to being destitute are dependent on the Family Allowance. The moment they get that money, they use it. That is the kind of stimulation we need, not a reduction in the amount they are given.

Previous speakers have shown the effects of reducing the indexing of Family Allowances and how this will affect low income families. The Parliamentary Secretary pointed out another factor. If you take money away from people, they do not have it to spend. The reason this Bill is being brought forward is so that more money will be spent, and this in turn will stimulate the economy. The Parliamentary Secretary's logic requires a little refinement. I will not spend time documenting further the effect of this reduction of income for families who need it.

After the indexing is resumed in 1985, the allowance will be $391 for each child rather than the $429 it would have been without the June budget. Adding on the Child Tax Credit, low and middle income families will receive $742 per child in 1985, $38 less than they would have received without the budget.

When the Minister says that a low income family will be better off with the reduction and the added tax credit, that is incorrect. By 1985 they will receive $81 less. What we need is a more equitable tax system, not a reduction in Family Allowance and an increase in family tax credits. This selective tax credit will lower the family income of families rather than increase it.

I spent a lot of time talking about the Government policy and a bit of time on the Tory policy. It is only fair that I put before Members the policy of the New Democratic Party. The NDP has always supported the principle of universality in social programs and strongly believes that our existing programs should remain intact as a basic right of all Canadians.

The embracing of the philosophy of universality and the rejecting of the negative intent of selectivity are a continuing policy basis of our social programs. It has been part of this Party's history and principles since becoming a Party in 1933, and in fact earlier when J. S. Woodsworth was here as a Labour Member.

The practical argument of classicial selectivity used by the present Minister of Finance (Mr. Lalonde) and by the former minister of finance in the Conservative Government is a complete smokescreen. The solution is not to alter the program but to alter the tax system so that it becomes the instrument of equitable distribution.

• (2150)

Mr. D. M. Collenette (York East): Mr. Speaker, I did not anticipate speaking this evening, but I am very glad to participate in this debate, if only to counter some of the arguments made by the Hon. Member for Prince Albert (Mr. Hovdebo), who really was not fully honest about the intent of the measure. I know it was not intentional. It was a case of misguided economics of the New Democratic Party.

As one of the Liberal rank and file to which the Hon. Member made reference a few moments ago, I would like to talk about the red herring in this whole debate which is being put into circulation by the Members of the NDP, that this is a debate about universality or selectivity in social programs. It is nothing of the kind. What we have before us is an Act to amend the Family Allowances Act, one of the pieces of legislation which will give effect to the Government's six and five program which is designed to reduce inflation. It has nothing to do with universality or selectivity.

You have been so lenient and generous, as is your wont, Mr. Speaker, that I thought you would allow me to counter the arguments which have been made by the Hon. Member for Prince Albert, even though that Party has nothing whatsoever to do with the basic principle in this piece of legislation. First, with respect to the universality/selectivity argument, I would like to assure the Hon. Member that if there was any notion that the Liberal Party was going to abandon universality, that notion was put to rest at the Liberal National convention held in Ottawa a few weeks ago. I am speaking very directly to my hon. friends in the front benches across the way who, I am sure, received the message loud and clear at that time that during a time of terrible economic conditions, the worst in 50 years, the last thing you do is to cut back, in real terms, social benefits for those who need them most.

Some Hon. Members: That is what you are doing with the six and five.

Mr. Collenette: The New Democratic Party is saying that is what we are doing, Mr. Speaker, because they know, but they do not want to admit, that we are right, that if inflation comes down in the 12 month—

Some Hon. Members: If, if, if.

Mr. Collenette: Let me deal with the "ifs". If inflation comes down in the 12 month period to 6 per cent, then, obviously there is no net loss to those recipients of any of these social benefits which are being capped. The NDP does not believe inflation is coming down because it has a vested interest in inflation continuing in this country. That is why they are arguing. This is the inflationary Party, when you listen to their friends in the Canadian Labour Congress, when you listen to their Party Members, when you listen to their speeches in debate in this House. They do not want inflation to go down because the NDP revels in an inflated society. Why? Because they have no conception of real economics, about the true economic forces which move the country.

In any event, Mr. Speaker, I do not want to vex these poor souls opposite who are so misguided. The fact is, the Liberal Party will not abandon universality in social programs. Absolutely. That message has been received loud and clear.

Let me speak about universality in some of the social programs. When we talk about universality in old age pensions or medicare, it is totally different from universality in family benefits. They are two types of programs, I submit, and perhaps not all my colleagues agree with me. I think an argument could be made for more targeting on Family Allowances, but on old age pensions, on medicare, there is no way. A few years ago, Mr. Speaker, we introduced a Child Tax Credit which was a degree of targeting.

The Acting Speaker (Mr. Corbin): I regret to interrupt the Hon. Member but the noise level has gone up to the point where the Chair has difficulty hearing the Hon. Member for York East (Mr. Collenette).

Mr. Collenette: I know full well, Mr. Speaker, what I am saying because, unlike the Members opposite, I have actually thought about this. A few years ago, when we instituted the Child Tax Credit, that was a degree of targeting, of helping certain people who needed help the most, and that was consistent with the Liberal tradition, but the Family Allowances program remained universal. There was just some flexibility in its application.

Some Hon. Members: Now you are thinking of changing it.

Mr. Collenette: No, there is no way of changing it, as far as I am concerned. The basic universality is intact, but there can be some targeting within that universality.

An Hon. Member: That sounds like pretty twisted logic to me.

Mr. Collenette: The Hon. Members opposite talk about my twisted logic. If you read the "blues" and see what the Hon. Member for Prince Albert said, you will realize those who are twisting logic are not on this side of the House. This legislation is part of a strategy to bring inflation down. A few moments ago, before the Hon. Members opposite started to ridicule me on the whole question of selectivity and universality, they said, "But inflation is not coming down". Where have they been living for the last six months?

An Hon. Member: In a depression.

Mr. Collenette: Have they not been looking at the consumer price index, the leading indicators in Canadian society, to see that the six and five program is an absolute success? The battle is being won, but they cannot recognize it because they do not want to recognize it. The Hon. Members opposite know full well that in the 12 month period between June 28, 1982 and June 28, 1983, one year after the six and five program was announced, inflation will be well within the six per cent guidelines. In fact, I believe it was the Governor of the Bank of Canada who made a statement the other day saying that for the last three months the real inflation rate has been running at about 8.5 per cent. We still have a long way to go until next June, and inflation is falling extremely rapidly.

Mr. Deans: Two point two million people are unemployed.

Mr. Collenette: Yes, there are 2.2 million people unemployed, but what is going to get them back to work? A sound economy—

An Hon. Member: One point four million unemployed.

Mr. Collenette: —the elimination of inflation, and the ability to invest in the country. That is what will get this country going again. And the foundation of the strategy to get Canadians working has to be to get inflation down. And it is working. I hope, as do many, that the Government will be building on the six and five program to help stimulate employment further, and I would invite the Hon. Members to sit here for the next few weeks, perhaps into the new year, when they will see the true ambit of the strategy, which is, first, to eliminate inflation, or to reduce it significantly, and to build upon that by investment in the kinds of measures announced by the Minister of Finance (Mr. Lalonde) on October 27, so that jobs are created and we can look forward to better times.

To say that this Bill which we have before us is a philosophical debate on the notion of universality in social programs versus selectivity, is completely misleading. It is not deliberate, I know, because the Members of the NDP do not know any better.

I would invite my colleagues who are present to support this Bill. I hope that in the next few hours, when those in the NDP retire for the evening, they may think this matter through more fully and look, perhaps, at the "blues" of the Hon. Member for Prince Albert to see the faulty logic. Because inflation is coming down. This Bill, and the other Bills which are before the House, are an essential ingredient in getting inflation down. If the Hon. Members opposite were true Canadians, concerned about restructuring the economy, regbuilding the economy, having an economic revival in this country, they would embrace this program, as Canadians have done, in order to build a better future. But I do not think the Members of the New Democratic Party want to build a better future because they are wallowing in the distress of today and the ideas of yesterday and that, Mr. Speaker, is the total sum of the history and comportment of the NDP in this country. That is the reason they have never held power at the national level.

• (2200)

PROCEEDINGS ON ADJOURNMENT MOTION

[*Translation*]

A motion to adjourn the House under Standing Order 40 deemed to have been moved.

[*English*]

HEALTH—FUNDING FOR PLANNED PARENTHOOD ASSOCIATION. (B) INCREASE IN TEENAGE PREGNANCIES

Mrs. Margaret Mitchell (Vancouver East): Mr. Speaker, last Friday, November 26, the National Office of Planned Parenthood was phoned by an official of the Department of National Health and Welfare and informed that their funding for 1983-84 would not be the $250,000 as promised, but would be $130,000, a 48 per cent reduction. This is a devastating blow to the organization which provides a link to 50 provincial and municipal organizations, organizes educational conferences, publishes a journal, and had planned this year a major media campaign aimed at young people.

The timing of the cutback is ironic in view of the fact that the Health Promotion Branch of the Department recently conducted a survey of public health nurses to ascertain their views on major health concerns. These concerns were teenage pregnancies, obesity and drug and alcohol abuse, in that order of priority. At a time when teenage pregnancies are of major concern—as I said in the House the other day, over 1,000 teenagers a week including many 13 and 14 year olds are becoming pregnant—the funding for this type of program should be expanded, not reduced.

When I raised this in the House, Mr. Speaker, in fairness to the Minister, I really do not think she could have understood my question because her answer made no rational sense

whatsoever. She said that direct delivery of social health services are a provincial responsibility and that is why they were phasing out this program. I have correspondence, Mr. Speaker, from the Minister and her officials to Planned Parenthood in 1981 which says completely the opposite. It is extremely supportive of this national organization. I agree, it does not provide direct services and those are a provincial responsibility. It provides co-ordinating, educational and promotional types of services which are extremely important in the area of family planning.

According to this correspondence the federal grant was to have been $250,000 for 1983-84 and by agreement it was to be reduced to $200,000 for 1984-85. Not this year, but two years from now. There was nothing in the correspondence regarding the question of jurisdiction. Therefore, this drastic cut really is a breach of promise. There is no question about that, if you read the correspondence. Planned Parenthood agreed to the cut only on condition that funds they had previously received would go directly to the provincial family planning group. The Minister has not lived up to this deal.

I also want to say that the role of the Planned Parenthood organization is extremely important because of the very high incidence of unwanted pregnancies among teenagers. In 1979 there were 32,000 babies born to teenage girls, an ever increasing number being under 15. In addition to that, we see a barrage of sexploitation on TV and in magazines and movies which is really encouraging active and quite irresponsible sexuality in young people today, very young teenagers. So it is most important that there be a national campaign, particularly a media campaign, to counteract this high incidence of adolescent pregnancies.

• (2205)

I would also like to say that the federal Government assumed a very major leadership role in 1977. It signed international agreements that access to family planning is a human right.

I would like to quote from the Badgley Committee Report of January 1977, which was very strongly supported by the House and by the then minister of National Health and Welfare, the Minister of Finance (Mr. Lalonde), who said that the federal Government would take the lead in birth planning in Canada. Subsequently a Family Planning Division of the Department of National Health and Welfare was established. It supports three voluntary organizations—Planned Parenthood, Serena, which is a French organization concerned with natural family planning, and also the Canadian Association for Fertility Research. I understand that the budget of this federal Department has been slashed considerably and will be slashed by two-thirds for 1983.

The report of the Badgley Committee indicated:

> The extent of induced abortions in the future can be expected to remain the same as at the present time, and its occurrence may gradually rise, unless there are effective changes made in the contraceptive practices of Canadians, particularly among high risk groups . . . these changes may be brought about by increased efforts through research to find more effective and acceptable methods of contraception and by co-ordinated family planning programs for public education and health promotion.

These are the very things which Planned Parenthood provides. It continued:

> Without taking them, there is virtually no likelihood that the volume of induced abortions will be reduced or even contained at its present level.

The report went on to indicate that it was extremely important for the federal Government to take leadership in this whole area.

Finally, it is false economy to cut back on family planning information when adolescent pregnancies are increasing. If I had more time, I could indicate the extremely high costs of this in welfare and health services.

Mr. Jim Schroder (Parliamentary Secretary to Minister of National Health and Welfare): Mr. Speaker, further to the question of the Hon. Member for Vancouver East (Mrs. Mitchell) of November 30, 1982, I should like to advise her that the Department of National Health and Welfare has provided sustaining grants to the Planned Parenthood Federation of Canada and Serena Canada in accordance with their objectives to provide family planning services to all Canadians requesting them.

The policy of the Department has consistently been to support a portion of central office expenditures of national voluntary agencies, while a portion of the expenditures is covered by revenue from other sources. According to the guide to family planning grants, it is expected that after an initial period of support by the family planning grants these agencies will develop other sources of funding. Over a period of time they will reduce and finally eliminate their dependence on family planning grants for a significant portion of their budgets.

Following the June 1977 Conference of Ministers of Health, there was consensus of the Provinces that family planning services came within provincial responsibility. In order to assist the Provinces in meeting this need, the Department funded a number of projects on a demonstration basis, projects which were later continued through provincial funds. We recognize that it is up to the Provinces to determine the course of action they wish to pursue.

As well, I would advise that because of the period of economic restraint, family planning grants have been reduced by $1.4 million over a two-year period, which is comprised of $700,000 per year. The Department of National Health and Welfare attempted to distribute the funds in the family planning program in the most equitable manner in order that each ongoing project would be in receipt of at least minimal operating funds. Federal contributions to family planning services will continue to be available through the Canada Assistance Plan and the Established Programs Financing Act. The Department of National Health and Welfare will also continue its information activities in family planning.

Adjournment Debate

NATIONAL REVENUE—MOVEMENT OF TAX RECORDS FROM HAMILTON TO SUDBURY. COMPLAINT CONCERNING RECORDED MESSAGES

Mr. Bill Kempling (Burlington): Mr. Speaker, my question to the Minister of National Revenue (Mr. Bussières) on November 26 regarding National Revenue records involves a very serious matter. At that time I questioned the Minister about irate calls which I receive in my office from taxpayers in Hamilton and area who find that it takes a long time to get their records from Sudbury to the Hamilton area where they can be looked at. It is more serious than usual because of the precarious position of our economy. Most people who have a tax problem owe the Tax Department money. If they do not have the cash and they have a cash problem, the cost of borrowing money to pay the tax is very high.

• (2210)

Several professional people involved in the taxation process, such as tax consultants, lawyers, auditors and individual taxpayers have contacted my office to complain about the length of time it takes to get tax records from Sudbury.

It seems several months ago, I believe it was last January, that tax records formerly held in Hamilton were moved to Sudbury along with those of four other taxation centres. Apparently a total of nine taxation centres will eventually shift their records to Sudbury. The common complaint is that when contact is made with the taxation office to discuss an appeal or an assessment that has been made on an individual taxpayer, the person making contact is told that it will take a minimum of six weeks to get the records from Sudbury.

In several instances National Revenue has taken action to collect taxes and has threatened court action or garnishee of wages. Because so many payrolls are processed on a computer, and many times small companies hire outside sources, an employer has a serious problem if garnishee notice is presented. Many employers will tell an employee unofficially that if he or she has a garnishee placed against his or her wages it could cost the individual his or her job. There is double jeopardy involved here.

In many instances the claim by National Revenue for taxes is challenged by a taxpayer. National Revenue will say, "Pay the amount owing now and we'll talk about it later." But the taxpayer, in most cases, has a cash problem and also feels it is unfair to pay taxes if he or she has a reasonable case that may be adjudicated. Time becomes a problem. National Revenue will threaten to garnishee within 30 days if the tax is not paid. The taxpayer calls National Revenue to make his case and is told it will take at least six weeks to get his records from Sudbury. On the one side of the coin, a person is told that he will have his wages garnisheed in 30 days, and on the other side of the coin he is told he cannot get his records for six weeks.

The Minister is asking me to advise my constituent to be patient, that big brother is working on the problem and that through the magic of modern technology some day we will be able to have an adequate service on a television screen. That was the essence of his reply. I am not against progress in the handling of paper if it will provide faster, better and more economical service. However, the taxpayer is the one who should be served; that must be the objective.

Since I raised the question in the House, I have received more calls from people reconfirming that my allegation is valid. One woman called yesterday to say that her employer had received a registered mail notice to garnishee her wages. When she called the tax department to enquire, they informed her they had advised her of this action. Now the Post Office is involved. The lady stated she had never received the notice, or any communication from National Revenue. Her problem was similar to many others. She had submitted tax receipts with her return and she believes they had been lost. One person told me of sending three sets of receipts, that is, the original and two sets of copies, and those issuing the receipts said they would not accommodate her further if she could not get this sort of thing straightened out. But the constituent, whose employer received the garnishee notice, was fortunate. She was able to discuss the problem with her employer, and she has been able to keep her job.

The income tax form is so complicated that it invites problems. Even the multi-coloured tax guide and instruction courses do not help much. The difficulty of the tax form is a source of many problems. The Minister, in his reply, states that I could call his office and his staff would answer my questions. He went on to say that the files could be in another remote location many miles distant and the same service could be provided as if the original file was there, all through the magic of electronics.

• (2215)

The bottom line is that people are complaining in such numbers that I believe there is a problem. I did not invent the problem. I am trying to find a solution to their problem. The Minister, rather than looking into the matter, first advises me to tell my constituents to be patient and then delivers a homily on the miracle of modern electronics. The problem is still there. I want to know what the Minister will do beyond making pious comments.

Mr. Garnet M. Bloomfield (Parliamentary Secretary to Minister of National Revenue): Mr. Speaker, the decision to create taxation centres for the massive routine operations of the Department was taken in 1975 by this Government as part of the over-all decentralization program. It has gone very well and we now have eight centres operating in the country. We have retained the traditional 28 district offices across Canada. The district offices are still where they have always been, and continue to be responsible for dealing directly with taxpayers on the kinds of questions about which the Members' constituents appear to have been concerned. The centres were created in order to produce greater efficiency in the handling of the many millions of transactions that are necessary to administer the income tax system. Another objective was to spread federal employment more widely.

I will now deal with the difficulty of communications. As taxpayers have been advised, if they require information of any kind they should contact their local district offices. The tax guide provides them with the address of each district office and with various telephone numbers they should use, depending on the nature of their inquiry. The Department, through the district offices, handles millions of telephone inquiries each year and handles hundreds of thousands of inquiries over the counter.

Most general questions can be answered by reference to the extensive informational literature that is made available. Most of the questions the taxpayer has about his own affairs can be answered at the district office, because the staff in every district office has access to the central computer records at Ottawa through computer terminals, with which each district office is equipped. In a small minority of the case it is necessary to obtain the taxpayer's file from the taxation centre.

The actual time involved for the vast majority of the files requested by the Hamilton district office from Sudbury is normally five days and not the six weeks as the Hon. Member suggested.

He also speaks of business people, tax accountants and taxpayers who phone Sudbury and get a recorded message in response. There must be some confusion here. To begin with, since direct phone contacts with taxpayers are to be handled by the district offices, only a minimal provision for phone service is made in the taxation centres. For this reason it has not been necessary to have recourse to recorded messages in the taxation centres of the kind which are in common use in many organizations with a high volume of phone business.

The Department is constantly trying to improve communications. To this end, the directors of the Sudbury taxation centre and of the Hamilton district office will be meeting with representatives of the accounting profession in Hamilton in the near future to hear about the problems they have had and to see if there are some ways in which they could be removed or at least reduced.

In closing, the Department wants to hear about particular specific problems in communications. I emphasize "specific", because the general charges of the kind the Hon. Member has made are not really helpful, particularly when, as in this instance, they appear to run at variance with the facts.

[*Translation*]

AIR TRANSPORT—QUEBECAIR 2—GOVERNMENT POSITION

Mr. Jean-Guy Dubois (Lotbinière): Mr. Speaker, on December 1, I asked the Minister of Transport (Mr. Pepin) about the status of Quebecair or perhaps I should say about the Quebecair 2 affair. Some time ago, many people were saying that the Canadian Transport Commission and the Canadian Government were to blame for the problems of Quebecair, because they were not allocating any routes to Quebecair and were indulging in unfair competition through Air Canada, and so forth. Comparisons were being drawn with Nordair, with people saying that Nordair was getting a better deal than Quebecair. A Parti Québécois member from my area, the member for Arthabasca, even sent me a letter saying that Nordair was an Ontario-based company!

• (2220)

Mr. Speaker, I would like to clarify a few points regarding the present situation of Quebecair, to know what is going on. Perhaps I should recall for the benefit of some people who are not familiar with the situation, that both Nordair and Quebecair were started by Quebecers in 1947, Nordair being based in the Lac Saint-Jean area, the heartland of Quebec, and Quebecair in Rimouski. Today, Nordair still has its headquarters in Montreal. Nordair was asked to develop routes in Northwestern Quebec, while Quebecair was to do the same east of Montreal. The situation with regard to Quebecair is indeed unfortunate, especially for the company's employees whose jobs are at stake as a result of Quebecair's financial difficulties, but there are other intervenors in this case who have helped to create this situation, because I think that the interest shown by Minister Pepin, more specifically on November 22—

The Acting Speaker (Mr. Corbin): I am sorry to interrupt the Hon. Member, but he must refer to the Members of this House by their Department, not by name.

Mr. Dubois: Thank you, Mr. Speaker. I appreciate your comments and I realize they are based on many years of experience in this House. The Minister of Transport, the Hon. Jean-Luc Pepin.

As I was saying, both companies were asked to develop routes, and the fact that today, after 35 years, Quebecair is experiencing problems, is due to the fact that some quite incredible things have happened. One of the facts which I want to straighten out this evening, Mr. Speaker, is the allegation that Quebecair never had its place in the sun nor the chance to state its views on air transport matters when it had come upon the chance of developing certain routes, and that every time Quebecair had applied for routes east of Montreal, it had always been given that right by the Canadian Transport Commission.

In addition, Mr. Speaker, many people have complained that this company did not obtain its share of subsidies from the Government of Canada or from the Canadian Transport Commission. They were saying that Quebecair was getting only $400,000 a year and that it had received nothing in the past. However, we should tell Quebecers that the Department of Transport has in its records that since 1966, when a subsidization policy was drawn up, Quebecair received a total of $7.5 to $10 million from the Government of Canada. Those moneys were granted with no strings attached contrary to the Quebec Government which obtained from Quebecair in return for its

investment a substantial number of shares and even the opportunity to take complete control, whereas the Government of Canada has never asked anything in return from Quebecair.

And they would have us believe that the terms laid down by the Government of Canada do not help Quebecair. As far as I know, and I stress this point once again tonight, Quebecair is left with only 6 planes, and they make a mountain out of a molehill when I ask the Minister of Transport (Mr. Pepin) what is the status of the question. I feel that Quebecers should be made aware of the financial situation of Quebecair and should also know that the corporation at one time had BAC-111 type planes. It decided to purchase some Boeing 737s and tried to sell its BAC-111s. Having failed, it made a further attempt to sell them. It still has these planes, as well as some 737s which are out of order most of the time. That is why I asked the Minister of Transport how things stood. I wanted as well Quebecers to know about the very expensive mistake Quebecair made when it changed its planes. Last year the Government of Quebec invested $15 million to prevent any merger with Nordair, contrary to what people were thinking. We can say now that Quebecair is in a real predicament, and who is to be blamed for it? First, its management which has acted with sheer incompetence; its board of directors which was forced to approve the purchase of a certain number of Boeing 737 aircraft and then to authorize switching back to BAC-111's; the shareholders who stood idly by while management took all those irresponsible decisions; and especially the Government of Quebec which failed to put a stop to this extravaganza and blocked the merger with Nordair in the summer of 1981. In such a situation, the Canadian Government had a responsibility towards the employees, and that is why I asked the Minister what he was doing about them. What is going on? How is it that we on this side of the House, the Members from Quebec here in Ottawa, are the ones who will be taking over and making sure that Quebecair 2 becomes operational? Where does the Government of Quebec fit in? That is why I asked the Minister of Transport to tell me what is going on.

• (2225)

Mr. Rémi Bujold (Parliamentary Secretary to Minister of Employment and Immigration): Mr. Speaker, I would first like to thank the Hon. Member for Lotbinière (Mr. Dubois)) for his comments and his explanations concerning Quebecair. Of course, these last few weeks, we could even say this last month, we have heard in Quebec certain gratuitous comments about Quebecair, and also about what the federal government, and more specifically the Minister of Transport (Mr. Pepin) and the Canadian Transport Commission, are supposed to have done to Quebecair in recent years. Naturally, the facts reported by the Hon. Member for Lotbinière are true, and the federal Department of Transport and the Canadian Transport Commission are certainly not to blame if such a situation now exists at Quebecair. However, when the Quebec Minister of Transport came to Ottawa for a meeting with his counterpart and asked for assistance to bail out Quebecair or solve the problems of this carrier whose services is essential to a large area of the province especially Eastern Quebec, he made certain statements which were then given widespread publicity in Quebec. This is at this point that the Members and the caucus from Quebec moved in and started to follow the situation closely, as is being done with all matters of great importance for Quebec. We had meetings with the federal Minister of Transport. There were meetings of the Quebec Members, especially those whose ridings are affected by this carrier, and we made suggestions to the federal Minister of Transport.

And this is why some ten days ago, last Monday to be more accurate, the Canadian Minister of Transport made an offer to his Quebec counterpart to solve the Quebecair matter once and for all. Later on, we received requests for further details from the Quebec government that did not seem to understand the federal offer very clearly. Details were submitted last Thursday, and once more, the Quebec government asked whether we could not consider putting Quebecair 1, the existing corporation back on its feet. The Minister of Transport clearly answered yesterday in this House, Mr. Speaker, that he and also we, Members of Parliament, from Quebec, did not see how we could salvage a company with such a huge deficit. However, the Minister of Transport gave another proof of his open-mindedness, and no later than today he indicated to his Quebec counterpart that he was ready to open negotiations to solve the issue. And next Monday, Mr. Speaker, a task force will meet to look at the possibility of finding a solution and whether we could not keep Quebecair afloat, which we do not believe possible, Mr. Speaker, but we will just the same make every effort to provide that service to people in Eastern Quebec and save Quebecair, and above all jobs for its employees.

The Acting Speaker (Mr. Corbin): Order, please. The motion to adjourn the House is now deemed to have been adopted. Accordingly, this House stands adjourned until tomorrow at eleven o'clock.

At 10.29 p.m., the House adjourned, without question put, pursuant to Standing Order.

END OF VOLUME XVIII